

Retail Marketing Strategy

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Lecture-12

Good morning everyone. Today we will be beginning with week 3 of the course Retail Marketing Strategy and this is the session 1. So as far as last two weeks were concerned we had a roller coaster ride. We learnt a lot of things about retailing, what is the strategic importance of retailing, what it means and we also looked at the theories of retailing along with looking at the evolution of the retailing formats as far as our country is concerned. But today as we begin with week 3 we will be delving into a lot more fascinating things and one of them being the Kahn's retailing matrix along with learning the key factors for success for a retailer.

Learning Objectives:

After going through this module, the learner will be able to appreciate:

- Kahn's retailing success matrix
- Key factors for success in retail
- Overview of Consumer decision making processes

Extra Fodder for Thought: "Thaley"

Learning Something New: "Anchor Stores"




Now as far as this module is concerned as I just said we will be looking at the Kahn's retailing success matrix which indeed is one of the most phenomenal and fantastic frameworks to understand what are the factors that can actually lead to a retailer's success.

Along with that we will also be learning at some generic key factors for the success of any retailers. And finally we will also get to the overview of the consumer's decision making processes and again we are back with our two exciting elements which is extra

fodder for thought in which we will be learning about a brand called as Thaley and which has indeed brought sustainability as its essence or at the core of its operations. Along with that we will also be getting back to our learning something new section where we will be learning about anchor stores and what is the role or importance that they command in retailing. Now see if you remember in the last session also I had given you the snapshot of Kahn's retailing success matrix.




KAHN'S RETAILING SUCCESS MATRIX

Professor Barbara Kahn from the Wharton School at the University of Pennsylvania stands credited for proposing this framework.



Her experience as the Director of the Patty and Jay H. Baker Retailing Centre from 2011 to 2017 is described in her new book, *The Shopping Revolution: How Successful Retailers Win Customers in an Era of Endless Disruption*, where she has also discussed the same retailing matrix in detail.

Source: Kahn, B.E., 2018. *The shopping revolution: how successful retailers win customers in an era of endless disruption*. Wharton School Press.

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Professor Barbara Kahn who is a professor at Wharton School at the University of Pennsylvania stands credited for proposing this framework. She also served as the director of the Patty and Jay Baker retailing center and it was entirely her experience at the director which helped her write a book which is precisely called as the shopping revolution how successful retailers win customers in an era of endless disruption and it is precisely in this book that she had discussed in detail about the retailing success matrix. But before we get into understanding this matrix I have a few questions to ask you. Have you ever wondered how Amazon became the one stop choice for all the online shoppers or how Jio was able to create a massive way and win each one of us or how DMart is rocking the grocery markets in India and finally how Ritz Carlton one of the premium hotel chains is considered as the best. Now we will be answering all these questions as we move further with respect to understanding the Kahn's retailing success matrix.

Now before we get into it there are two things that you need to understand in general. See whenever consumers go to a retailer they precisely go for two reasons.

Kahn Retailing Success Matrix

When customers go shopping, they prefer buying something:

- They value (product benefits)
- And that too from someone they trust (customer experience)

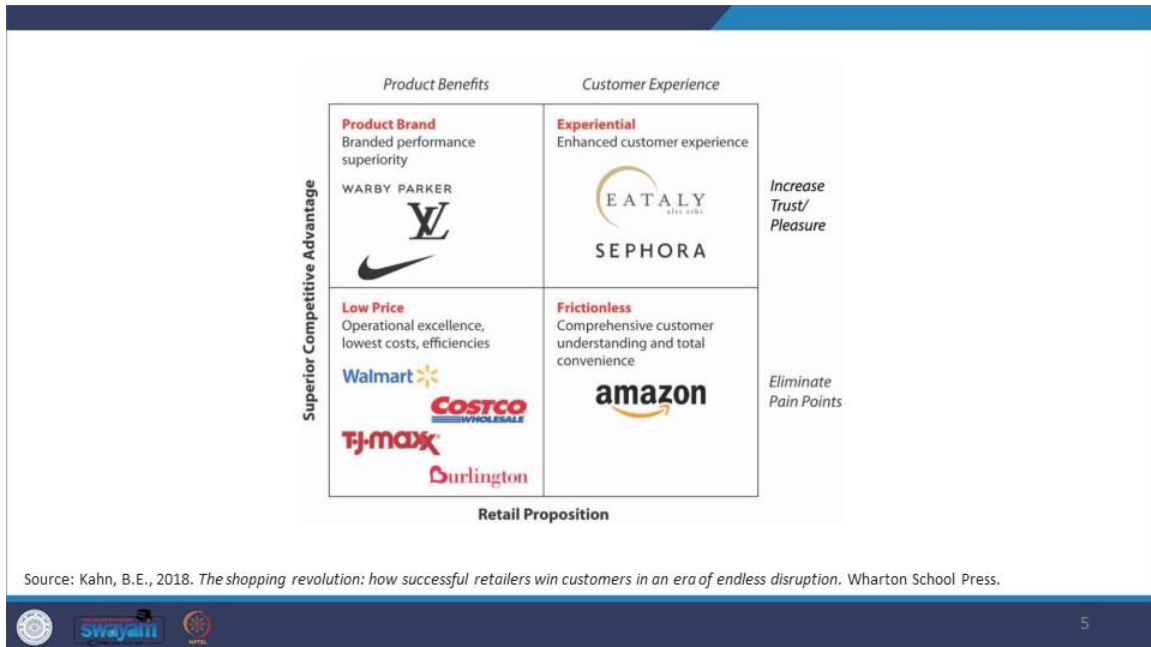
Market is flooded with competing products and numerous retailers; *hence, customers will only gravitate towards those retailers who offer them a superior customer advantage*

Source: Kahn, B.E., 2018. *The shopping revolution: how successful retailers win customers in an era of endless disruption*. Wharton School Press.



One is they value the product benefits which they provide whether it is coming from any of their offerings be it a product or a service and other thing is they are interested in buying from someone they trust or in other words we can say any retailer who is offering a heightened consumer experience. But one thing which we need to understand is there are too much of retailers in the market as well as there are options for a lot of product categories also which means market is indeed flooded with competing products and numerous retailers. What we mean by this is let us say if you want to buy an Adidas or Nike t-shirt there are n number of retailers that you can buy it from be it physical retailers, brick and mortar retailers or even online channels.

I can place the order for the same t-shirt from Amazon also from Flipkart also from Snapdeal also from Myntra also or any other retailers that could be available. Now this simply indicates that there needs to be some x factor for any of the retailer to be picked up by the customers or to be in a part of their preference criteria.



Now this is only going to work or customers will only gravitate towards those retailers who offer them a superior customer advantage. Now you might be wondering what exactly is superior customer advantage. Now superior customer advantage is all about doing things better than the competitors which means you are offering something extra to the customers that they are gravitating towards you.

Now this can be in terms of the products and services that you are providing or this could also be in terms of certain activities that you might be executing. Let us say you are working towards offering a enhanced customer experience. Now this again is going to be a part of superior customer advantage. If you remember in one of the sessions we had discussed about the coffee wonderland in China. Now visiting that coffee wonderland or enjoying a coffee in any other outlets is indeed going to be a altogether completely different experience.

Now that can be considered as one of the facets of superior customer advantage. But there are other ways also in which this can be created. Now one is by offering a branded performance superiority which means you are precisely offering the experience to customers of buying very well established and well reputed brands or otherwise this could be in ways of achieving operational excellence in reducing the prices or by reducing the friction to the maximum which means you are working towards eliminating the pain points.

Retail Proposition: The benefits that a retailer offers to customers

Superior Competitive Advantage: Offering products and services to customers that are better than competitors or doing things better than competitors

- Differentiate by providing a more trustworthy relationship
- By providing a more pleasurable experience
- Differentiating by eliminating pain points: reducing price and friction

Source: Kahn, B.E., 2018. *The shopping revolution: how successful retailers win customers in an era of endless disruption*. Wharton School Press.



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Now as I just said retail proposition is all about offers that you make to customers. Now this can be in form of products and services then when we talk about superior customer advantage it is all about doing something better than the competitors.

Now this can be done in number of ways out of which these are the few that have been highlighted by Professor Kahn. Like differentiating by providing a more trustworthy relationship, offering a more pleasurable experience or by differentiating by eliminating pain points which is about reducing price in friction.

I. *Lead on Brand: Offer Branded Product Superiority*

II. *Lead on Experience: Offer enhanced Customer Experience*

III. *Lead on Price: Offer Operational Excellence and Lowest cost-Efficiencies*

IV. *Lead on Frictionless: Offer Comprehensive Customer Understanding and Total Convenience*

Source: Kahn, B.E., 2018. *The shopping revolution: how successful retailers win customers in an era of endless disruption*. Wharton School Press.



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Now these are precisely four strategies which can actually be executed by the retailers to win customers or to be successful as far as the Kahn success retailing matrix is concerned. So the first one is lead on brand which is all about offering product branded superiority to the customers we will be talking about it a lot more as we move further. The other one is about leading on experience offering an enhanced customer experience to the shoppers.

The third one is about leading on price which means you achieve operational excellence and you execute your production processes or other supply chain mechanics in such a way that the prices are reduced and then you are able to pass on these benefits to the customers. And finally the fourth strategy is about leading on frictionless which means you bring the frictions to the bare minimum and you allow the customers to kind of enjoy a very sophisticated seamless and easy breezy shopping experience which eventually leads to total convenience. So we will be discussing about all these four strategies one by one as we move forward.

Lead on Brand: Offer Branded Product Superiority

Offering products that provide more differentiation, more pleasure, more trust

Here the essence lies in offering value that comes from using a branded product, PLB's will not be considered here

It is the product's brand equity that brings customers to the store

Creating pull by offering well-known and well-respected brands

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Now we get to the first strategy which is all about leading on brand and is about offering a branded product superiority. Now this simply means you are offering consumers well established and well respected brands.

Now we can understand this with an example let us say if you want to shop for apparel let us maybe you want to buy a shirt. Now you might prefer going to a store which is more like a multi brand store and is offering well respected brands like Allen Solly, Louis Phillip, Color Plus and all these which are considered as good brands as far as shirts are concerned. Now the value is precisely coming because the retailer is successful in creating a pull factor. Pull factor in terms of by offering these brands you are attracted

towards that particular store as compared to any other store. In other words it is also said that it is all about offering products that provide more differentiation more pleasure and more trust.


See there is one more thing you might have a retailer who is basically offering let us say good private labels, but as far as brand superiority is concerned it might not come from private labels. It is only going to come from those brands which are well established and are very well respected which also means which in a way enjoy brand equity which is all about the awareness of the brand or in other words we can also say it is the value that a brand commands on the basis of consumers perception of quality and desirability which means as compared to the other available options in the market they would kind of prefer and have a strong desire to buy this particular brand as compared to other brands or in simple ways it can also be said brand equity is all about the value premium that an organization generates with a recognizable brand name. So this again can be considered as an aspect of brand equity as far as offering branded products priority is concerned. So these are a few facets that you really need to understand as far as offering branded products superiority is concerned. Now in case of this we also consider vertical brands.



Vertical brands: Product and brand name are the same, For Eg. Zara, Louis Vuitton

In such cases, customers share a very strong emotional bond with the brand and hence become product's brand advocates

Such brands offer a point of view and brand culture

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Now vertical brands are precisely those brands in which the name of the product and brand name are very identical. Maybe you can consider example of Zara or Louis Vuitton in this case and precisely as far as branded products superiority is concerned consumers start sharing a very strong emotional bond with these brands and they even start acting as advocates. Now consumers reach the stage of brand advocates when they

start defending your products. Let's say if on social media platform somebody writes bad about a particular brand which eventually some segment of customers may consider as you know they would like to act as brand advocates for them because of the emotional connect that has been established between the product brand and the consumer they start defending it. Let's say if there is something negative they will go all out and defend that many times you must have seen in case of iPhone users also if you ask them why you are using such an expensive phone or what is it that the worth this product offers with respect to the amount that is being charged they will be able to tell you a lot of reasons and this precisely comes as an aspect of brand advocate and this can happen for any of the brands and overall these brands offer a point of view and a brand culture which means they precisely bring a feel good factor consumers enjoy using those brands and they eventually also have a lot more desire to buy them on continual basis right and undoubtedly we cannot also miss the aspect of that emotional attachment that consumers start having with a particular brand.

Lead on Experience: Offer enhanced Customer Experience

Here the challenge lies in bringing customers through the door, Covid has indeed made this more difficult

In this case, a retailer must create an experience that provides customer with more pleasure, more fun and more excitement

Customers would only visit the store when you offer something beyond a generic online shopping experience

Now we will be beginning with the second most important strategy when you lead on experience which is all about offering an enhanced customer experience to the shoppers. Now see in this case the primary challenge which exists is all about bringing customers through the door and if you look at the COVID pandemic you can see a certain segment of people who might not be very comfortable going to the physical stores until and unless they are assured of a very safe environment right so this again has become a big challenge. Now another facet with respect to understanding as far as leading on experience is concerned is the fact that consumers will only be willing to come to the retailer store if you offer them something which goes beyond an online shopping

experience right otherwise why would they have to go out or you know leave the comfort of their home to shop so this precisely means offer them something extra maybe which is more pleasurable brings in more fun and a lot more excitement in consumers life. Now there are few brands which have been successful in achieving that so first one is Costco.




Costco makes the shopping experience fun by training customers to expect different brands every time they visit

T.J Maxx also promotes a treasure hunt kind of an experience

Stitch Fix uses AI based mechanism coupled with customers inputted reference to bring in value, they also offer an onsite stylist

And, how can we forget Sephora here, a grand leader in cosmetic industry

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Costco is basically one of the American retailing corporation now they are bringing a sense of excitement in shoppers life and in ways like let us say if you go to Costco you do not know which brands will be available on which day so they are kind of bringing an experience or training customers to expect different brands every time they visit.

Let us say if you go on a Monday you might find different range of brands if you go after two days you might find different range of brands which means you will always be excited to see what are the new brand that a retailer is offering now likewise TJ Maxx also promotes a treasure hunt kind of an experience for shoppers likewise a budding retailer which is Stitch Fix which is basically in the domain of online styling as far as the perils are concerned they use AI based mechanism coupled with customers imputed references to bring in value and they also offer online stylist to their shoppers and how can we forget Sephora which is you know has become the one stop shop for all the cosmetics or beauty products that expires. Now as far as Sephora and Stitch Fix are concerned we will be looking at the two exciting videos to understand how these brands are actually bringing a lot more difference in consumers life specifically with respect to creating the best of experiences and winning them over.

Lead on Price: Offer Operational Excellence and Lowest cost-Efficiencies

Retailers in this quadrant provide reliable products and services at lowest prices

This happens by developing efficient ways to managing inventory, keeping overhead costs down, eliminating unnecessary steps and by reducing transaction costs at every step

Every Day Low Pricing at Walmart is one of the classic examples



Now the third strategy which again commands huge importance is leading on price this is all about achieving operational excellence in the lowest cost efficiency see as far as this is concerned maybe we can consider the example of Dmart if you look at Dmart which is one of the popular grocery retailers in India how they are achieving cost efficiencies is by being a no frills store which means you might see limited staff there they will not be spending on other fancy things and by saving on a lot more things let's say by keeping less of staff they are passing on those cost benefits to the shoppers now keeping less staff doesn't mean they are not taking care of the customers you definitely have a certain people in the store and you can reach out to them in case of any help and that too there is no compromise on that so it is all about a retailer's smartness how they are executing it but precisely as far as this quadrant is concerned what we say is these retailers provide reliable products and services at the lowest cost now there can be a lot of efficient ways by which this can be achieved by managing inventory in the best possible ways or by keeping overhead cost down and eliminating unnecessary steps and by reducing transaction cost at every step now this can be applied in a number of phase by working on a very robust supply chain by hiring staff that is optimum for the store or maybe by working on deals with the suppliers or negotiating well to get products at lesser prices as compared to the other retailers that are operating in the market now one of the classic examples of this could be everyday low pricing now there are two strategies one is high low pricing other one is everyday low pricing now in high low pricing what happens is prices are usually going to be high or regular as they are but on certain days they would be reduced but the problem in this case is it becomes very difficult to manage inventory because you are not able to figure out on which days people will be coming or on certain days for which products need to be inventoried a lot more as compared to

others whereas in case of everyday low pricing the advantage is prices are kept low minimum throughout the year now again you need to work on a lot of activities as far as your store is concerned or figure out strategies which can actually be utilized for doing this which we just said maybe by managing inventory keeping overhead cost down eliminating unnecessary steps or by reducing the transaction cost at every step but one advantage of everyday low pricing is that you are able to figure out which are your star products which you can sell you know like hot cakes and what are the products that might not work because you get that data to analyze simply because you have customers visiting on regular basis or much more often as compared to what could be done in case of high low pricing so you get that data to analyze what works and what doesn't work you are even able to understand the preferences of consumers in the best possible ways

The screenshot shows a news article from ET Prime. The header includes navigation links like Home, ETPrime, Markets, News, Industry, Rise, Politics, Wealth, Mutual Funds, Tech, Careers, Opinion, NRI, Panache, ET NOW, and Spotlight. Below the header, there's a sub-header: 'Business News > News > Company > Corporate Trends > 10 secrets behind the stunning success of D-Mart's Radhakishan Damani'. The main title is '10 secrets behind the stunning success of D-Mart's Radhakishan Damani'. Below the title, it says 'ET Online · Last Updated: Mar 22, 2017, 10:40 AM IST'. There are icons for share, font size, save, print, and comment. The article has a 'Synopsis' section stating: 'Damani is a quiet man who keeps a low profile, but his winning traits are too evident to be missed. Here are his secrets that led him to roaring success.' Below this is a small image with the caption 'THE RISE OF RK DAMANI' and 'RADHAKISHAN S DAMANI OVER TWO DECADES DEBIT RISE OF SUSTAINABLE?'. To the right of the image, the text reads: 'NEW DELHI: Radhakishan Damani, the 61-year-old founder and promoter of retail chain D-Mart, was a legendary investor and share trader before he became a legendary entrepreneur. The stunning success of D-Mart is credited entirely to Damani. The public offer of D-Mart's holding company Avenue Supermarts today made a spectacular debut on BSE as its shares went listed at a 102.14 per cent premium. D-Mart is'. At the bottom, the source is given as: 'Source: <https://economictimes.indiatimes.com/news/company/corporate-trends/10-secrets-behind-the-stunning-success-of-d-marts-radhakishan-damani/articleshow/57755064.cms?from=mdr>'. The footer of the page shows logos for Swayam and NPTL, and the page number 13.

now as we move further I have a fantastic recommendation for you I would urge you to go and read this article which has been precisely taken from ET Economic Times and it's all about 10 secrets behind the stunning success of team arts Radha Kishan the money so here is the link also so please go and read about it and we'll be more than happy to read your comments and views in the forum section along with that if you remember I had also mentioned about Sephora who is considered as one of the best retailers for offering fantastic experience to the shoppers so here are again two more links for the articles one is about how Sephora gets personalization right and

Sephora: The magic of creating best customer experiences

The screenshot shows the WWD website interface. At the top, there's a navigation bar with links like 'WWD', 'FOOTWEAR', 'FAIRCHILD MEDIA', 'SOURCING JOURNAL', and 'BEAUTY INC.'. Below this, the main header features the WWD logo and a tagline 'THE FASHION, BEAUTY AND RETAIL BUSINESS AUTHORITY'. The main content area displays two articles. The first article, 'How Sephora Gets Personalization Right', is by Jason Grunberg and dated October 1, 2019. The second article, 'Sephora: The Best Customer Experience', is by Vanessa Matos and dated August 24, 2022. The source links are provided at the bottom of the slide.

Source: <https://wwd.com/business-news/business-features/sephora-saltn-report-1203332774/>, <https://vloomni.com/sephora-the-best-customer-experience/>

how Sephora offers the best customer experience links are provided in the slide itself I would again urge you to go and read more about this and trust me you'll be learning a lot more than you are expecting you'll be able to see the magical ways in which Sephora is actually creating the best experiences for shoppers in order to understand how Sephora is actually doing it I would also urge you to look at this video which actually explains

How Sephora actually did it?

The screenshot shows a Wall Street Journal article titled 'How Sephora Changed Makeup Consumption'. The article discusses Sephora's success in creating a modern cosmetics industry and its early success and the retailer's more recent moves to adapt to the pandemic market. The article is by Khadeeja Safdar and dated Dec 28, 2021. To the right of the article is a YouTube video player showing the same article. The video is titled 'The Economics Of How do the world's most successful companies generate revenue? In this explainer series, we'll dive into the surprising stories behind how businesses work—exploring everything from Costco's "treasure-hunt" model to the economics behind Amazon's AWS.' The video is from the Wall Street Journal's Official YouTube Channel, which has 4.21M subscribers. The source link is provided at the bottom of the slide.

Source: Wall Street Journal's Official YouTube Channel, <https://www.wsj.com/video/series/the-economics-of-how-sephora-changed-makeup-consumption/3A4EEFF2-180C-42CA-AB02-136F303F7EC4>

how Sephora changed makeup consumption and is emerging as one of the best retailers in the beauty markets so what we'll do is we'll look at this fantastic video and then we'll be moving forward this video has been derived from the wall street journal's official

youtube channel and the link for the same has also been provided so maybe we'll look at now to understand the key mechanics and fantastic points to figure out or decode how Sephora is actually doing it so we'll first look at this video and then we'll move forward.

there really is a before and after Sephora when it comes to the makeup industry until about 20 years ago this is how most Americans shopped for luxury makeup a sales representative of the brand would stand behind the makeup counter and help customers make a purchase that completely changed with Sephora now it's a free-for-all people walk in stores they test whatever they want nothing is behind the glass so how did this French retailer come to dominate the global personal care and beauty product industry and what business practices helped make it the industry leader that it is today this is the economics of Sephora today the beauty retailer employees over 36,000 people in more than 2,700 stores in over 35 countries those stores carry over 250 beauty brands at this point Sephora is like kind of my second home the Sephora that we know today has its roots in a small perfume shop that opened in 1969 in Limoges France at that time the perfume and cosmetics market was dominated by a service-based retail model in which staff typically received commissions based on sales instead Sephora used the assisted self-service model in which customers are free to test products in the store have a full station where you can just like literally grab whatever and you can try on the lipsticks you can try in the eyeshadows I always leave looking like a literal different person than I arrived Sephora customers can still request help from a sales associate who Sephora calls a beauty advisor there's a little bit more trust with the sales representatives in this forest or because they're brand agnostic so they can tell you maybe you should buy them mascara from this brand but you should buy the blush from a different brand Sephora also bucked convention in the manner in which it displayed its products so makeup items are next to each other whereas from the same brand a fragrance would be in the fragrance aisle and the same brand a skincare product will be in the skincare aisle then in 1997 founder Dominique Montano sold Sephora to the large luxury retail conglomerate LVMH one of the advantages of being owned by a conglomerate like LVMH is that the company can jump very quickly on trends and actually several of the brands that are sold in Sephora stores are owned by LVMH one of the popular brands owned by LVMH is Fenty Beauty by Rihanna and then Fenty of course has a huge section the whole row of Fenty we got the lip glosses up front Sephora success also stems from its exclusive line of products there's a little bit of attention in the relationship between a store and a brand because Sephora is such a hot store for makeup brands to sell their products in Sephora ends up having a lot more leverage in that relationship the Sephora collection the challenge for high-end beauty brands these days is that they're really facing a conundrum they've become increasingly dependent on Sephora for sales growth but because LVMH also produces beauty brands and there's an element of competition there and more brands are coming out constantly the shelves brace is shrinking five Sephora products you need to try part 10 in part due to that product

exclusivity Sephora boasts a loyal customer base here are five Sephora products you need to buy tonight sorry I don't make the rules you just have to so what you'll find oftentimes on Instagram or tik-tok is that people have these haul videos where they're showing all the products that they bought on Sephora and they're going one by one talking about them this is the cosas tinted face oil and it's \$42 I recommend this product to everyone and they're always like I'm paying \$42 for a face oil yes you are many faithful customers are members of Sephora's beauty insider program which has three different tiers and more than 25 million members the lowest here is the beauty insider the next level up is VIB or very important beauty insider which users must spend \$350 in a calendar year to unlock the top level is called Rouge which customers can access after spending at least \$1,000 in a calendar year benefits like savings increase with each tier I'm Rouge don't judge me I know I spend a lot of money okay I get it but the real advantage for Sephora for the beauty rewards program is that every time a customer goes in there and Sephora knows exactly what they bought and that is very valuable information for the company to understand who the customer is what they're purchasing and then down the road to be able to market in a very personalized way to that customer yet as much as the company profits on exclusivity with its products when it comes to Sephora's consumer base the retailer takes inclusivity seriously one of the ways that Sephora has tried to become more inclusive as by featuring a larger number of brands in their stores they made an effort to include black owned brands and then also by pushing brands to expand their product lines and offer products that appeal to people from different racial groups different ethnicities in 2021 Sephora relaunched color IQ a skin tone matching technology the company offers to assist customers in selecting the most natural products for their skin tone and Sephora is still expanding in December 2020 the company announced a partnership with the department chain Kohl's to install 850 shops inside Kohl's stores by 2023 since opening 200 Kohl's locations this summer Sephora has added 200,000 new beauty insiders in a statement to the Wall Street Journal a Sephora spokesperson said we want to be an unequivocal global leader in the prestige beauty space and a purpose-driven brand that is a transformative opportunity for everyone we touch they continued by outlining three main areas customers brands and teams sometimes when customers step outside the Sephora store they will have slop splotches of makeup all over their arms and that really showcases what they've been doing in the store.

So as far as customer experiences are concerned the another retailer or budding retailer that I want you to know is about Stitch fix so as and when you log into their website the first thing

The screenshot shows the Stitch Fix website. At the top, the "Stitch Fix" logo is in purple. Below it, a navigation bar includes "Stitch Fix", "Women", "Men", "Kids", "Social Impact", "FAQ", "Gift Cards", "Bag", and a "SIGN IN" button. The main content area features a large image of a man in a green jacket and tan pants. To the right of the image is a "Choose your style quiz" section with a text prompt: "Tell us about you. Our stylists can find pieces that fit your unique body, style and price point." Below this are three buttons labeled "WOMEN", "MEN", and "KIDS". To the right of the quiz is a YouTube video link: <https://www.youtube.com/watch?v=cWGYZnSu4jY>. Below the link is the text "Source: Official YouTube Channel of Stitch Fix" and a YouTube channel icon for "Stitch Fix" with "5.01K subscribers". At the bottom of the page, there is a source attribution: "Source: Stitch Fix's Official YouTube Channel, <https://www.youtube.com/watch?v=cWGYZnSu4jY>, <https://www.stitchfix.com/>". The footer includes logos for "Swayam" and "MPL" and the page number "16".

which they want you to do is take a style quiz so that they can come up with best recommendations for you now you might be wondering how they are doing it so for this we'll be again looking at this fantastic video to understand the magic stitch fix so we'll first look at this and then we'll move forward

Online personal styling what's that that stitch fix and how can you help me our stylists do the shopping for you how do you know what I like and what fits you tell us your size budget and style we mix it up I keep it neutral we've got you wait is it a subscription no commitment required here and I only pay for what I keep yep always your style your fit our expert picks stitch fix.

Now as far as the video of Sephora and stitch fix was concerned I am hopeful that you are able to dig in rich and very interesting insights about how these brands are magical in creating customer experiences for their shoppers right now we finally get to the facet of the fourth strategy which is all about leading on being frictionless or offering or having a very deep or comprehensive customer understanding and offering a total convenience to the shoppers

Lead on Frictionless: Offer Comprehensive Customer Understanding and Total Convenience

Eliminate pain points

And offer consumers the most convenient way to shop

Key lies in seamless integration of shopping experience

Here we also need to understand the digital experience paradox –Kurt Salmon



see this is only going to happen when you are able to dig in in depth in consumer journeys only then you will be able to figure out some touch points or some key points which you can make completely frictionless and again this is all about eliminating pain points and offering consumers the most convenient way to shop and again I would say the key lies in offering a seamless shopping experience to shoppers but again there is one more thing which we need to understand in case of being frictionless which is about the digital experience paradox and has been highlighted by Kurt Selman now digital experience paradox simply means that indeed you are offering a lot of touch points to shoppers which are even seamless or integrated in best possible ways but the problem is they are controlled by the shoppers and the retailer has very much or a limited control that's why they call it digital experience paradox so the highlight or the benefit is you can eventually utilize the data relating to consumer footprints about let's say pre-purchase information search or hits on products or what they are eventually buying to understand consumers better and maybe built very robust recommendation systems and work towards offering the best of consumer experiences now we sum up the keen sights of the Kahn Retailing matrix in this way

To Survive - a retailer must aspire to have a fair value in all quadrants

To be a market leader - retailer must provide a superior value and be best in at least one quadrant

In competitive markets, it is necessary to be on top in any of the two quadrants



first is if a retailer wants to survive they must aspire to have a fair value in all quadrants which eventually means they either can work on offering low cost efficiencies or by removing friction in all possible ways or by offering product brand superiority or by working towards offering a best of consumer experience but in order to be a market leader they must provide superior value and be best in at least one quadrant and for this maybe we can consider Dmart who is considered as one of the most successful grocery retailers right other one is but in competitive markets it is necessary to be on top in any of the two quadrants now if you talk about Amazon they have not even been successful in reducing the friction to the minimum but they are also offering you low cost efficiencies so the highlight of this particular snapshot is to make you understand in the present retailing competitive dynamics it might not be sufficient for a retailer to just kind of excel in one of the quadrants they eventually need to work out on combinations whether it can be a combination of any of the facets of eliminating pain points or offering enhanced customer experience or building trust which is eventually going to work for them so these were a few things which I wanted you to understand but I would again urge you to go back and read more about the Kahn's retailing success matrix and trust me this is one of the most fascinating matrix that you can know about and

Suggested Reading

A business journal from the Wharton
School of the University of Pennsylvania

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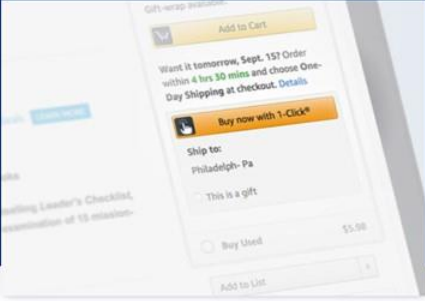
Knowledge at Wharton Podcast

Why Amazon's '1-Click' Ordering Was a Game Changer

September 14, 2017 • 26 min listen

Amazon's patent on "1-Click" ordering, which recently expired, helped jump-start the e-commerce giant's growth from a virtual bookstore to a massive online marketplace.

• INNOVATION



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Source: <https://knowledge.wharton.upenn.edu/podcast/knowledge-at-wharton-podcast/amazons-1-click-goes-off-patent/>

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here is again one of the recommendations for you why Amazon's one-click ordering was a game changer I would urge you to read this article the link for the same has been provided below in the slide and for this also you'll be able to know a lot more things that you might not have even thought of like one of the things could be do you know that Amazon was having a patent for one-click ordering system in 1999 which means they kind of applied for the patent for one-click ordering system in 1999 and it restricted a lot more retailers from using that and eventually it also became one of the most fascinating things about Amazon so there are a lot more exciting things in this article please go and read about it so looking forward to meeting you in the next session wishing you a good day ahead thank you.