

**Retail Management**  
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**Lecture – 16**  
**Web, Non Store-Based and Other Forms of Nontraditional Retailing**

Hello everybody, welcome to the NPTEL Swayam course on retail management. This is Professor Swagato Chatterjee from IIT Kharagpur, VGSOM, who is taking this course for you. We are in week 3. This is lecture 16 and we are discussing basically about non-traditional retailing including web and non-store-based retailing. So, in the last lecture we discussed about one non-traditional or non-store-based retailing which is basically this Naaptol kind of retail stores which are direct marketing.

But now we are coming to web and web is a very important factor and it has come with the I would say spread of internet. Internet has become cheap now, internet has become available now, smartphones have become cheap now. So, because of all these different kinds of reasons, people are adopting internet based retailing a lot and that is why in India or many other countries. Like developed countries they were already there, but in these developing countries also they are being adopted like anything.

So initially people had an apprehension about online retailing. There were lots of different kinds of apprehensions. There were apprehensions related to the safety, security, what happens with the credit card, what happens of the online banking information that I give, whether somebody will cheat or fraud me and etc. So, those were issues and people have overcome, as younger generations have become a prominent part of the consumer base, slowly you will see the more.

And they have lots of disposable income also after the liberalization of the economy. So, people basically have money in their hand, they can spend, they can buy whatever products they want, and they want the right product at the right time at the right place. They do not want a very standardized kind of product and that is why there are lots of retail stores, online retail stores have come off of different levels.

So there will be standardized retail stores like let us say where products are very fixed, very standardized and it is a Walmart or if I talk about Amazon or Flipkart these are very large. But the advantage is that because they are retail stores, which are online retail stores, they can have huge number of products in them. So sometimes they work as what we call market space in this particular context or marketplace in this particular context, but multiple companies come up and sell in their platform.

So, they register as seller and then sell in the platform. So while Flipkart and Amazon has evolved like that Walmart or other companies which have still remained in an online space on the omni channel space if you may say, but they are the primary seller, they do not allow other people to sell in their platform. But whatever be the case because of their size, because of their ability to sell different kinds of products in the platform, the variety has come up.

But there are other kinds of retail stores which have also come up which are very niche like let us say Myntra which is only focusing on apparel and accessories let us say and then there will be a further niche kind of stores where people only buy certain quality of products, which is above a cutoff level in terms of quality, in terms of price. So, all those things are available right now.

There green products based retail store have come up, organic retail store have come up, even I would say defervesced or recycled product based, those retail stores have come up which are all web based. These are very nice, they were catering to specific needs of the customer. The customers have needs in terms of I would say normal economic utility, emotional utility and then emotional utility can be of different types.

So, to cater all those kinds of utilities, different kinds of stores have come up. So over time web has become this way a very important part. Now when I talk about web, there are different ways of doing this. One is let us say SMS based or push notification based, app based and then m-commerce, e-commerce. There are different forms of this web based or internet based retailing has come up in real world situation.

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## Clickstream Retailing

- Collection, storage, and usage of relevant customer information
  - name
  - address
  - background
  - shopping interests
  - purchase behavior
- Observation of 80-20 rule

So, what is clickstream retailing? That is the first oldest form of this kind of retailing which is collection, storage and usage of relevant customer information from their clickstream, whatever they are clicking based on that. So, what kind of information people used save? People used to save in the www age quite a few years back and even now sometimes this is basically saved your name, address, background, shopping interests, purchase behaviour these are being stored and there is 80-20 rule. So, 80-20 rule means 80% of the of the profit of this clickstream retailing will come from 20% of the people, which is probably true for many other cases.

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## Selection Factors by Customers

- Company reputation and image
- Ability to shop whenever consumer wants
- Types of goods and services
- Availability of toll-free phone number, Web site or mobile app for ordering
- Credit card acceptance
- Speed of promised delivery time
- Competitive prices
- Satisfaction with past purchases and good return policy

So, one is selection factors of customers when they go and decide that which way to go ahead or which particular media or which particular channel to purchase from. So, one thing is image of that because trust is involved image is very important factor. So, before you see this

slide, I will always suggest that why do not you stop this slide, just minimize this particular I would say in whatever channel you are seeing.

And then bring up a pen and paper and write it down that what are the factors that you think based on which you buy a product in an online retail channel. So you have a choice. Then you can go to Amazon or Flipkart and Myntra or this or that, again four different kinds of retail stores. Which retail stores will you choose and based on what? What are the factors that impact your choice, can you note them down?

Please stop this video and take that time and then we will discuss. So, if you have done that, if you have already noted down your thing, I am assuming that you have stopped the video for 2-3 minutes and noted down now let us match. So, one of the things are images I told. So, whether you think that this particular retail store is quality, it can be trustable in terms of the quality of the product, in terms of the security, privacy, etc.

So, image or reputation of the company matters. Ability to shop whenever consumer wants, so that is an important factor which leads you to choose any retail store over online retail store whatever have offline one. What kind of goods and services are available, what you are trying to buy, whether that kind of goods or services are available here or not. So, even the availability of toll-free phone number, website or mobile app for ordering, whether it accepts your credit card.

Nowadays credit card all these does not matter it should also accept your Google Pay, your other UPI based separate payment options or internet banking or there can be so many other things. So, whether those convenient paying facilities that you have, what is convenient for them you are not interested, whether the one that is convenient to you that you have whether that is being accepted or not.

And when that is being accepted and this is a very important factor when that is being accepted, whether they are charging any service charge or not, many times the companies want to absorb the service. They might be charging you a little bit more in the MRP, not in the MRP in the retail price that you are paying, but they are not showing that charge the service charge of this channel in your bill, in your invoice.

So if it is shown separately that sometimes have a negative emotions for you. Speed of promised delivery time, the amount of money that you pay for that delivery, sometimes there are delivery charges and people want to avoid delivery charges. They want to avoid delivery charges and sometimes they buy in bulk to avoid that. Sometimes they do not purchase at all, sometimes they probably stop their purchase and will purchase a little bit later.

So those things matter. Delivery is a very important factor in online retail, the delivery time, delivery price, delivery schemes that are available, whether you are allowing customers to choose their delivery time or not, this is a very important factor. There are lots of research papers on them which talks about what kind of delivery time is best. So, in this kind of a course which is 20 hours kind of course, we cannot discuss all the research that has happened in this particular domain.

But I would strongly suggest you can go to scholar dot google dot com which is a repository of lots of research papers. Second you can search the delivery time or delivery charge, customer satisfaction something like that and you will have an idea that how delivery charge and customer satisfaction are related to each other. Competitive prices, obviously price is a very important factor when you choose which retail store to go ahead and which do not to. And satisfaction with past purchase and good return policy.

So, whether you are satisfied your past purchase behaviour or past purchase experiences with this retail store and returns policies, whether they are absorbing the risk that you are taking while purchasing the product, if they are not absorbing it their return policy is bad that okay only when the product goes back to the original seller and the original seller says yes this is the product that I have sent, then only the money will come back and money will come back only after 15 days.

So, the bigger these cycles are, the return cycle has the lower is the satisfaction, the lower is customers probability to come back to the retail store again to make the purchases. So, that is why again this is called reverse logistics. The reverse logistics under the online retailing at least is another important factor and that is why probably the omni channel kind of facilities comes up where companies who have brick-and-mortar retail store and also have online retail store probably will allow you that okay you can purchase online.

If you do not like you can drop to my retail store which is a brick-and-mortar retail store and get the money or get the points in your account then and there. You do not have to wait for the whole return cycle of 15 days or so. So, those are some of the policies sometimes people take. Nowadays you know that people are picking up from your home, you can drop off at certain centres, sometimes it is like the moment it is picked up you will get the payment.

Sometimes it is like depending on which quality of product user you are on. Another problem for retailers that is why is that, this is also something which we call them devil customers, the devil customers use a lot like return policy and this delivery time and customer relationship management issues. So I know one customer who knows that okay Swiggy is a retailer and whenever somebody complains in Swiggy, Swiggy does not have the ability to handle the complaint of every single person.

They find that it is less costly to just pay some amount of refund and make the customer stop complaining rather than listening to his complaint by putting a person in the customer care room and listen to the complaint and delivering a resolution. So, sometimes just 30 rupees, 40 rupees is a better resolution than doing all these things from the company's point of view. So, they do that, they just pay 30 rupees and say that okay, so are you happy?

Now once you are not happy with this, 30 rupees or 40 rupees that you have received, then only the customer care manager or whoever is this particular person who is handling the customer complaints will come and talk with you. Now, as a customer if you know that these are policies that the company is taking then you will always complain, even if nothing has happened he will say that okay the food was bad, the delivery person came late, this, that and you will get 40 rupees and 30 rupees. So, these are devil customers.

So, over time they will track and if there is one customer who has given lots of complaints, more number of complaints than other customers, if he is an outlier customer in terms of the complaints, frequency, then they will stop giving, then they will stop addressing his problems as well. So, those are abilities to manage the devil customers, but these are some of the challenges that comes up when you are handling an online channel at the end of the day.

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## Direct Selling

- Direct selling includes personal contact with consumers in their homes (and other nonstore locations such as offices) and phone solicitations initiated by retailer.
- Annual sales of \$35 billion in the U.S., where 18.2 million people are employed (more than 90 percent part-time).
- Annual foreign revenues of \$185 billion, generated by 100 million salespeople.

Then comes direct selling. What is direct selling? Direct selling includes personal contact with customers in their homes and phone solicitation initiated by a retailer. Again for example, Amway will be a direct selling where they have the customer, it is a multilevel marketing we call, the customers itself becomes I would say the brand ambassadors of the particular brand. So annual sales is almost 35 billion in U.S. whereas 18.2 million people are employed in this market. So, 90% of the part time industries in this particular market and annual foreign revenues of 185 billion generated by 100 million salespeople in all over the world. So, this is a huge market as well.

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## Web Strengths: Consumer Appeal

### Using the Web

- Information
- Entertainment
- Interactive communications
- Personalization
- Peer-reviews

### Shopping Online

- Low search costs
- Endless selection
- Prices
- Convenience
- Fun

So, what are the strengths and weaknesses of web based and shopping online? So if I say using the web, the advantages is information, entertainment, interactive communications, personalization, and peer reviews. So you come to know about customer reviews, what they

are saying, you can get the product, exactly the product that you are looking for. Sometimes it is entertaining to search for products, to compare for the products. Many people get information or get entertainment from the information that they are getting.

So those are advantages as well. There are disadvantages as well, for example, we will talk about that. Shopping online has lower search costs and endless selection. So, this is very important. Prices are low. Convenience is high, it is fun. So, these are some of the things that appeals the customer to buy in online. So majorly entertainment, information, convenience, price, and I would say variety; variety and personalization. These are some of the things for which customers generally go and purchase in the online world.

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## How has the World Wide Web Changed Shopping Behavior?

- Decoupled ordering, payment, and delivery
- Website design/interaction – drives retailer image
- Fulfillment/reliability: 24/7/365. Buy, pay, pick-up anywhere, anytime
- Customer service – info from retailer, must also provide peer-reviews
- Security/privacy – personalize for “me only when I need it”



Now, how does it change the shopping behaviour of normal customers? This is a very important factor because previously brick-and-mortar store and now this web-based store, the purchase behaviour of customers is also different. So, one of the important parts is that the ordering, payment and delivery are decoupled. Decoupled means you order at one point of time, you pay later and your delivery happens in three different time periods.

Sometimes ordering and payment happens together like you search the product you ordered and you paid, but you can also have an option of cash on delivery that means you are allowing that you will pay later. You also have an option of paying in EMIs. If you have that kind of credit card or something, you can pay in EMIs. So those options are majorly, now they are coming in brick-and-mortar store as well, but majorly they were there in online stores and delivery happens at a different time.



Now, why that is an advantage, why that is something which is better than brick-and-mortar store. I will not say always better, but in brick-and-mortar store if you cannot take a delivery then and there, let us say you have gone for buying apparel which is not of a high price, but you want to buy lots of apparel but you cannot take a delivery because there can be various reasons you do not have let us say a car to drive there or at that particular day you have already bought quite a lot of stuff you cannot carry another bag of apparel products.

So then you cannot take delivery, so you will not purchase on that day which is not the case in web. In the web, there is no problem, the delivery will be done by somebody else. Nowadays, that is why brick-and-mortar stores are saying that okay do not worry, you buy X amount of product I will deliver at your home. So, those facilities are coming up to overcome this problem. Then similarly, payment is an issue.

So, you do not have the cash on that particular day or you are not carrying the credit card or you cannot have a cash on delivery in a brick-and-mortar store, but here you can have. Decoupled ordering, so you can make sure that the order and the payment and delivery are the three different time periods which does not happen majorly in brick-and-mortar stores. Website design and interaction drives retailer image.

So, how the retailer will be perceived does not depend on the quality of the product majorly, but depends on the imagery of the product. Imagery means also the image, the pictures of the product, the design of the website or the speed in which the website works. If the website is slow, then there is a problem. If that website is unresponsive, there is a problem. So the information systems along with marketing becomes a very important factor in terms of e-commerce.

And that is why e-commerce is something which is also studied under the information systems area. Fulfilment and reliability, so you have to be there 24 into 7 into 365. There is no stopping which is not the case in brick-and-mortar store and that is a major reason why people go for online retail stores. So you buy, pay, pick up anywhere, anytime, does not matter. So, these are the advantages that your online retailers should be giving.

Customer service like info from retailer, must also provide peer review. So, you have to give information from both the peers that means other customers and your company. So as long as you are giving those kinds of information as your customer service that helps. And security and privacy personalize for me only when I need it. So, if I am not allowing you to personalize, you should not personalize.

This is again something that we expect, retailers do not care about our privacy in most of the cases, recommendations engine work, market basket analysis you get product recommendations based on your purchase history, sometimes based on your traveling history, your GPS history, the lots of things that is being tracked, privacy and security that is why is becoming a more and more a bigger issue for online shopping behaviour, but then there are other one group of people who do not care about that.

So, there are two groups of people that are available. We generally do not go through the terms and conditions properly and that is why personalization becomes very easy, manipulation of customers becomes very easy which is unethical behaviour unless the customers are asking for it. So there has to be a brigade of customer advocates I would say, who will basically fight for the customers so that the retailers cannot manipulate the customers a lot.

Because they have that data, if they want they can access the data, but whether they own the data is a question, so as long as the customer do not want them to own the data. On the other hand, they will say. So retailers say that is why at the very first day, so whether accept all cookies, so they give that kind of option. So, the moment the customer, customers are very impatient in general, so they will say that okay I have to buy something, so I will accept the cookies.

Later, I will see, I am not the prime minister of this country, so why would I bother about my privacy and security, I do not worry, what will they do? They will give certain ads, I will not purchase, if I do not have money where to purchase. So these kinds of feelings comes up, but ideally it is not true, they can manipulate you a lot. The retailers if they want that data then they have to follow lots of regulations.

But having to follow regulations and auditing on that thing that is actually being done, an auditing by let us say customer advocates are different story altogether. And how you are reacting to it, what kind of website design is created, what kind of policies are created, so that you quickly give I would say consent of using your information, using your data is something which is important to think about.

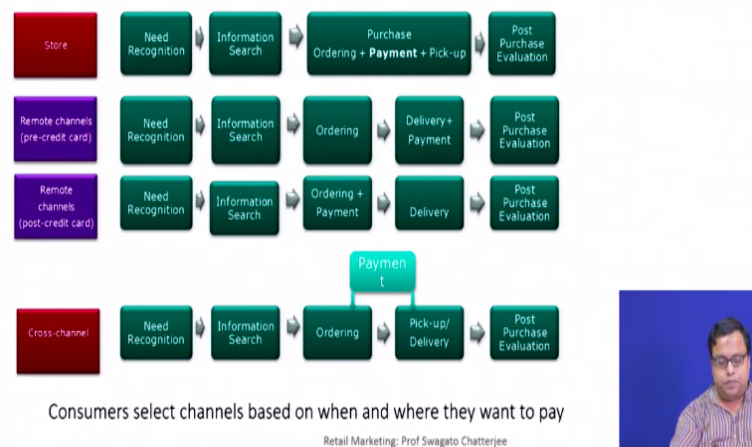
Because people do not spend a lot of time in taking this decision that whether the information should be shared or not because they are in a hurry of purchasing something. And they might not have much of an option in terms of the big retail stores that there are some few big retail stores where certain products will be available and you are bound to buy from those products. So, if you do not share your private information, if you do not share your cookies, they will not allow you.

They will say that okay you go and buy from somewhere else. Because customers are all segregated, they are individuals, they do not come together and create a group and probably negotiate with the retailer that does not happen. When that starts happening, when the public prosecutors or let us say our politicians actually take this up, in certain countries they do, so actually take this up that the customer's preferences, customer's privacy, security should be of importance, then systems will change.

And we have to assess the customer base as well, we have to deal with those kinds of challenges or we have to probably come together and play the roles of you can say change makers, you can say whatever to make sure that the retailers only personalize when you are asking for it, not always.

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## How Payment has Decoupled From Ordering and Pick-Up



So, I have already discussed about this that there are different ways of decoupling ordering and picking up. So let us say in the store, you recognize your need, you information search, you do the purchase. The purchase generally ordering, payment and pickup happens together and then post purchase evaluation. But in remote channels like let us say in this context of Naaptol and etc., the ordering and payment and delivery were decoupled.

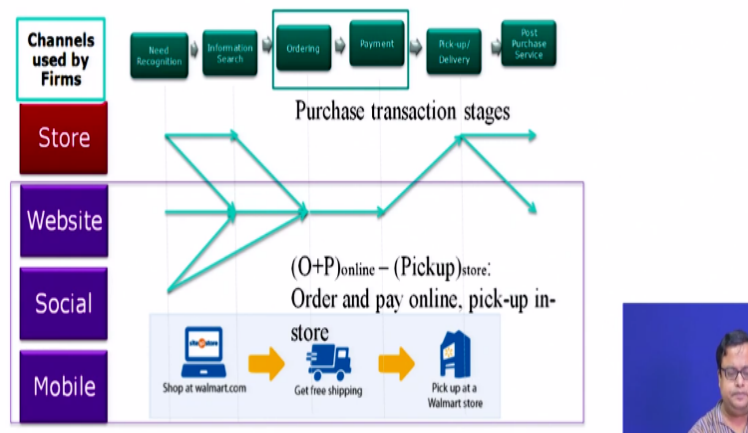
In Naaptol you order and you can either pay with the order like in credit card and delivery happens 15 days later or you order and the delivery happens 15 days later and when it is being delivered you have to pay. So those are Naaptol based purchases. There are other kinds of one important thing that I forgot to mention about along with Naaptol there will be another kind of this kind of retail store where it is basically sold in a mass media and then you purchase is like say airlines when in flight retailing that we call.

So, they come up with a catalogue and then you go through the catalogue and then you purchase the product. So, sometimes the delivery happens in the airport. You pay in flight and the delivery happens in the airport or your home. So, those are also examples of these remote channels. But cross channel kind of context which is available nowadays, omnichannel kind of context.

You can order at one channel like in Amazon you are ordering, Amazon has a tie up with PhonePe let us say, in PhonePe you are making the payment and the pickup and delivery is again happening in your doorstep. So those are possible nowadays.

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## Cross-Channel Shopping Behavior (Payment and Pickup Decoupled)



So, website, social and mobile, these kinds of things are coming up. Order and pay online and pickup in store are absolutely decoupled. So, it can be store based, information searched, then ordering is online and then again store based picking up and delivery and etc., and vice versa. So, this becomes very haphazard in today's world during this omnichannel experience. So, those are possible in today's world.

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## Reasons NOT to Shop Online

- Online shopping accounts for only 8% overall retail spend!
- Lack of trust in retailer
- Fear of fraud
- Lack of security (credit card access)
- Lack of personal communication
- High shipping costs

Why certain customers not purchase online? So, we talked about why certain customers purchase online for quite a long time like young generation people who are probably have the ability to think that okay I can purchase. But there are some other customers who do not want to purchase online. Like if I talk about my parents will be very much against it. There are certain reasons for that. So, see online shopping accounts for only 8% overall retail spend.

Irrespective of this whole thing that I talked about till in the last let us say 15 minutes that online is this and that and etc., but still it is only 8%, why? Because still there is lack of trust in retailer. So, you trust only 3-4 retail stores, majority of online retail stores who do not go into it. So still there is a trust issue. There is a fear of fraud, fear of fraud in terms of the product quality, the product description, probably the privacy issues, lack of security like credit card access as I told, lack of personal communication.

Sometimes you want to communicate, want to get a reassurance from the seller that no, no this product is good, you go and try, if something bad come to me I will take care of it. So, this single line is good enough. Sometimes we will go and ask let us say in a vendor, I am pretty sure you have done that, you go and ask the vegetable vendor brother whether this will be this, whether these potatoes are good or not or the tomatoes are good or not?

Can you tell me? So this guy will tell you yes this is good, do not worry. Why will he say that? It is bad because he is trying to sell that product, but you still want that particular line from his mouth because that is reassuring. So that personal communication irrespective of the fact that you know that whether this guy is lying forty percent 40% of time or something like that or whether he is over exaggerating the quality of the product, but you will still want to listen that.

So that personal communication, as we are all human beings, we love to have personal communication, so that is still there, majority of people still want that thing. And the shipping costs are sometimes high, so people sometimes do not want to give the delivery charges.

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## Recommendations for Web Retailers

- Develop or exploit a well-known, trustworthy retailer name
- Tailor the product assortment for Web shoppers
- Enable the shopper to “click” as little as possible- Amazon.com one-click option
- Provide an effective search engine
- Permission-based use of customer information
- Include unedited ratings and reviews for customers to increase consumer information and to reduce risk
- Personalize the shopping experience for each shopper based on past purchases and previous Web searches
- Include free shipping or one time shipping fee for unlimited shipping

Some of the recommendations for web retailers. So first of all develop or exploit a well-known, trustworthy retailer name. So, try to create a brand image as I told. Tailor the product assortment for Web shoppers. So if you are an omni channel, you have to make sure that the people who are coming online and people who are coming offline are different. So, you have to have a sync between the products, the descriptions, prices, blah blah blah.

But the products that will be prominent in your online retail store which will come in the front page and the product which will come in your brick-and-mortar retail store in prominent locations where the products will be visible, the product that you keep on those two places will be different because web shoppers and brick-and-mortar shoppers will be different in their characteristics. So, tailor the product assortment as per the behaviour of the shoppers.

Enable the shopper to click as little as possible. So for example amazon dot com has one click option, one click it directly goes to cart and from there you go to pay. So, provide an effective search engine. This is also very important in your online retail store. Permission-based use of customer information, so privacy at least the fact that you are trying to show that you care about people's privacy is very important.

So, you have to make sure that happens. Include unedited ratings and reviews, be truthful about customer reviews, this becomes much easier for Flipkart or Amazon who basically relies on third party sellers. But the problem is even if you have third party sellers in your retail store and you do not have any legal obligation about the product quality and etc., the

very fact that the product is bad, as a customer I will not only attribute it to the seller, the original seller, third party seller who is selling through your platform.

I will also attribute it to you because you have kept this particular seller in your platform and I have bought it from your platform. So, if you somehow tweak with this customer reviews and you have as a retailer like Amazon and Flipkart you have all the reasons to do that because if the customer reviews are low people will not purchase. Often times, people have a cut off in their mind that anything below 4, I will not purchase or anything; below 3.5, I will not purchase.

So you might want your customer reviews to be skewed and in real life. that is something that we see that all the products that are there in Amazon Africa or Flipkart are well reviewed. And the products the moment is low reviewed the seller remove that and again do a face listing of the same product. So if that is the case, then I am not believing, as a customer how will I believe the retailer, the online retailer.

So what we rather do that is why is the number of reviews that has come up and how many reviews have been posted and whether there is a variation in it, whether the reviews or texts are bigger enough or not. So review trustworthiness, review helpfulness, reviewer trustworthiness, which kind of reviewer posting, whether the retail store is actually giving importance to the reviewers or not, whether they are creating a leaderboard of reviewers, whether they are giving prize to trustworthy contributing reviewers.

So, what is the policy of review as simple as that becomes very important factor. If the company do not want to keep the very, I would say, true reviews and if I know that that is something that is happening, then as a customer I will be very angry and I will probably not go to that particular retail store. So include unedited ratings and reviews from customers to increase customer information and to reduce risk is a very important factor.

Personalize the shopping experience for each shopper based on past purchases and previous web searches. So, personalize the experience as well. Include free shipping or one time shipping fee for unlimited shopping. So, there are lots of decision points here, you have to think about it. So, what should be the shipping fee and what kind of shipping fee that is one thing that is an important factor that I told.



What should be my customer review policy? How would I add on the customer reviews when somebody is searching? You remember you can add on the customer reviews based on newest first, newest to oldest or high rating to low rating or most relevant to less relevant. Now how do you define relevance? Relevance will be different for different customers, what is relevant to them, it is not only the product description that becomes relevance that defines the relevance.

It might be the search that you are giving might be different. It might be let us say the reasons why you are purchasing the product might be different. So let us say you are buying the product for your own usage a mobile phone and you are buying a product to gift it to your dad, the relevance of customer reviews will be different. In your case, you might want a very informative kind of this thing which gives you all the product attributes, ratings and what is good and what is bad about those product attributes in a mobile phone.

For your father case you will not be needed about that, you need on overall sense whether it is good or not because your dad will not even use all those features probably. So, those things, what is relevance is important, what is helpful may vary, which customer is more trustworthy may vary. So, how you put the reviews in what order is something that might vary. And what order the retailer will have two-two contradictory choices, the retailer might want to order the reviews based on your relevance.

But the retailer also wants to maximize his own revenue. So, basically retailer want to add on the reviews in such a way such that your chances of purchase go up. So, if the retailer has two contradictory goals that he wants to make the information relevant to you, but the retailer also wants to do something such that the relevance leads to purchase. If the relevance leads to non-purchase, then the retailer is going nowhere.

So, these two goals may be contradictory. And if these goals are contradictory by any chance, then there is an ethical dilemma. So what to do on that is a very important question in this particular. So, there are lots of dilemmas and question that comes up and there are lots of research that is also going on, think about them or you can again as I told read about them.

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## Optimizing Customers' Web-Based Service Experience

- Service experience based on delivery speed, speed with which questions are answered, customer's ability to find suitable product and accurate portrayal of good (features, color, style and fit)
- Access to call center personnel through instant messaging and Email—L.L.Bean's "click and call" features
- Personalization--Use of computer algorithms to show suggested products
- Customer reviews
- One-click checkout
- Demonstration videos
- Amazon Remembers-matches photos to actual products available on amazon.com



So, optimizing consumer web-based service experience, you can as I told personalize. So service experience based on delivery speed, speed with which questions are answered, customer ability to find suitable product or accurate portrayal of goods this has to be optimized. Access to call centre personnel through instant messaging and email. For example, whether you are giving that access that you can chat or talk with a call centre agent at any point of time or whether there is a callback option.

If the call centre is busy, whether you are allowing them to call back. One-click checkout, customer reviews, demonstration videos these are all relating to customer-based experiences. Amazon remembers, for example matches photos to actual products available on Amazon, sometimes what you can do is that you can click the product that delivered and you can match it with this actual product that has been shown in the retail store and whether that is matching.

If they are not matching, then Amazon will be interested to give you certain kinds of discounts or taking it back or certain kinds of customer services. So those are stuff which are important.

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## Optimizing Customers' Web-Based Service Experience

- Zappos– full service online shoe retailer
  - Free returns, free online shipping
  - 365 day return policy
  - Eliminated drop shipping due to inability to control on-time delivery
  - Manage 1,417 brands, 152,000 styles, 824,000 UPC codes
  - 4 week new hire training program + 2 weeks in the call center

So Zappos is a full service online shoe retailer. What are the things that they give, these are a little bit old, but still these are very important. Free returns, free online shipping that is one thing, so for everything, it is a free retailer. So probably the product cost is high, so they can give free online shipping to all the products that they are selling. 365 days return policy, will be picked up every day, there is no nothing like that you cannot give return in a particular day or something like that.

Eliminated drop shipping due to inability to control on-time delivery. So, they have eliminated the shipping drop means the drop of shipping cost and etc., they limited because they cannot control on-delivery sometimes. They manage 1417 brands, 152,000 styles, 824,000 UPC codes, means unique product code. So, there are lots of products that they were handling, so the variety is high as simple as that that is what I wanted to say.

And 4-week new hire training program +2 weeks in the call centre. So, every employee will go into this training program. They were empowered enough to take the call in the retail store even if it is web based. So those kinds of advantages were given. So, this is an area where we can keep on talking and talking. There are lots of issues that will come up. But as I tell online retail store is still evolving.

There is quite a bit of time that is required to develop this and there are lots of research that is still pending on this particular area. That is where I will stop. I will encourage you to discuss and study and write down any unique thing that you find which is unique in online retail store, any unique observation that you have seen and post it in your discussion forum. Thank

you very much. I will see you in the next video with the rest of the non-traditional retail formats.