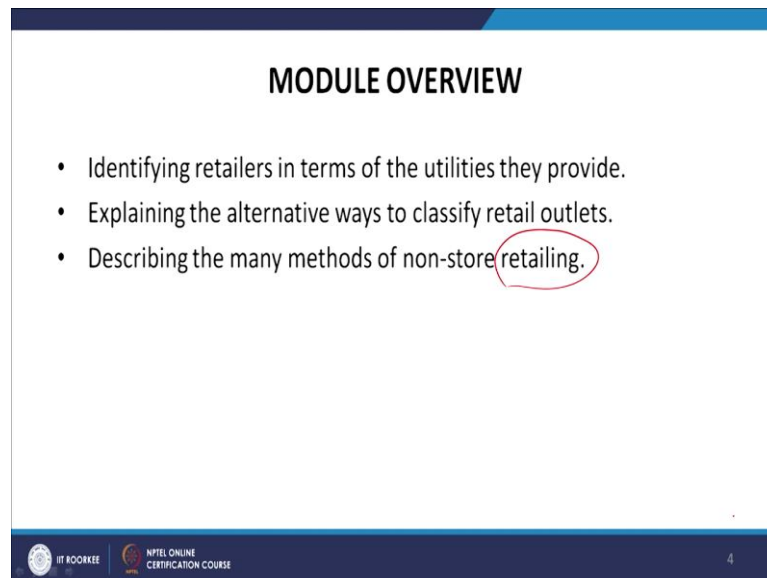


Introduction to Marketing Essentials
Prof. Zillur Rahman
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Indian Institute of Technology, Roorkee

Lecture – 29
Retailing and Wholesaling – I

Welcome to Introduction to Marketing Essentials. Now, we will start with module 29; these two modules 29 and 30, they will be covering Retailing and Wholesaling. Now, let us see, what we will talk about in module 29. So, this will identify retailers in terms of the utilities they provide, the utilities that we have talked about earlier.

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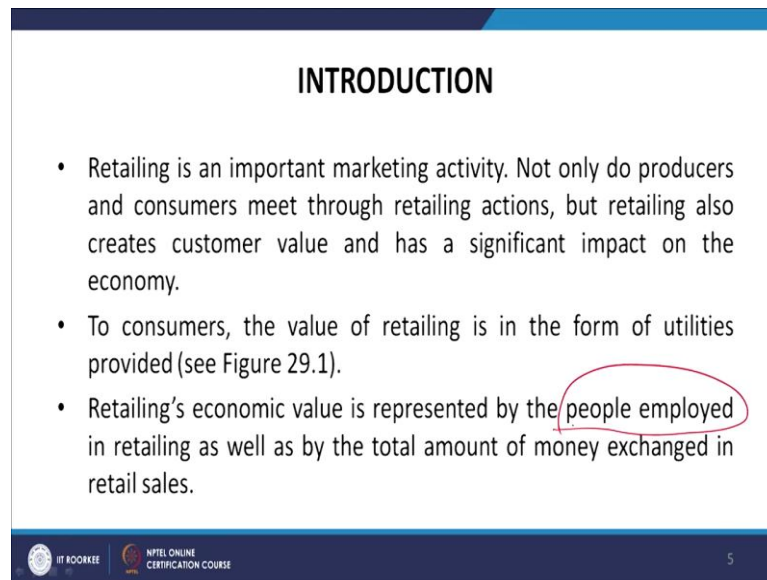
MODULE OVERVIEW

- Identifying retailers in terms of the utilities they provide.
- Explaining the alternative ways to classify retail outlets.
- Describing the many methods of non-store retailing.

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Then we will explain the alternative ways to classify the retail outlets and described the many methods of non store retailing. So, retailing is not always only store retailing, there are several methods of non store retailing also.

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INTRODUCTION

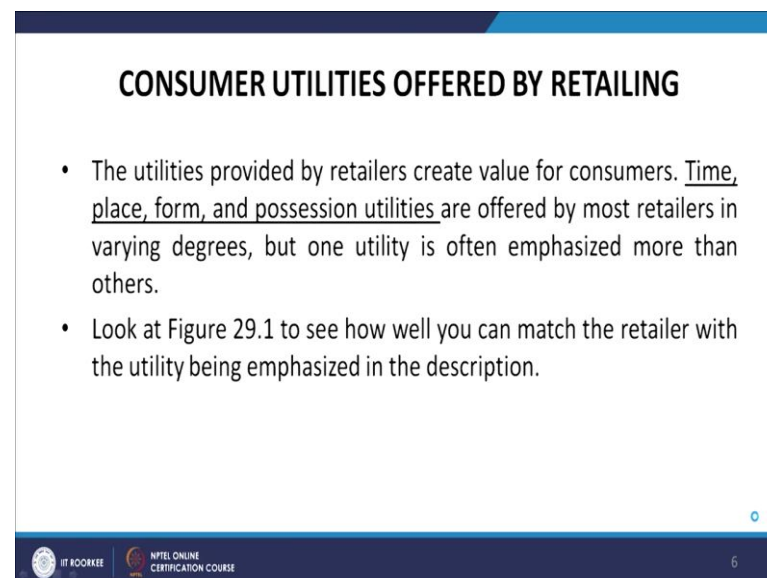
- Retailing is an important marketing activity. Not only do producers and consumers meet through retailing actions, but retailing also creates customer value and has a significant impact on the economy.
- To consumers, the value of retailing is in the form of utilities provided (see Figure 29.1).
- Retailing's economic value is represented by the people employed in retailing as well as by the total amount of money exchanged in retail sales.

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To start with, retailing is an important marketing activity. Not only do producers and consumers meet through retailing actions, but retailing also creates customer value and has a significant impact on the economy.

To the consumers, the value of retailing is in the form of utilities provided, so that we will see in the upcoming figure. And, retailing's economic value is represented by the people employed in retailing as well as the total amount of money that is exchanged in retail sales. So, retail employees' lots of people and also lot of money is exchanged.

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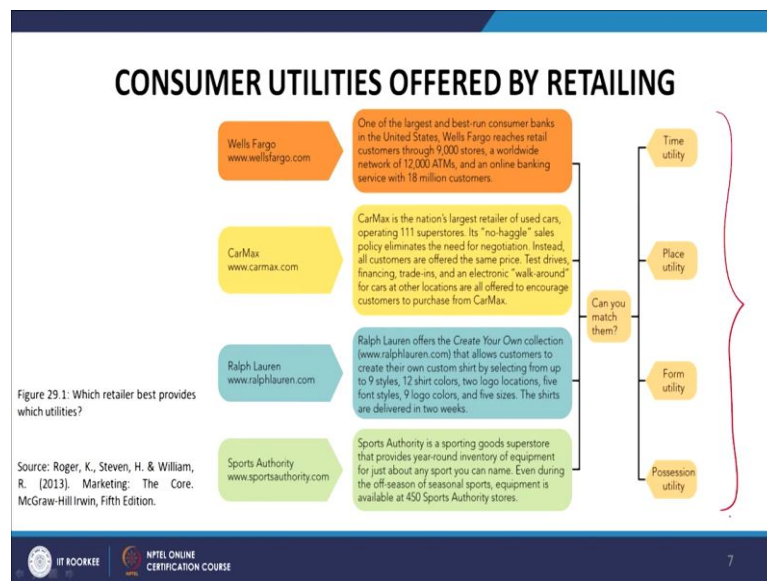
CONSUMER UTILITIES OFFERED BY RETAILING

- The utilities provided by retailers create value for consumers. Time, place, form, and possession utilities are offered by most retailers in varying degrees, but one utility is often emphasized more than others.
- Look at Figure 29.1 to see how well you can match the retailer with the utility being emphasized in the description.

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Now, let us look at the consumer utilities that are offered by retailing. The utilities provided by retailers create value for consumers. And these are time, place, form and possession utilities that are offered by most retailers, but in varying degree. So, why one utility is often emphasized more than other utility. Let us look at this figure 29.1 to see how well you can match the retailers with the utility being emphasized in the descriptions.

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So, now these are the various types of utilities and here we have the various retailers; all those retailers may not necessarily be Indian retailers. So, there is Wells Fargo and CarMax and Ralph Lauren and Sports Authority. So, this Wells Fargo is one of the largest and the best run consumer banks in the United States. Wells Fargo reaches retail consumers through 9000 stores or bank branches, a worldwide network of 12000 ATMs and an online banking service with 18 million customers.

Similarly, this Sports Authority is a sporting goods superstore that provides year round inventory of equipment for just about any sport you can name. Even during the offseason of seasonal sports, equipment is available at 450 Sports Authority stores. And now this is an exercise for you to match which kind of utility is provided by which of the retailing outlets.

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CONSUMER UTILITIES OFFERED BY RETAILING

- Providing mini banks in supermarkets, as Wells Fargo does, puts the bank's products and services close to the consumer, providing **place utility**. Indian banks providing ATMs in malls is also an example of place utility.
- By providing financing or leasing and taking used cars as trade-ins, CarMax makes the purchase easier and provides **possession utility**.
- **Form utility**—production or alteration of a product—is offered by Ralph Lauren through its online Create Your Own program, which offers shirts that meet each customer's specifications.

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So, providing mini banks in supermarkets, as Wells Fargo does, put the bank's products and services close to the consumers, providing place utility. So, the banks are where the consumer wants them, so that is how they provide the place utility. Indian banks provide ATMs in malls is also an example of the place utility.

By providing financing and leasing and taking used car as trade-ins, CarMax makes the purchase easier and provides position utility. So, CarMax is providing possession utility. Another kind of utility is the form utility; production or alteration of a product if offered by Ralph Lauren through its online Create Your Own Program, which offer shirts that meets each customer's specification. So, that is the form utility.

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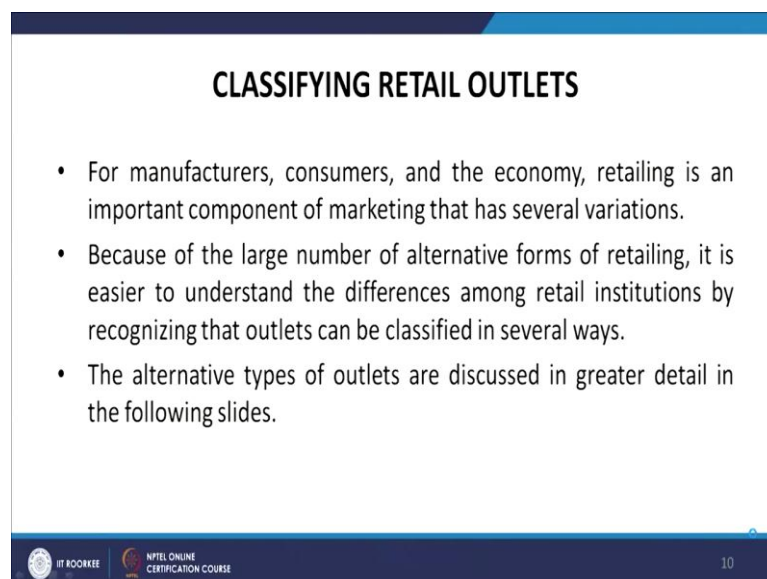
CONSUMER UTILITIES OFFERED BY RETAILING

- Finding the right sporting equipment during the off-season is the **time utility** provided by Sports Authority.
- Many retailers offer a combination of the four basic utilities.
- Some supermarkets, for example, offer convenient locations (place utility); are open 24 hours a day (time utility); customize purchases in the bakery, and florist (form utility); and allow several payment and credit options (possession utility).

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Now, finding the right sporting equipment during the off season is the time utility provided by Sports Authority. Many retailers offer a combination of the four basic utilities. Some supermarkets, for example, offer a convenient location that is place utility; are open 24 hours a day that is time utility; customized purchases in the bakery, and florist that is form utility and allow several payment and credit options that is possession utility.

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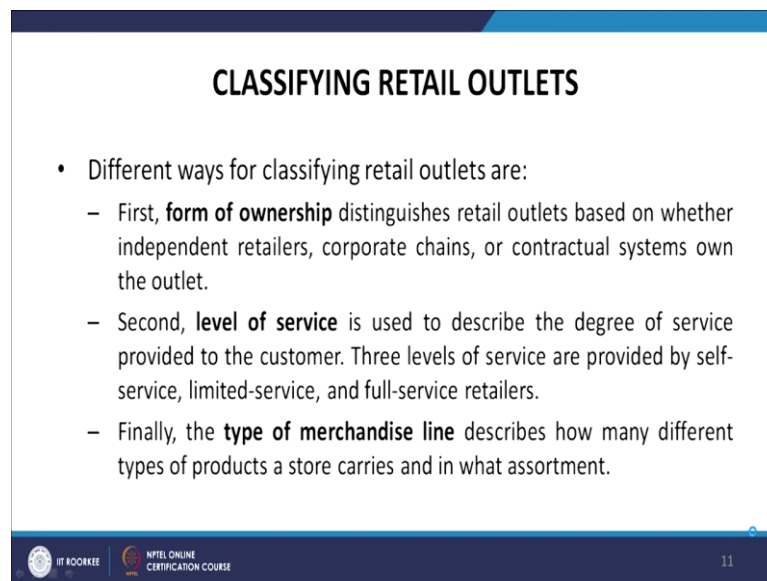
CLASSIFYING RETAIL OUTLETS

- For manufacturers, consumers, and the economy, retailing is an important component of marketing that has several variations.
- Because of the large number of alternative forms of retailing, it is easier to understand the differences among retail institutions by recognizing that outlets can be classified in several ways.
- The alternative types of outlets are discussed in greater detail in the following slides.

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Now, let us start with classifying retail outlets. For manufacturers, consumers, and the economy, retailing is an important component of marketing that has several variations. Because of the large number of alternative forms of retailing, it is easier to understand the differences among retail institutions by recognizing that outlets can be classified in several ways. The alternative types of outlets are discussed in greater detail in the upcoming slides.

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The slide is titled "CLASSIFYING RETAIL OUTLETS" in bold black text. Below the title is a bulleted list of three classification criteria. The first bullet point is "Different ways for classifying retail outlets are:", followed by three sub-bullets: "First, **form of ownership** distinguishes retail outlets based on whether independent retailers, corporate chains, or contractual systems own the outlet.", "Second, **level of service** is used to describe the degree of service provided to the customer. Three levels of service are provided by self-service, limited-service, and full-service retailers.", and "Finally, the **type of merchandise line** describes how many different types of products a store carries and in what assortment." The slide footer contains the IIT Roorkee logo, the text "IIT ROORKEE", "NPTEL ONLINE CERTIFICATION COURSE", and the number "11".

CLASSIFYING RETAIL OUTLETS

- Different ways for classifying retail outlets are:
 - First, **form of ownership** distinguishes retail outlets based on whether independent retailers, corporate chains, or contractual systems own the outlet.
 - Second, **level of service** is used to describe the degree of service provided to the customer. Three levels of service are provided by self-service, limited-service, and full-service retailers.
 - Finally, the **type of merchandise line** describes how many different types of products a store carries and in what assortment.

So, there are different ways for classifying the retail outlets; the first is, form of ownership that distinguishes retail outlets based on based on whether independent retailers, corporate chains or contractual systems own the outlet. The second form is the level of service the level of service is used to describe the degrees of service provided to the customer.

Now, three levels of services are provided and they are self-service, limited service and full service retailers. Finally, the type of merchandise line describes how many different types of products a store carries and in what assortment.

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**CLASSIFYING RETAIL OUTLETS
(FORM OF OWNERSHIP)**

- There are three general forms of retail ownership:
 1. Independent Retailer
 2. Corporate Chain
 3. Contractual Systems

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Now, when we are talking of the form of ownership, there are three general forms of retail ownerships that we have seen earlier. So, the first one is the independent retailers, the second is that they are part of a corporate chain, and the third is they have contractual systems. So, these are the three forms of retail ownerships.

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**CLASSIFYING RETAIL OUTLETS
(FORM OF OWNERSHIP)**

1. Independent Retailer:

- One of the most common forms of retail ownership is the independent business owned by an individual.
- Independent retailers include hardware stores, convenience stores, clothing stores, and computer and software stores.
- The advantage of this form of ownership for the owner is that he gets to be his own boss.
- For customers, the independent store can offer convenience, personal service, and lifestyle compatibility.

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Now, let us look at what are these independent retailers. Now, this is one of the most common forms of retail ownership; that is the independent business owned by an individual. So, there are lots of shops that are owned by individuals. So, independent

retailers include hardware stores, convenience stores, clothing stores and computer and software stores.

The advantage of this form of ownership for the owner is that, he gets to be his own boss. For customers the independent stores can offer convenience, personal service and lifestyle compatibility.

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**CLASSIFYING RETAIL OUTLETS
(FORM OF OWNERSHIP)**

2. Corporate Chain:

- A second form of ownership, the corporate chain, involves multiple outlets under common ownership.
- In a chain operation, centralization in decision making and purchasing is common.
- Chain stores have advantages in dealing with manufacturers, particularly as the size of the chain grows.

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Now, another form of ownership is that being a part of a corporate chain. A second form of ownership, the corporate chain, involves multiple outlets under common ownership. In a chain operation, centralization is in decision making and purchasing is common. Chain stores have advantages in dealing with manufacturers, particularly as the size of the chain grows.

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**CLASSIFYING RETAIL OUTLETS
(FORM OF OWNERSHIP)**

2. Corporate Chain:

- A large chain can bargain with a manufacturer to obtain good service or volume discounts on orders. Big Bazaar's large volume makes it a strong negotiator with manufacturers of most products.
- The buying power of chains is seen when consumers compare chain store prices with other types of stores.
- Consumers also benefit in dealing with chains because there are multiple outlets with similar merchandise and consistent management policies.

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A large chain can bargain with the manufacturer to obtain good service or volume discounts on orders. So, for example, Big Bazaar's large volume makes it a strong negotiator with manufacturers of most products. The buying power of chains is seen when consumers compare chain store prices with other types of stores.

Consumers also benefit in dealing with chains, because there are multiple outlets with similar merchandise and consistent management policies.

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**CLASSIFYING RETAIL OUTLETS
(FORM OF OWNERSHIP)**

2. Corporate Chain:

- Retailing has become a high-tech business for many large chains.
- Walmart, for example, has developed a sophisticated inventory management and cost control system that allows rapid price changes for each product in every store.
- In addition, stores such as Walmart and Target are implementing pioneering new technologies such as radio frequency identification (RFID) tags to improve the quality of information available about products.

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Retailing has become a high technology business for many large chains. Wal-Mart for example, has developed a sophisticated inventory management and cost control systems that allows rapid price changes for each product in every store. In addition, stores such as Wal-Mart and Target are implementing pioneering new technologies such as radio frequency identification devices that has RFID tags to improve the quality of information available about products.

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**CLASSIFYING RETAIL OUTLETS
(FORM OF OWNERSHIP)**

3. Contractual Systems:

- Contractual systems involve independently owned stores that band together to act like a chain.
- The three kinds described in previous modules are:
 - i. Retailer Sponsored Cooperatives
 - ii. Wholesaler- Sponsored Voluntary Chains
 - iii. Franchises

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The third form of ownership is contractual systems. Contractual systems involves independently owned stores that brand together to act like a chain. The three kinds described in previous module are retailer sponsored cooperatives, wholesale sponsored voluntary chains, and franchises.

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**CLASSIFYING RETAIL OUTLETS
(FORM OF OWNERSHIP)**

3. Contractual Systems:

i. Retailer Sponsored Cooperatives:

- A related example in Indian context could be of Apna Bazar, which procures green vegetables & fruits such as mangoes and rice, wheat, dals, cereals, etc. direct from the farmers.
- In this way, members can take advantage of volume discounts commonly available to chains and also give the impression of being a large chain, which may be viewed more favorably by some consumers.

ii. Wholesaler-sponsored voluntary chains such as Independent Grocers' Alliance (IGA) try to achieve similar benefits.

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Now, let us look at each one of them. So, the first is the retail sponsored cooperatives. A related example in Indian context could be of Apna Bazar, which procures green vegetables and fruits such as mangoes and rice, wheat, dals, cereals, etcetera direct from the farmer. In this way members can take advantage of volume discounts commonly available to chains and also give the impression of being a large chain, which may be viewed more favourably by some consumers. Then comes wholesaler sponsored voluntary chains, such as Independent Grocer's Alliances, they try to achieve similar benefit.

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**CLASSIFYING RETAIL OUTLETS
(FORM OF OWNERSHIP)**

3. Contractual Systems:

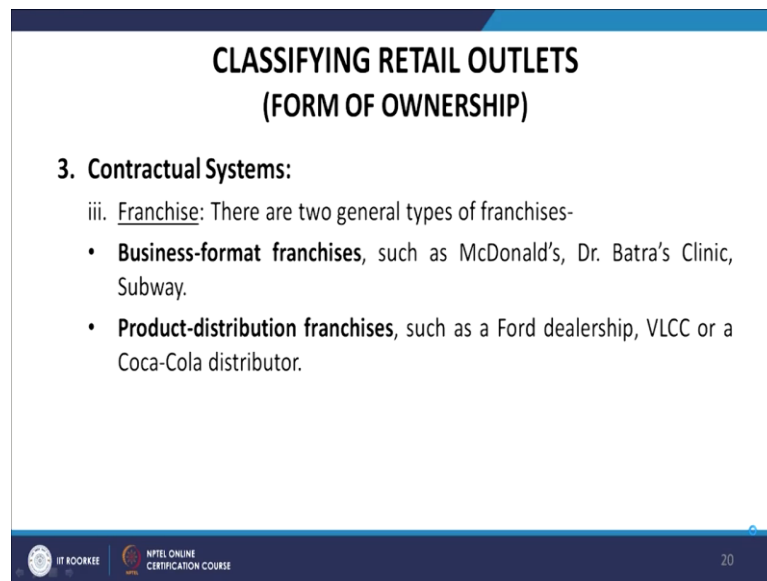
iii. Franchise:

- In a franchise system an individual or firm (the franchisee) contracts with a parent company (the franchisor) to set up a business or retail outlet.
- The franchisor usually assists in selecting the location, setting up the store or facility, advertising, and training personnel.
- The franchisee usually pays a onetime franchise fee and an annual royalty, usually tied to the franchise's sales.

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The third types are the franchises. In a franchise system an individual or firm that is the franchisee, contracts with the parent company that is the franchisor, to set up a business or retail outlet. The franchisor usually assists in selecting the location, setting up the store or facility, advertising and training the personnel. The franchisee usually pays a one-time franchise fee and an annual royalty, usually tied to the franchise's sales.

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**CLASSIFYING RETAIL OUTLETS
(FORM OF OWNERSHIP)**

3. Contractual Systems:

iii. Franchise: There are two general types of franchises-

- **Business-format franchises**, such as McDonald's, Dr. Batra's Clinic, Subway.
- **Product-distribution franchises**, such as a Ford dealership, VLCC or a Coca-Cola distributor.

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Now the third is franchise, so there are two general type of franchise; the first is business format franchise, such as McDonald's, Dr. Batra's Clinic and Subway. And then there are product distribution franchises, such as Ford dealerships, VLCC or Coca Cola distributors.

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**CLASSIFYING RETAIL OUTLETS
(FORM OF OWNERSHIP)**

3. Contractual Systems:

iii. Franchise:

- In business-format franchising, the franchisor provides step-by-step procedures for most aspects of the business and guidelines for the most likely decisions a franchisee will face.
- In product-distribution franchising, the franchisor provides a few general guidelines and the franchisee is much more independent.

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In business format franchising, the franchisor provides step by step procedures for most aspect of the business and guidelines for the most likely decisions a franchisee will face. In product distribution franchising, the franchisor provides a few general guidelines and the franchisee is much more independent.

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**CLASSIFYING RETAIL OUTLETS
(FORM OF OWNERSHIP)**

3. Contractual Systems:

iii. Franchise:

- By selling franchises, an organization reduces the cost of expansion but loses some control.
- A good franchisor, however, will maintain strong control of the outlets in terms of delivery and presentation of merchandise and try to enhance recognition of the franchise name.

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By selling franchises, an organization reduces the cost of expansion, but loses some control over the operations. A good franchisor, however, will maintain strong control of

the outlet in terms of delivery and presentation of merchandise and try to enhance recognition of the franchise name.

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**CLASSIFYING RETAIL OUTLETS
(LEVEL OF SERVICE)**

- Even though most customers perceive little variation in retail outlets by form of ownership, differences among retailers are more obvious in terms of level of service.
- There are three categories based on level of service:
 1. Self Service
 2. Limited Service
 3. Full Service

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Another method of classifying retail outlet as we have seen earlier is the level of service. Now, let us talk about this type of classified retail outlets.

So, even though most consumers perceive little variation in retail outlet by forms of ownership, differences among retailers are more obvious in terms of the level of service. And there are three categories that are based on the level of service; the first is the self service, then comes limited service followed by full service.

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CLASSIFYING RETAIL OUTLETS (LEVEL OF SERVICE)

1. Self Service:

- Self-service requires that customers perform many functions during the purchase process.
- Fast food stores, McDonalds for example, are usually self-service, with all non-essential customer services eliminated.
- Similarly, supermarkets, and airlines today have self-service lanes and terminals.
- In general, the trend is toward retailing experiences that make customers co-creators of the value they receive.

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Now, let us see what happens in self-service. Self-service requires that customers perform many functions during the purchase process themselves. Fast food stores, McDonald's for example, are usually self-service with all non-essential customer services eliminated.

Similarly, supermarkets, and airlines today have self service lanes and terminals. In general, the trend is towards retailing experience that makes customers co-creator of the value they receive.

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CLASSIFYING RETAIL OUTLETS (LEVEL OF SERVICE)

2. Limited Service:

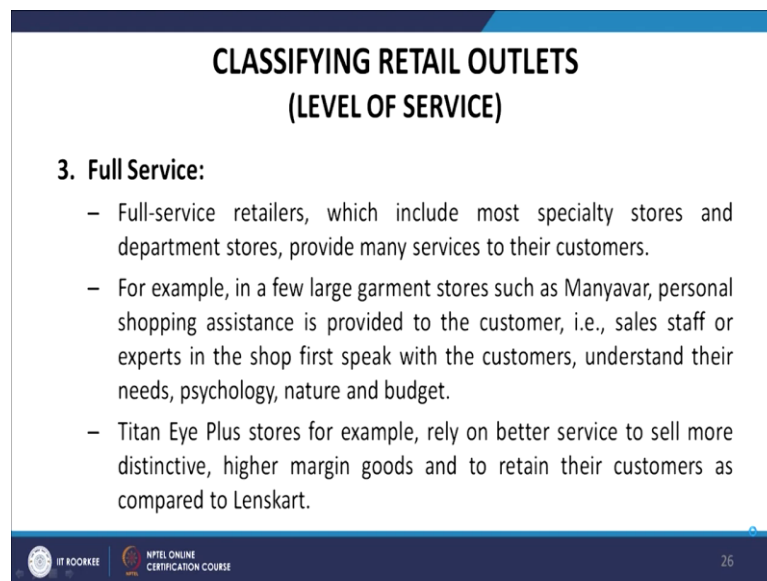
- Limited-service outlets provide some services, such as credit and merchandise return, but not others, such as clothing alterations.
- General merchandise stores such as Walmart, IKEA, Easy Day and Shoppers Stop are usually considered limited service outlets.
- Customers are responsible for most shopping activities, although salespeople are available in some departments such as consumer electronics, jewelry, and lawn and garden.

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The second classification on the level of service is the limited service. So, limited service outlets provide some service such as credit and merchandise returns, but not others, such as clothing alterations. General merchandise stores such as Wal-Mart, IKEA, Easy Day and Shoppers Stop are usually considered limited service outlets. Customers are responsible for most shopping activities, although sales people are available in some departments such as consumer electronics, jewellery and lawn and garden accessories.

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**CLASSIFYING RETAIL OUTLETS
(LEVEL OF SERVICE)**

3. Full Service:

- Full-service retailers, which include most specialty stores and department stores, provide many services to their customers.
- For example, in a few large garment stores such as Manyavar, personal shopping assistance is provided to the customer, i.e., sales staff or experts in the shop first speak with the customers, understand their needs, psychology, nature and budget.
- Titan Eye Plus stores for example, rely on better service to sell more distinctive, higher margin goods and to retain their customers as compared to Lenskart.

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Next type of classification is based on the full service. Full service retailers which include most speciality stores and department stores, provide many services to the customers. For example, a large garment store such as Manyavar, personal shopping assistance is provided to the customer.

For example, sales staff or experts in the shop; first speak with the customer, understand their needs, psychology, nature and budget. Titan Eye Plus stores for example, rely on better service to sell more distinctive, high margin goods and to retain their customers as compared to Lenskart.

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**CLASSIFYING RETAIL OUTLETS
(TYPE OF MERCHANDISE LINE)**

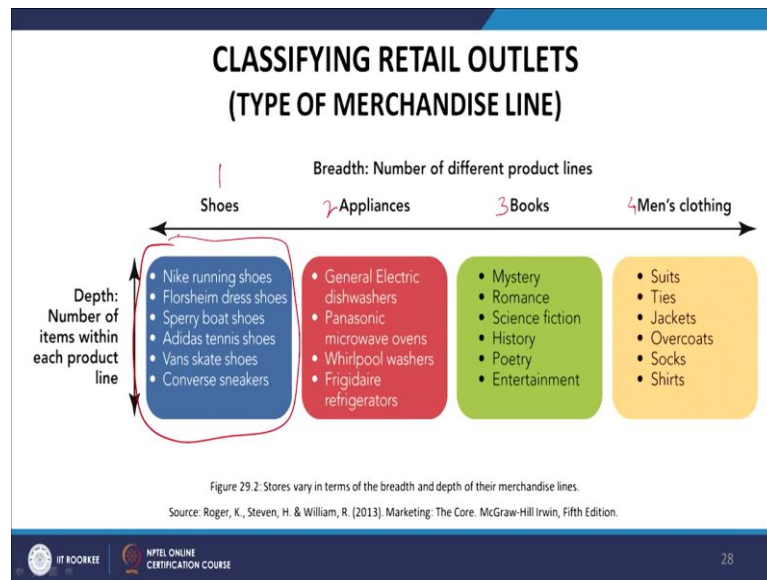
- Retail outlets also vary by their merchandise lines, the key distinction being the breadth and depth of the items offered to customers (see Figure 29.2).
- Depth of product line means the store carries a large assortment of each item, such as a shoe store that offers running shoes, dress shoes, and children's shoes.
- Breadth of product line refers to the variety of different items a store carries, such as appliances and books.

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Another type of classification of retail outlet is on the basis of the type of merchandise line. Retail stores also vary by their merchandise lines, the key distinction being the breadth and depth of the items offered to the customers, so that we will see in figure 29.2.

Depth of a product line means that the store carries a large assortment of each item, such as a shoe store that offers running shoes, dress shoes and children shoes, male shoes and female shoes and sandals and so on. Breadth of a product line refers to the variety of different items a store carries, such as appliances and books.

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Now, let us look at this figure 29.2, here we have the breadth that is the number of different product lines. So, now, you can see that, in a one particular store there are shoes, there are appliances, there are books and there are men clothing. And here on this axis that is the y axis, we have depth; that is the number of items within each product line. So, now, when we are talking of shoes; the depth represents the Nike running shoe, Florsheim dress shoes, a Sperry boat shoes, Adidas tennis shoes Vans skate shoes and Converse sneakers.

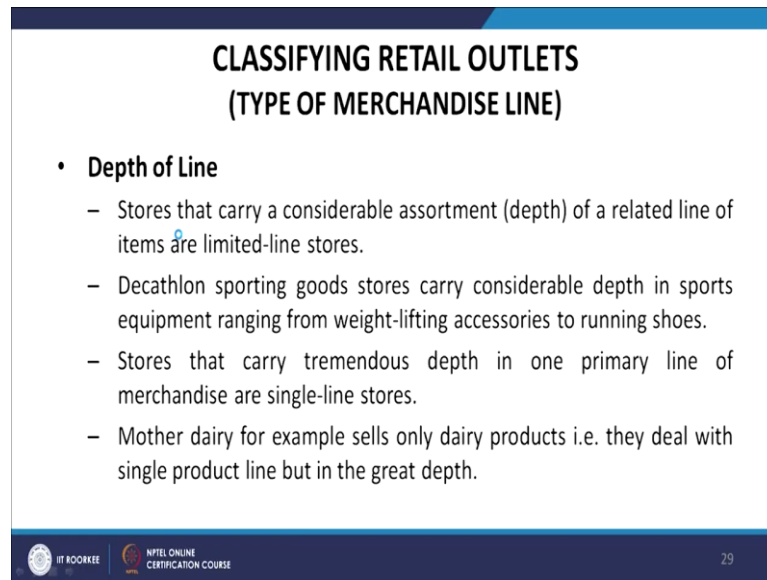
So, you see that, in this store we have so many number of different types of shoes; running shoes and dress shoes and sneakers, etcetera. Next in this line of breadth are the appliances. So, now, this store carries general electric dishwashers, it also carries Panasonic microwave ovens, Whirlpool washers and Frigidaire refrigerators.

The third product line in this store is that of books, and they carry books on mystery, romance, science fiction, history, poetry and entertainment; while in men's clothing they carry suits, ties, jackets, overcoats, socks and shirts.

So, now, you see that, this is the type of merchandise line. So, one store can have only shoes or they may have only Nike shoes; then at the same time, another store will have shoes and appliances; the third may carry shoes appliances and books; the fourth type may carry all these four things and many other product lines that a store may be carrying.

So, both of them are important; the breadth of the product lines that is the different product lines that they carry, and also the depth number of items within each product line.

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**CLASSIFYING RETAIL OUTLETS
(TYPE OF MERCHANDISE LINE)**

- **Depth of Line**
 - Stores that carry a considerable assortment (depth) of a related line of items are limited-line stores.
 - Decathlon sporting goods stores carry considerable depth in sports equipment ranging from weight-lifting accessories to running shoes.
 - Stores that carry tremendous depth in one primary line of merchandise are single-line stores.
 - Mother dairy for example sells only dairy products i.e. they deal with single product line but in the great depth.

IT ROORKEE NPTEL ONLINE CERTIFICATION COURSE 29

Now, let us look at, what is this depth of line. Stores that carry a considerable assortment that is depth of a related line of items are limited line stores.

Decathlon sporting goods store carry considerable depth in sports equipment ranging from weightlifting accessories to running shoes. So, stores that carry tremendous depth in one primary line of merchandise are single line stores. Mother dairy for example, sells only dairy products; that is they deal with single product line, but in greater depth.

So, they are selling only milk products, but there are dairy products; but there are several of these dairy products that mother dairy sells.

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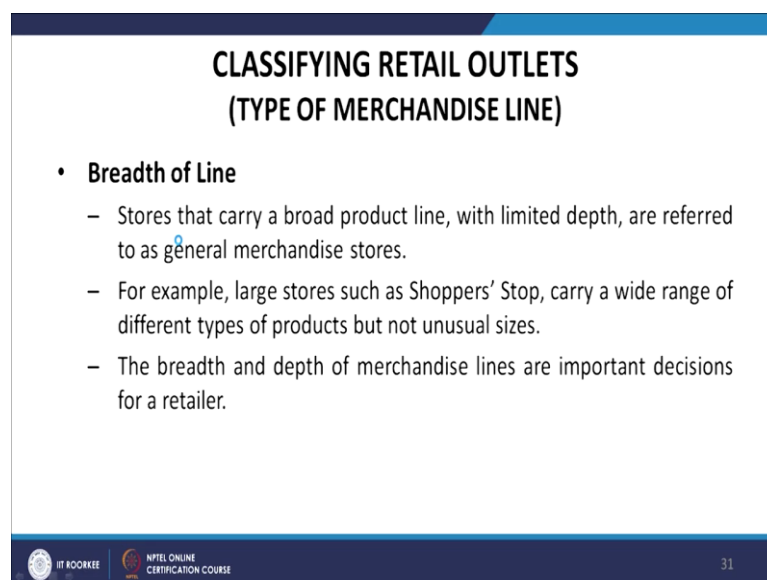
**CLASSIFYING RETAIL OUTLETS
(TYPE OF MERCHANDISE LINE)**

- **Depth of Line**
 - Both limited- and single-line stores are often referred to as speciality outlets.
 - Speciality discount outlets focus on one type of product, such as electronics (Chroma), or medicines (Apollo Pharmacy), at very competitive prices.
 - These outlets are referred to in the trade as category killers because they often dominate the market.

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Both limited and single line stores are often referred to as speciality outlets. Speciality discount outlets focus on one type of product, such as electronics that is Chroma or medicines for example, Apollo pharmacy at very competitive prices. Now, these outlets are referred to in the trade as category killers, because they often dominate the market in which they are operating.

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**CLASSIFYING RETAIL OUTLETS
(TYPE OF MERCHANDISE LINE)**

- **Breadth of Line**
 - Stores that carry a broad product line, with limited depth, are referred to as general merchandise stores.
 - For example, large stores such as Shoppers' Stop, carry a wide range of different types of products but not unusual sizes.
 - The breadth and depth of merchandise lines are important decisions for a retailer.

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Now, let us look at what is this breadth of the product line. So, stores that carry a broad product line with limited depth are referred to as general merchandise stores. For

example, large stores such as Shoppers Stop carry a wide range of different types of products, but not unusual sizes. The breadth and depth of merchandise lines are important decisions for a retailer.

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CLASSIFYING RETAIL OUTLETS
(TYPE OF MERCHANDISE LINE)

- **Breadth of Line**
 - Traditionally, outlets carried related lines of goods.
 - Today, however, **scrambled merchandising**, offering several unrelated product lines in a single store, is common.
 - The modern drugstore carries food, camera equipment, magazines, paper products, toys, small hardware items, and pharmaceuticals. Supermarkets sell videos and flowers and print photos.

IT ROORKEE NPTEL ONLINE CERTIFICATION COURSE 32

Traditionally, outlets carried related lines of goods. Today, however, scrambled merchandising offers several unrelated product lines in a single store and this is a common phenomenon.

The modern drug store carries food, camera equipment, magazines, paper products, toys, small hardware items, and pharmaceuticals. Supermarket sells videos and flowers and they also print photos.

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NONSTORE RETAILING

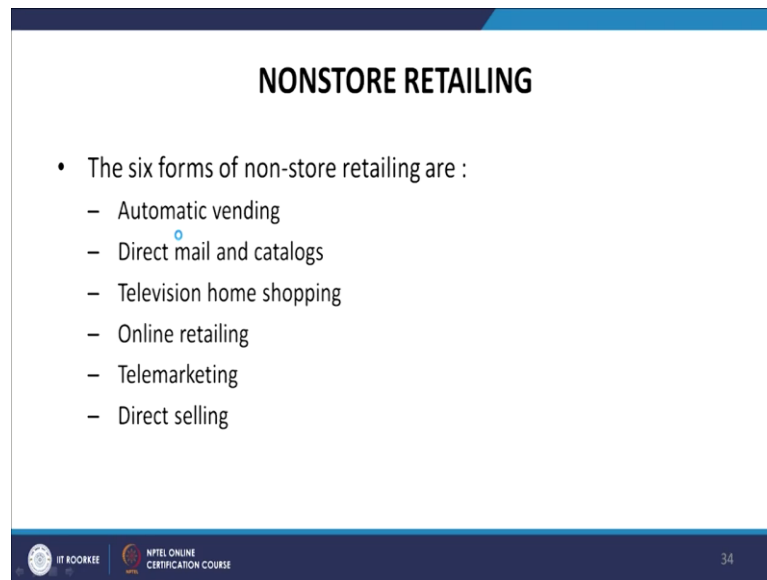
- Most of the retailing examples discussed thus far in the module, such as corporate chains, department stores, and limited- and single-line specialty stores, involve store retailing.
- Many retailing activities today, however, are not limited to sales in a store.
- Non-store retailing occurs outside a retail outlet through activities that involve varying levels of customer and retailer involvement.

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Now, another important thing that you that you should understand is, what is this non store retailing? So, we see lots of stores all around us, but this non store retailing is also increasing.

So, most of the retailing examples discuss so far in this module, such as the corporate chains, department stores and limited and single line specialty stores involves store retailing. Many retailing activities today, however, are not limited to sales in a store. Non store retailing occurs outside a retail outlet through activities that involve varying levels of customer and retailer involvement.

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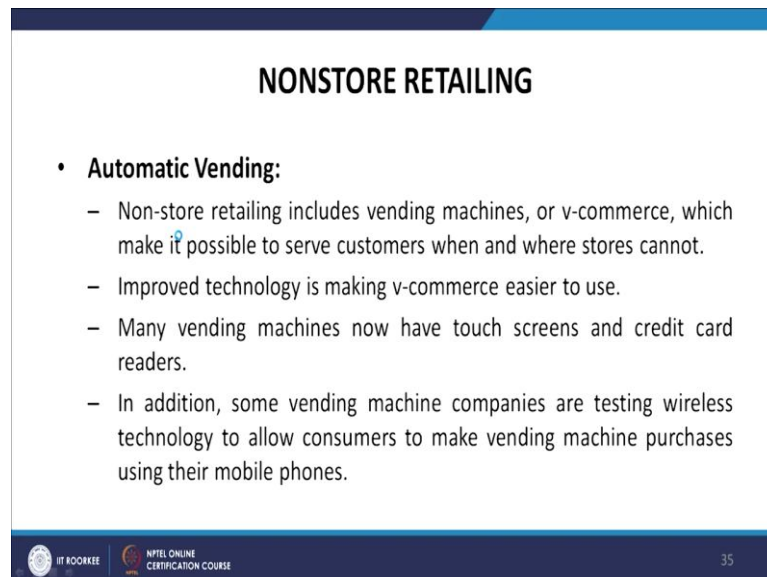
NONSTORE RETAILING

- The six forms of non-store retailing are :
 - Automatic vending
 - Direct mail and catalogs
 - Television home shopping
 - Online retailing
 - Telemarketing
 - Direct selling

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Now, there are six forms of non-store retailing; the first is the automatic vending machines, the second is direct mails and catalogs, the third is television home shopping, then comes online retailing, followed by telemarketing, and in the last is the direct selling.

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NONSTORE RETAILING

- **Automatic Vending:**
 - Non-store retailing includes vending machines, or v-commerce, which make it possible to serve customers when and where stores cannot.
 - Improved technology is making v-commerce easier to use.
 - Many vending machines now have touch screens and credit card readers.
 - In addition, some vending machine companies are testing wireless technology to allow consumers to make vending machine purchases using their mobile phones.

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Now, let us look at each one of them in detail. So, what happens in this automatic vending is, non-store retailing includes vending machines or v commerce, which makes it possible to serve customers when and where stores cannot.

So, you will find lots of automatic vending machines at airports etcetera. Improved technology is making v commerce easier to use. Many vending machines now have touch screens and credit card readers. In addition, some vending machine companies are testing wireless technology to allow consumers to make vending machine purchases using their mobile phones.

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NONSTORE RETAILING

- **Automatic Vending:**
 - Another improvement in vending machines is the trend toward “green” machines, which consume less energy by using more efficient compressors, more efficient lighting, and better insulation.
 - The use of vending machines is limited in India, none the less, brands such as Mother Dairy and Xiaomi have installed kiosks for dispensing milk and mobiles in some metropolitan cities in India.

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Other improvement in vending machines is the trend towards green machine, which consumes less energy by using more efficient compressors, more efficient lighting and better insulation. The use of vending machine is limited in India, but brand such as Mother Dairy and Xiaomi have installed kiosks for dispensing milk and mobiles in some metropolitan cities in India.

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NONSTORE RETAILING

- **Direct Mail and Catalogs:**
 - Direct-mail and catalog retailing has been called “the store that comes to the door.”
 - It is attractive for several reasons.
 - First, it can eliminate the cost of a store and clerks. Dell, for example, is one of the largest computer and information technology retailers, and it does not have any stores.

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Another form of non store retailing is the direct mails and catalogs. Direct mails and catalog retailing can be called as the store that comes to the door. So, now, this store comes to the door, by way of mails. It is attractive for several reasons. So, the first reason for it being attractive is that, it can eliminate the cost of a store and the personnel that are there, the clerks. Dell, for example, is one of the largest computer and information technology retailers, and it does not have any stores. So, all it does is to sell through direct mails and catalogs, and other methods of non-store retailing.

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NONSTORE RETAILING

- **Direct Mail and Catalogs:**
 - Second, direct mail and catalogs improve marketing efficiency through segmentation and targeting, and they create customer value by providing a fast and convenient means of making a purchase.
 - Finally, many catalogs now serve as a tool to encourage consumers to visit a website, a social media page, or even a store.
 - Online retailers such as Amazon, and eBay, for example, now offer catalogs.

IT ROORKEE NPTEL ONLINE CERTIFICATION COURSE 38

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The slide is titled "NONSTORE RETAILING" in bold black text. Below the title, there is a bullet point: "• **Television Home Shopping:**". Under this bullet point, there are two sub-bullets: "- Television home shopping is possible when consumers watch a shopping channel on which products are displayed; orders are then placed over the telephone or the Internet." and "- The Indian teleshopping market is controlled by the following major players: Naaptol Online Shopping Private Limited, TV18 Home Shopping Network Limited, TVC Sky Shop Limited." The slide has a blue header and footer. The footer contains the IIT ROORKEE logo, the NPTEL ONLINE CERTIFICATION COURSE logo, and the number 39.

NONSTORE RETAILING

- **Television Home Shopping:**
 - Television home shopping is possible when consumers watch a shopping channel on which products are displayed; orders are then placed over the telephone or the Internet.
 - The Indian teleshopping market is controlled by the following major players: Naaptol Online Shopping Private Limited, TV18 Home Shopping Network Limited, TVC Sky Shop Limited.

IIT ROORKEE NPTEL ONLINE CERTIFICATION COURSE 39

Another type of non-store retailing is which is common in several countries is television home shopping. Television home shopping is possible when consumers watch a shopping channel on which products are displayed; orders are then placed over the telephone or the internet. The Indian teleshopping market is controlled by the following major players. So, one is Naaptol Online Shopping Private Limited; then there is TV18 Home Shopping Network Limited and TVC Sky Shop Limited.

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NONSTORE RETAILING

- **Television Home Shopping:**
 - In the past, television home shopping programs have attracted mostly 40- to 60-year-old women.
 - However players have modified the content to better engage customers and introduced products at rates lower than market prices.
 - The shopping programs are also using other forms of retailing.
 - Several television shopping programs are developing online platforms, to attract new customers, and interactive technology that allows viewers to place orders using their remote control rather than the telephone.

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In the past, television home shopping program have attracted mostly 40 to 50 year old women. However players have modified the content to better engage customers and introduced products at rate lower than market prices. The shopping programs are also using other forms of retailing. Several television shopping programs are developing online platforms to attract new customers and interactive technology that allows viewers, watchers to place orders using their remote control rather than the telephone.

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NONSTORE RETAILING

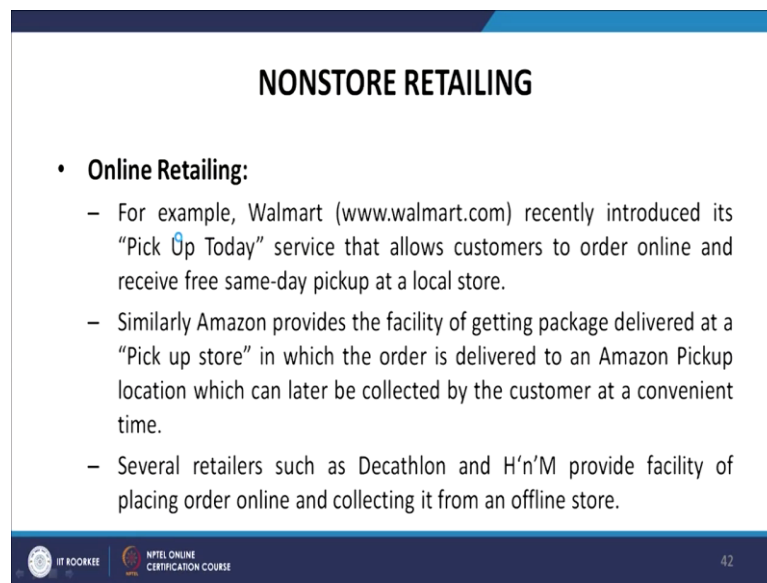
- **Online Retailing:**
 - Online retailing allows consumers to search for, evaluate, and order products through the Internet.
 - For many consumers the advantages of this form of retailing are the 24-hour access, the ability to comparison shop, in-home privacy, and variety.
 - Traditional and online retailers—“bricks and clicks”—are using experiences from both approaches to create better value and experiences for customers.

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Another form of non-store retailing is online retailing. Online retailing allows customers to search for, evaluate, and order products through the internet. For many consumers, the advantage of this form of retailing are the 24 hour access, the ability to comparison shopping, in home privacy and variety.

Traditional and online retailers, which are called as bricks and clicks retailers are using experience from both approaches to create better value and experience for the customers.

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NONSTORE RETAILING

- **Online Retailing:**
 - For example, Walmart (www.walmart.com) recently introduced its “Pick Up Today” service that allows customers to order online and receive free same-day pickup at a local store.
 - Similarly Amazon provides the facility of getting package delivered at a “Pickup store” in which the order is delivered to an Amazon Pickup location which can later be collected by the customer at a convenient time.
 - Several retailers such as Decathlon and H’n’M provide facility of placing order online and collecting it from an offline store.

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For example, Wal-Mart recently introduced its pick up today service that allows customers to order online and receive free same day pick up at a local store.

Similarly, Amazon provides the facility of getting package delivered at a pickup store in which the order is delivered to an Amazon Pickup location which can later be collected by the customer at a convenient time. Several retailers such as Decathlon and H ‘n’ M provide facility of placing orders online and collecting it from an offline store.

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NONSTORE RETAILING

- **Online Retailing:**
 - One of the biggest problems online retailers face is that nearly two-thirds of online shoppers make it to “checkout” and then leave the website to compare shipping costs and prices on other sites.
 - A majority (almost 70%) of the shoppers who leave carts at checkout stage do not return.

IT ROORKEE NPTEL ONLINE CERTIFICATION COURSE 43

One of the biggest problems online retailer face is that, nearly two third of online shoppers make it to check out and then leave the website to compare shipping cost and prices on other websites. A Majority almost 70 percent of the shoppers who leave carts at checkout stages do not return.

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NONSTORE RETAILING

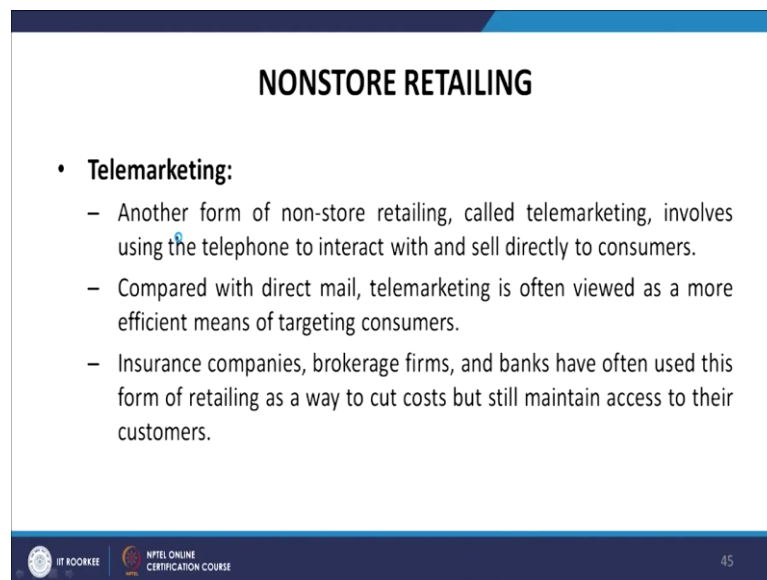
- **Online Retailing:**
 - One way online retailers are addressing this issue is to offer consumers a comparison of competitors’ offerings.
 - Experts suggest that online retailers should think of their websites as dynamic billboards and be visible to search engines if they are to attract and retain customers.
 - Online retailers are also trying to improve the online retailing experience by adding experiential or interactive activities to their websites.

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One way online retailers are addressing this issue is to offer consumers a comparison of competitor’s offerings.

Experts suggest that online retailers should think of their websites as dynamic billboards and be visible to search engines if they are to attract and retain the customers. Online retailers are also trying to improve the online retailing experience by adding experiential or interactive activities to their websites.

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The slide is titled "NONSTORE RETAILING" in bold black text. Below the title is a bulleted list with the following items:

- **Telemarketing:**
 - Another form of non-store retailing, called telemarketing, involves using the telephone to interact with and sell directly to consumers.
 - Compared with direct mail, telemarketing is often viewed as a more efficient means of targeting consumers.
 - Insurance companies, brokerage firms, and banks have often used this form of retailing as a way to cut costs but still maintain access to their customers.

At the bottom of the slide, there are logos for "IIT ROORKEE" and "NTEL ONLINE CERTIFICATION COURSE", along with the number "45" in the bottom right corner.

Another form of non store retailing is telemarketing. So, and this form of non-store retailing involves using the telephone to interact with and send and sell directly to consumers.

Compared with direct mail, telemarketing is often viewed as a more efficient means of targeting customers. Insurance companies, brokerage firms and banks have often used this form of retailing as a way to cut cost, but still maintain access to their customers.

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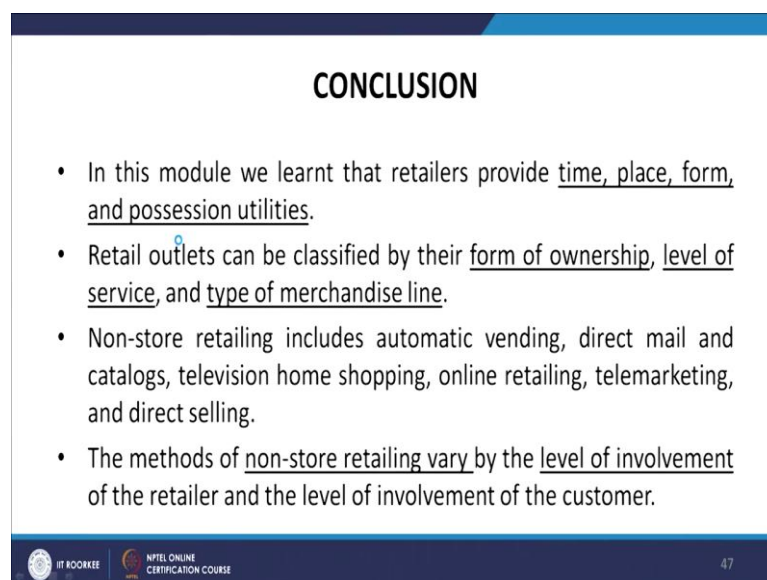
NONSTORE RETAILING

- **Direct Selling:**
 - Direct selling, sometimes called door-to-door retailing, involves direct sales of goods and services to consumers through personal interactions and demonstrations in their home or office.
 - A variety of companies, including familiar names such as Oriflamme, Amway and Tupperware have created an industry by providing consumers with good quality products, personalized service and convenience.

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Now, let us look at direct selling. So, it is also sometimes called as door to door retailing, it involves direct sales of goods and services to consumers through personal interactions and demonstrations in their home or office. A variety of companies including familiar name such as Oriflamme, Amway and Tupperware have created an industry by providing consumers with good quality products, personalized service and convenience.

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CONCLUSION

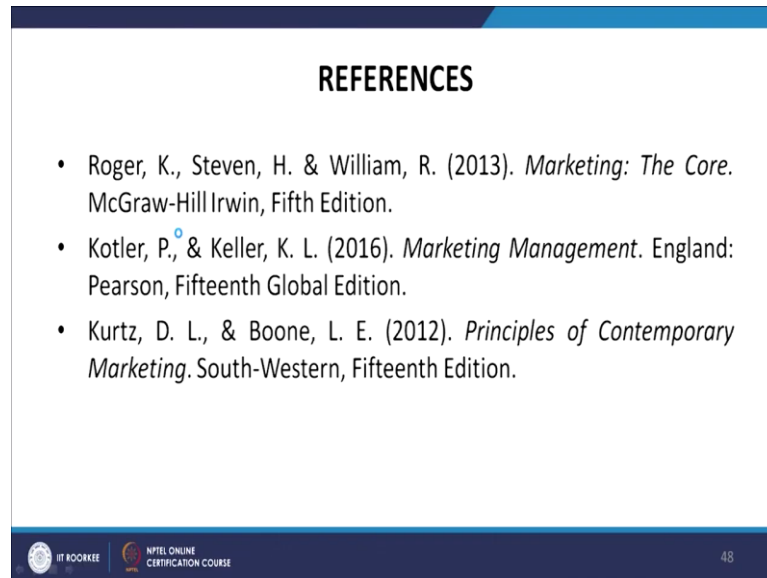
- In this module we learnt that retailers provide time, place, form, and possession utilities.
- Retail outlets can be classified by their form of ownership, level of service, and type of merchandise line.
- Non-store retailing includes automatic vending, direct mail and catalogs, television home shopping, online retailing, telemarketing, and direct selling.
- The methods of non-store retailing vary by the level of involvement of the retailer and the level of involvement of the customer.

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So, in order to conclude, in this module we have learnt that retailers provide time, place, form and possession utilities.

Retail outlets can be classified by their form of ownership, level of service and type of merchandise line. Non store retailing includes automatic vending, direct mail and catalogs, televisions home shopping, online retailing, and telemarketing and direct selling. The methods of non-store retailing vary by the level of involvement of the retailer and the level of involvement of the customer.

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And these are the three books used for this module.

Thank you.