

**Retail Marketing Strategy**  
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**Lecture-24**




Good evening everyone and welcome back. Today we will be entering week 5 and I hope from week 1 to week 4 it has been a rollercoaster ride for you as well because along with sharing insights on retailing with you I also learnt a lot of things. Right, so as we begin today we will be touching upon another important facet which is going to be about formulating or building a successful retailing strategy. Right, but how can we forget about our two exciting elements which is extra fodder for thought and learning something new. So as far as this module is concerned we will be beginning with that. I am sure you must have not heard about the talking newspaper till date.

### Learning Objectives:

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

- 'Strategy' perspectives from a retailer's lens
- Key elements of a retail strategy

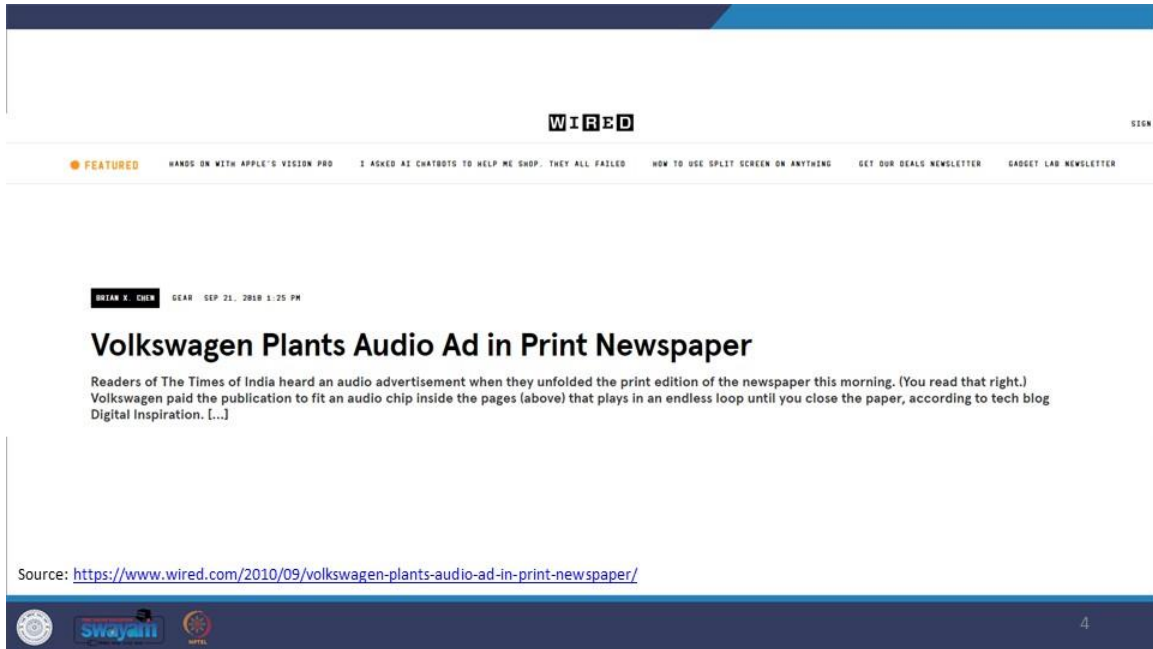
Extra Fodder for Thought: "Talking Newspaper"  
Learning Something New: "Click and Collect"

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Have you? Maybe you can think about it. Another thing which we will be learning is definitely going to be about a strategy which is called a click and collect and is indeed getting very popular especially in metro cities. But specifically in this module we will be learning what is the context of a strategy from a core of a retailer's lens. Along with that we will also be learning about the key elements of a retail strategy.

So as I was telling you we will be beginning this module with these two exciting elements. So let's first get to extra fodder for thought. As I was asking you have you ever

heard about a talking newspaper? So this was a campaign which was actually organised by Volkswagen to launch the car Vento. What they did was they came up with the idea of a talking newspaper in which sound chips were actually planted in newspapers.



As and when someone opened the newspapers it would start talking and give them an introduction about the car.

You might be thinking considering the time when it happened precisely in 2010 it seems very exciting. So if you look at this article which was published in wired it talks about Volkswagen plants audio ad in the print newspaper. Along with Hindu even Times of India partnered in this campaign. Readers of the Times of India heard an audio advertisement when they unfolded the print edition of the newspaper this morning. Yes you read it right.

The screenshot shows the top section of a news article on The Economic Times website. The header includes the newspaper's name, navigation links, and a subscription prompt. The article title is prominently displayed in the center. Below the title, there is a synopsis box and a main text area. A 'TOP TRENDING TERMS' section is visible on the right side of the article content. At the bottom of the page, there are logos for various entities and a page number '5'.

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Business News - VW spends Rs 5 cr on 'talking newspaper' campaign

## VW spends Rs 5 cr on 'talking newspaper' campaign

PTI • Last Updated: Sep 21, 2010, 07:57 PM IST

**Synopsis**  
German carmaker Volkswagen today took advertising to a new level with an innovative audio advertisement in print to create a buzz for its entry level sedan Vento.

**NEW DELHI:** German carmaker [Volkswagen](#) today took advertising to a new level with an innovative audio advertisement in print to create a buzz for its entry level sedan Vento.

Using a voice-recorded device pasted on two English dailies, the company sprang a surprise to many readers in Delhi, Mumbai, Bangalore, Pune and Chennai on a campaign for which it is believed to have spent up to Rs 5 crore.

"Twenty two lakh chips were specially sourced for the one time exercise. We have been working on this for the last six months in order to bring out the

**TOP TRENDING TERMS**

Shard Pawan Tipu Sultan  
Gurugram Metro Project India Cabinet

Source: <https://economictimes.indiatimes.com/vw-spends-rs-5-cr-on-talking-newspaper-campaign/articleshow/6601603.cms>

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Volkswagen paid the publication to fit an audio chip inside the pages that plays in an endless loop until you close the paper according to this tech blog. Even this also made headlines in economic times where it wrote Volkswagen spends 5 crore on talking newspaper campaign. Using a voice recorded device pasted on two English tellies which indeed were the Times of India and the Hindu. The company sprang a surprise to many readers in Delhi Mumbai Bangalore Pune and Chennai on a campaign for which it is believed to have spent rupees 5 crore. Specially for this campaign the chips were actually imported from China and even there were also logistics issues with respect to that.

We will also be looking at one of the videos where you will actually hear about this campaign. But these chips were pasted around 1 am in the night to make sure that everything goes perfect as far as this campaign is concerned. So even if you look at this particular article in the end you can see 22 lakh chips were specially sourced for the one time exercise as far as this particular intriguing campaign was concerned.


**campaign**  
REGION: AP | IP | CH | IN

THE WORK | OPINION | ADVERTISING | MARKETING | DIGITAL | MEDIA | PR | IN-DEPTH | PICTURE GALLERIES

Home > Article > A talking newspaper ad launches Volkswagen Vento

**A talking newspaper ad launches Volkswagen Vento**  
The ad was created by DDB India, and MediaCom was the media agency.  
Sep 23, 2010 02:00:00 PM | Article | Arati Rai


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German automotive manufacturer Volkswagen launched its campa...

Source: <https://www.campaignindia.in/article/a-talking-newspaper-ad-launches-volkswagen-vento/412780>, Source for Video: ndtvhindu

Source: <https://www.youtube.com/watch?v=nVamb7GPXK4>

Source:  ndtvhindu  
62.4K subscribers

Swamy NDTV

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Now as you move further you can also see that it was also published in campaign a talking newspaper ad launches Volkswagen Vento. So this is the video which I have derived for you and has been officially derived from the channel NDTV Hindu.

So whenever you will be looking at this video what you will see that the person Mr. V Kalidas who was actually the vice president with Hindu at that time is talking about this campaign. He is precisely explaining how at that time people were surprised when the idea of newspaper with respect to this campaign became more interactive because it was an ad which actually started talking to people. He also talks about a few logistics issues that how these chips were imported from China then the staff had to be up whole night around 1 am in the night to paste these sound chips in the newspapers. But what he is happy about is definitely the response that it received because people actually at that time started looking at newspapers as a very interactive medium which was not considered per se.

Along with that newspaper at that time was also competing with radio, television and even the social media channels were coming up. So this in a way came as a fresh breeze as far as the advertisements in newspapers were concerned. So what we will do is we will first look at this video and then we will be talking one more exciting thing considering this particular fascinating campaign which was done by Volkswagen in partnership with Hindu in the times of India. So please have a look at this video first.

*Hi, I am V. Kalidas, Vice President Advertising, The Hindu. The Hindu is one of India's leading main line English dailies. It is considered the Asian paper with the southern*

*accent. The Hindu was declared one of the 10 most respected newspapers in the world at a global survey that was conducted by the Times London many years ago. The Hindu delivers a daily audience of 5 million readers and a circulation of 15 lakhs plus from 14 centres.*

*The Hindu values authentic journalism and is a trailblazer in terms of reporting and global coverage and objective analysis. That is what made The Hindu what it is today. With the advertisers getting increasingly savvy these days, newspapers are forced to offer them extra solutions to meet their stiff requirements. The English newspaper today is not only facing competition intermedia but also intramedia. We have to fight competition from TV and radio, from new media and from the social networking sites not to mention the onslaught of digital media.*

*It was at this juncture that Volkswagen, a very demanding and fastidious advertiser approached us for the launch of their premium sedan vehicle Vento. The marketing director told us that The Hindu would be featured in the campaign if we came out with some astounding, innovative, interactive advertising. It was then that a very novel form of advertising was conceptualized and implemented in The Hindu. It involved the pacing of a sound chip on one of the illustrated panels in the advertisement which was positioned enticingly on the back page. And when the reader opened the paper, the sound device got triggered and the message flowed through voicing the body copy that is given in the ad.*

*This is a sound chip which was imported from China. Over 4 lakhs chips were imported. The logistics were pretty difficult. We had to store them in a private place and then early in the morning sometime around 1 o'clock they were pasted and the copies were made available early in the morning, straight hot from the oven. And when the readers opened it, the voice unfolded itself along with the visual impact of the advertisement.*

*First time that a newspaper talked its way through the advertisement into the reader's heart. A solution which was highly appreciated by Volkswagen. This was opined by no less a person than the editor-in-chief of The Guardian who said that newspapers should become more and more interactive and participative. Here's a glowing example of that comment. This ad was designed with great passion and so was the vehicle designed with great passion by the engineers of Volkswagen.*

*A fact which is brought out eloquently in this audio-visual impact so to say. It was the first innovation of its kind. It was called the talking newspaper and it won emcomiums all over the world. We hope to do more such exercises in case advertisers approach us. Well, would you like to know the conclusion to this great exercise? The very next day, or rather the same morning, we were flooded with emails, faxes, phone calls, most of which were highly laudable.*

*Except that a few readers here and there, the addictive Hindu readers, were a little annoyed that their morning coffee and subavatam, which are companies that Hindu, was slightly disturbed. Otherwise, it was a great exercise. As far as the clients were concerned, the impact was total and they could not have asked for anything more. Is the innovation exercise ending with this? No way. We hope to do much more, provided the advertisers are willing to take up the challenge and come to us.*

*Apart from this, an interesting suggestion which we received from one of the many mails that flooded our office was from a techie who said that he would expect a video streaming across the pages of the Hindu one of these days. I am sure with some imaginative advertising and logistics, this can also be converted into reality in the near future. Thank you.*

So, before you started watching this video, I indeed told you that we will be talking one more exciting thing as far as this campaign is concerned, right? So, that is precisely the results of the campaign. So, as far as the concept of talking newspaper is concerned, it definitely emerged as a winner.

Because it indeed redefined how people were looking at newspapers. Even for a short time, the people started looking at newspapers as an interactive medium which had never existed before. It actually remained very dormant as compared to other mediums like radio, television and even with respect to the social media channels that were coming up at that time.

### Results of the Campaign

The concept of a 'talking newspaper' was a winner as it re-defined the medium. The print medium was considered to be very un-interactive but **this idea combined the reach and popularity of newspapers with the interactivity and engaging capacity of technology.**

The brand results were phenomenal: **12 per cent of the annual sales targets for the Vento were met in a single day.** Dealer inquiries rose by 200 per cent.

The ad trended on Google that day. **By 10 AM that morning there were 46 videos of the talking newspaper uploaded online.**

Source: <https://www.exchange4media.com/mediacom-news/talking-ad-seals-the-deal-for-volkswagen-46529.html>


Even in this particular slide, you can see the print medium was considered to be very unattractive. Even if we go by what has been presented, the print medium was considered to be very uninteractive.

But this idea combined the reach and popularity of newspapers with interactivity and engaging capacity of technology. The brand results were indeed phenomenal. 12% of the annual sales targets of the went over met in a single day. Even the dealer enquiries rose by 200%. So, you can imagine the results which this fascinating campaign produced.

The campaign also trended on the Google ad that day and featured among the top trends when the campaign was launched. And by 10 am that morning, there were 46 videos of the talking newspaper that were uploaded online. So, I hope you must have not heard about something like this. And it definitely makes retailing fascinating or marketing in general. How marketers today are trying to find out more interactive ways to reach out to consumers.

And just imagine this happened in 2010 and where we are today in 2023 where everything again is taking a different turn and interactive is getting at its peak. So, I really hope this was enriching for you. Now we will get to our another exciting element which is learning something new.

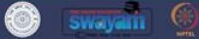
## Learning Something New



### Click and Collect:

A service in which retailers allow their customers to order online but pick up orders from physical stores.

*What do you think can be the advantages and disadvantages of a click and collect strategy?*

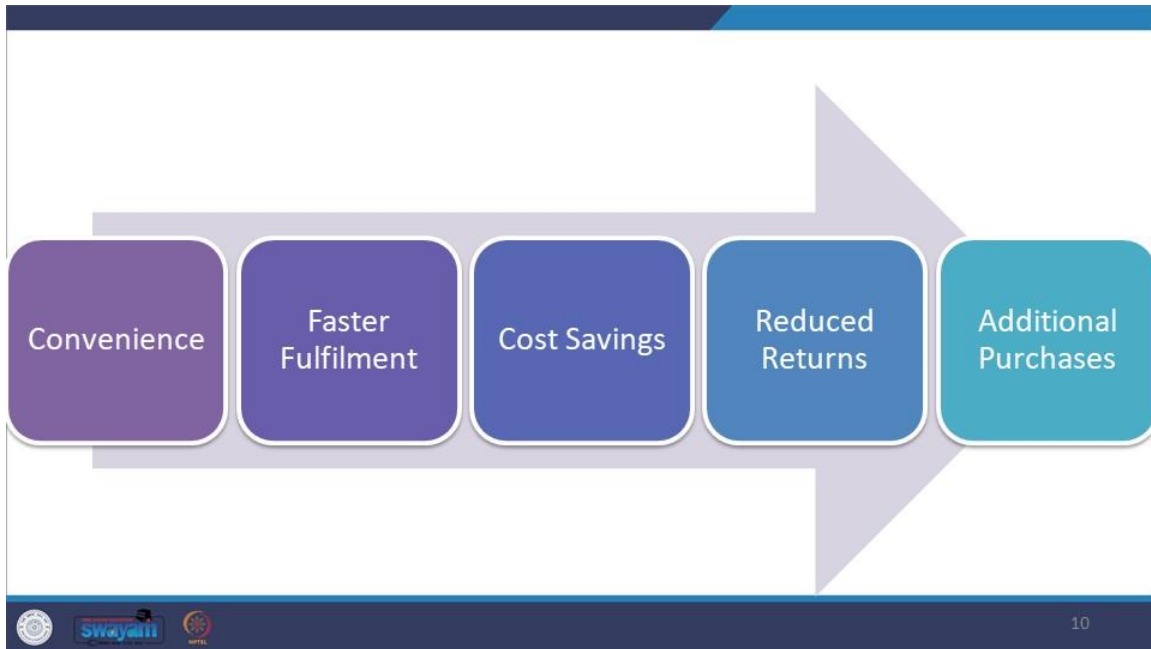
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So, as we enter into week 5th, we will be learning about a new strategy which is called click and collect. Now this precisely is a service in which the retailers allow their customers to order online but pick up orders from the physical stores.

So, this is more like providing best of world to the consumers which means best of online retailing as well as well as offline retailing too. Because you can order products from the convenience of your homes but you can go and pick it up from the physical stores. But tell me one thing, what do you think can be the advantages and disadvantages as far as click and collect strategy is concerned. Understanding advantages and disadvantages becomes important because this indeed is going to deepen your understanding of the new strategies that are indeed taking over the retailers in the present retailing dynamics. So, let us first discuss the advantages of click and collect.

## Advantages of Click and Collect





So, the first advantage is indeed convenience right because I was telling you this combines the best of both the worlds. You can actually order products from the convenience of your home right and you do not have to go to the physical store and look at shelves for various products and even spend time with respect to finding them. You can simply order online and while commuting back from the place let us say from your office maybe you can pick up those products and this is indeed going to be a win-win situation for both the customer as well as the retailer right. And it also leads to faster fulfilment. Definitely right one thing is you do not have to wait for the delivery right if you order online let us say even if the delivery is same day it could be done at a later time in the evening.

But in this case you are picking it up from the store itself and this definitely works best when the location of the store is such that it lies in the commuting points. Let us say when you are going from your home to office and coming back from your office to work. So, this is in a way an ideal situation, but there can be other convenient locations also and that completely can be figured out by doing surveys or maybe by following a systematic approach to figure out what can be the best places to figure out locations. Maybe another way of finding out the best location could be to see the points where people commute on daily basis and this can be best specifically for grocery retailers. Another way of looking at faster fulfilment is the fact that whenever you will be going to the store your packets should be ready.

Your products or whatever you have ordered will be packed completely and you can just go and pick it up right because most precisely you must have also made the payment online. So, your time will not be wasted there as well right. Another thing is it also

provides a lot of cost savings. So, one way of looking at cost savings is the fact you might be able to access the special promotional offers which could be available through online channels. Let us say website or the mobile application of this particular retailer.

Another benefit that comes as a part of cost savings is that you are saving on delivery costs right because you are going and picking up the products yourself. And many times when you have smaller orders delivery cost could appear to be very higher right. So, this helps in this way also. Another important advantage which can be allied with click and collect strategy is reduced returns. Because see though you have ordered online you are going to the physical store you are going and checking the products there.

Even while you take the products back home you are definitely giving it a check. So, the chances of reduced returns are kind of minimized because in case there is an issue you can talk to the retailer there itself and you can maybe look out for the best solution by discussing it with the retailer. Now, another benefit which definitely comes from click and collect is additional purchases. Now, this indeed depends upon the smartness of the retailer itself. Let us say you have a customer who through click and collect strategy has placed the order online.

But just to pick up the order he is definitely coming to your store. Now, you might have a designated area where you are kind of executing the click and collect orders where customers are picking up. And you might also have a sales staff or a customer care staff that is helping those customers. That would be definitely required as a part of operationalizing click and collect strategy right. So, in that case it depends upon the smartness or what additional strategies you are adopting to kind of bring customers to the store and pushing people towards the stores or to get inside the stores.

Where you can kind of introduce them to new products you can take them for trials you can even share new promotional offers. And the best way would be visual merchandising for it. So, if you look at it convenience, faster fulfillment, cost savings, reduced returns, additional purchases definitely come across as the benefit of click and collect strategy right. But there are some disadvantages also right. Disadvantages of this particular click and collect strategy.

So, we will be discussing about them now as we move further. So, these are precisely the disadvantages which can be allied with click and collect strategy. So, the first is limited availability. Now this precisely comes from the fact that every retailer might not be offering you a click and collect strategy. Anyway this is even as far as India is concerned you can only find this in a few metro cities.

And the reason is because see even a retailer would have to make a lot of operational investments to execute this and even have a designated space in their retail locations

right. Another disadvantage is let us say if this particular retail store who is executing click and collect is at an inconvenient location. Then also people might not prefer going there to pick up the orders even if they have to make or walk an extra mile to kind of pick up these orders you will see people will definitely have a kind of a resentment. And anyway this might also decrease the value that they are deriving from click and collect strategies if they have to walk an extra mile or if the location is too much convenient for them. That is why if you remember I was telling you if a particular store lies between the commuting space of people.

Let us say when they go from office to work and come back from office to work that definitely comes across as a best location in order to execute click and collect strategies. Another thing is operational challenges you need to train your staff you need to have inventory management systems to make sure that click and collect can be executed right. So, another thing is as I was telling you also need to have a designated space in your retail locations or in your retail set up places where people can come and collect orders. If you use the same space where people are coming and buying in physical stores then this might even lead to a chaotic experiences for people and confusion for you as well. Another thing is that might also lead to potential displays.

Now that could be related to inventory accuracy, staffing issues let us say if the staff is not properly trained then also there can be issues. And finally limited product categories which means the click and collect strategy may not be available for access with respect to every product category. Most likely you will see that people will be using it for groceries because that is something people might not be willing to wait for a longer time as they require daily basis usage. So, this is one product category for which it might work. Otherwise you can also search for another product categories for which you think click and collect would be very suitable and would be indeed be very happy and excited to read about your views in the forum section.

So, please go and share your views there. So, once we get to the forum we will definitely discuss in one of our live lectures about this. So, as far as extra fodder for thought was concerned in which we precisely discussed about the talking newspaper and I think that was indeed something new or novel for you. And then we got into the concept of click and collect strategy. So, as far as this was concerned I really hope that you gained or learnt something new about this particular strategy as well. And even the concept of advantages and disadvantages also gave you a refreshing perspective about the strategies or new strategies that are kind of taking over retailers or retail markets.

So, now as we move further we will get to the core element of this particular module which means we will start looking at the strategy from a retailers lens. Now, first thing is before we start understanding the concept of a strategy from a retailers lens we first need to understand what exactly strategy is right. So, strategy precisely comes from a Greek

word which means that of the general and in simplest sense strategy is all about preparing a plan to achieve something completely to. Strategy is more like you are going organized with your approach with respect to doing anything. Now, this could be related to a retailer coming up with the private labels they might do a lot of research to figure out in which product category private labels are required.

They might even see if the competitors already have private label products in that category what are the issues with those products and what is it that they can do to improve the situation or maybe offer a superior private label with respect to what is there in the market. They could also work on a strategy with respect to promotional campaigns maybe looking at which advertising strategy will work best whether it should have a rational approach or it should have an emotional approach. Or what sales promotional tactics are going to best for which product categories let us say for some you might see BOGO is working BOGO means buy one get one. But for some you might see that discounts are taking over that is something which consumers prefer. But see there is again one more element which you cannot miss when you talk about strategy and that indeed is keeping the competitive landscape in mind right.

If you are thinking about doing something which again occupies an important place as far as your overall objectives or your achievement overall objectives is concerned you cannot just ignore competitors. As I was telling you even when you are thinking of coming up with private labels you need to know what are your competitors doing. There could be a situation let us say specifically with respect to a private label when your competitor has just mastered it. Their product is being preferred and it is indeed a value offering so that might delimit the scope for you in getting into that particular segment.

So that is where the importance of competitive landscape comes in. You really need to understand what competitors are doing or even our environment is changing let us say how consumer preferences are changing. Now you can see how technology has impacted how people buy. Searching information is just a click away. In most of the retail establishments many of times you will see consumers coming in and saying this is the price available online why you are charging so much right. So you need to have a strategy to convince them otherwise you can even look at more like a bundled offer so that the comparisons are actually minimized.

So this definitely is a different ball game altogether but for now what I really want you to understand is even if strategy is all about preparing a plan to achieve something in which you are going a little more organized. But you definitely need to understand the competitive landscape or precisely understand what your competitors are doing right.

Strategy comes from a Greek word.... meaning the “art of the general”

In simplest sense, *strategy is all about preparing a plan to achieve something keeping the competitive landscape in mind*

In context of retailing...

*A retail strategy is a statement that aims at identifying:*

- A retailers target market segment (a segment that a retailer decides to focus its resources on)

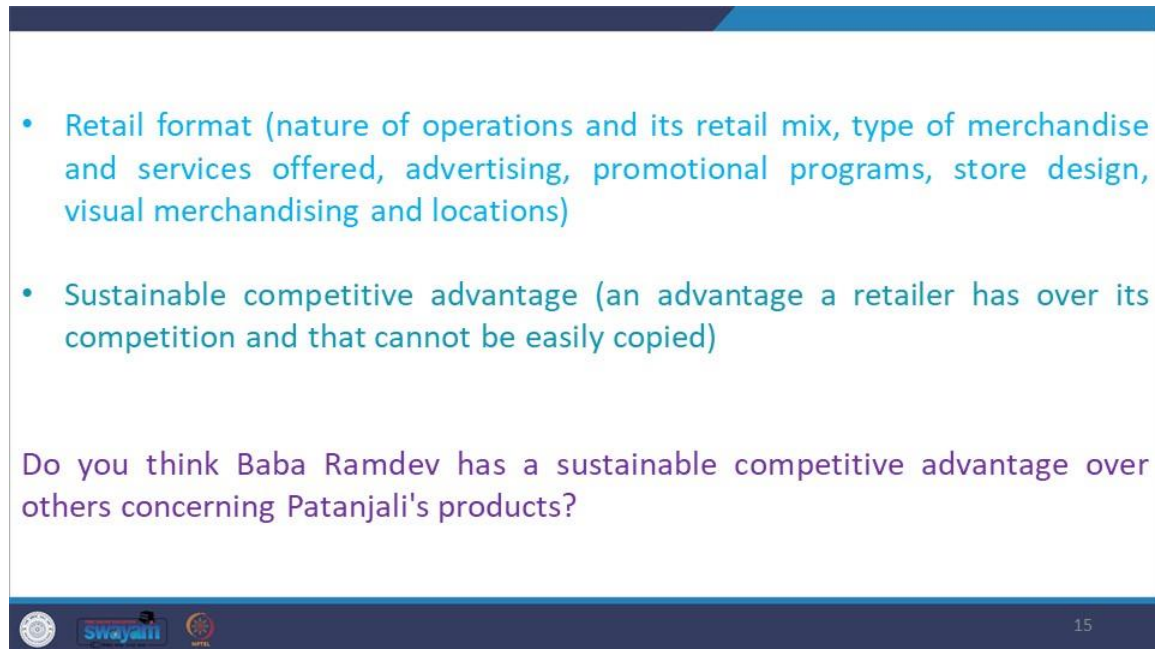


In other words if you want to understand strategy you can also say that how retailers deal effectively with environment their customers and competitors. This is something which indeed captures the essence of a strategy. How they are dealing with customers what is it that they are doing for their customers let us say to create a wow factor to keep them satisfied.

This can even be related to problems like let us say what you are doing to minimize the waiting time for your customers in store. Many times you must have seen when people stand in queue then it takes a little more time then it is definitely going to bring some sense of dissatisfaction as fast their overall retailing experience is concerned. Many times retail strategies also looked at from the perspective of a bridge between understanding the world of retailing and executing strategies to create satisfied rather we would say to create happy and delighted customers right. That is why where we capture the essence of retail strategy in the modern times. But there are a few key elements when we look at a retail strategy precisely from a retailers lens.

So, the first thing is a retailers target market segment now this becomes a key pillar of a retailers strategy right. So, whenever we are talking about target market segment what we are trying to identify is what is going to be the focus of a retailer which class of customers will be this retailer catering to. So, this is what a retailers target market segment is in other words you can say it is a segment that a retailer decides to focus its resources on right. But it is one in the same thing it is more like where the retailer would be channelizing its resources maybe you can understand this also from the perspective of let us say Fab India. Their target market includes even men women as well as children, but if you look at Manyavar they are only catering to men and women.

So, that is where the target market differentiation lies if we precisely look at from the perspective of ethnic where for both men and women right.



- Retail format (nature of operations and its retail mix, type of merchandise and services offered, advertising, promotional programs, store design, visual merchandising and locations)
- Sustainable competitive advantage (an advantage a retailer has over its competition and that cannot be easily copied)

Do you think Baba Ramdev has a sustainable competitive advantage over others concerning Patanjali's products?

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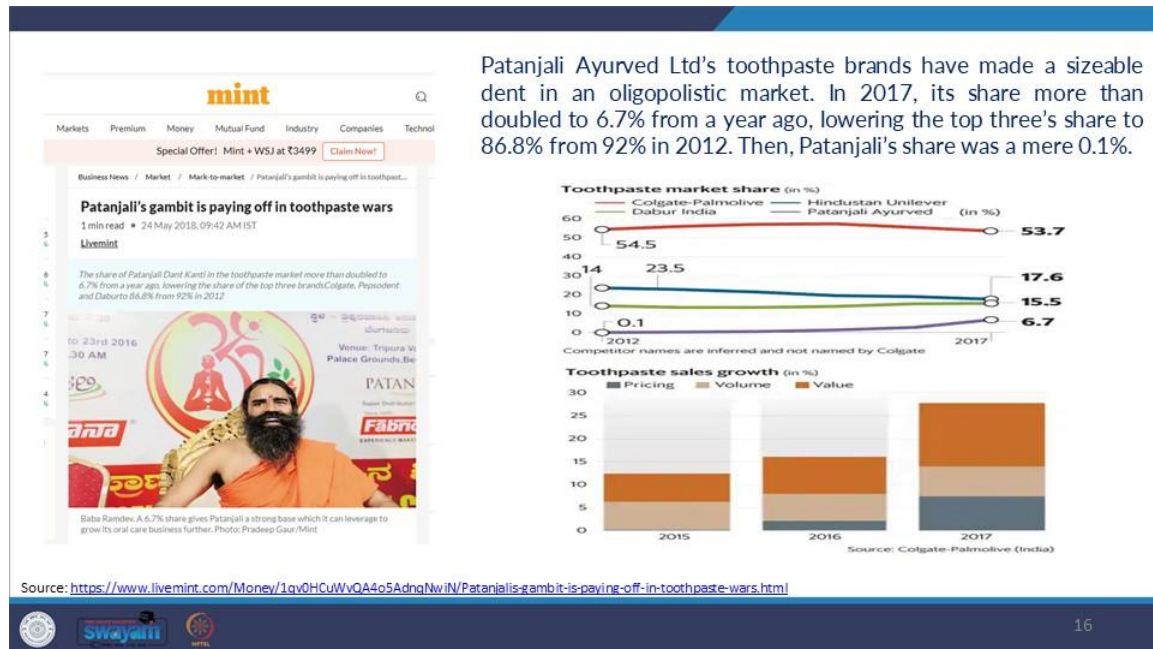
Now the next pillar which occupies a key position in the retailers strategy is retail format which actually captures the essence of nature of operations and retail mix. Type of merchandise and services offered in a retail store what is the variety and breadth of merchandise a retailer would be keeping right. See even if you take this example forward of Fab India in let us say Manyavar now Manyavar is catering to both men and women when it comes to ethnic where right. But if you talk about Fab India they are also catering to keeping merchandise in ways for men women as well as children.

Apart from that they are also getting into a lot of products like maybe let us say perfumes or even furniture they have also got into the segment of furniture. Apart from that they are also keeping a lot of other products if you log into their website you will be able to see that they have actually expanded their product categories to the next level. Apart from that whenever you are talking about retail format we also see the advertising strategies which is being used what are the various kinds of promotional programs a retailer is using. How the store is designed visual merchandising and also the locations of the store like where are the stores placed at. Many times you will see that some retailers only decide to operate online like for some you will see they will only be operating offline.

But if you remember our discussion in the last lecture we had discussed that multi channel retailing is precisely emerging as a norm where the retailers would like to have their presence in both online and offline formats right. So, the another pillar which again

occupies a key position when we talk about a retailer strategy sustainable competitive advantage. So, this is more like an advantage that a retailer has over its competitors and that cannot be easily copied which means there is something which a retailer is doing much better than its competitors and is bringing in a lot of benefits for them. Like if you talk about Walmart their competitive advantage lies in the lower prices or everyday low pricing strategies which they can offer to their customers. Because they are anyway capitalizing on this by developing a command over internal efficiency operations and that is how they have been successful in reducing cost in passing on these benefits to their customers right.

Likewise you can also consider the example of DMart as far as grocery retailing in India is concerned. They are more like no frills store they save on that and then they pass on these benefits to the customers. But do you think that Baba Ramdev has a sustainable competitive advantage over others when it comes to Patanjali products. So, one benefit which they are definitely enjoying is Make in India right. The people who align a lot with that sentiment would definitely prefer buying Patanjali products right.



Apart from that if you look at this snapshot which has been derived from Mint they have been actually doing very well when it comes to the toothpaste segment. Patanjali Ayurveda limited toothpaste brands have made a sizable dent in the oligopolistic market. In 2017 its share more than doubled to 6.7 percent from a year ago lowering the top 3 share to 86.8 percent from 92 percent in 2012. So, the other leading players in this particular segment were Colgate, Palmolive, Hindustan Unilever and Dabur India. And Patanjali has definitely made a dent to the share. So, if you look at it the share of Colgate, Palmolive dropped from 54.5 percent to 53.7 and that of Hindustan Unilever



dropped from 23.5 to 17.6. Whereas, when you talk about Patanjali from 2012 it increased from 0.1 to 6.7 percent whereas, in 2012 it was non-existing but in 2017 it had a share of 6.7 percent. Now, the data which we are utilizing is for 2017 and I have a reason for this because I want you to figure out now what is the state of Patanjali's product specifically toothpaste in the present dynamics.

What is their market share has it risen or has it fallen and we will be happy to read about it in the forum section. So, consider this as a part of an assignment and please go and read more about it and share your views in the forum section and we will be happy to go through them and then we can definitely have a discussion about this. Apart from that when we talk about sustainable competitive advantage, I also want your view on Decathlon. Do you think they have a sustainable competitive advantage in sports segments?

What's your view on Decathlon, do they have any sustainable competitive advantage in sports segment?



Decathlon Store Experience  
Source: Official YouTube Channel of Decathlon, India

<https://www.youtube.com/watch?v=1colqoYPU7U>

Source: <https://www.forbesindia.com/blog/business-strategy/decathlon-sets-off-with-100-fdi-in-sports-retail/>

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See this is one of the key in leading retailers when it comes to the sports segment. Decathlon is very popular but my question to you is do you think they also have a sustainable competitive advantage? So, one thing which is so peculiar about their stores is definitely they are in suburban areas.

It helps them on saving rents in ways but another advantage is they are able to occupy large spaces or have large retail establishment where people can actually have an experience when it comes to a lot of sports. Let us say with respect to cycles, the size of the Decathlon stores is so large that you will actually see people cycling there and actually having an experience of the product than in there itself. With respect to other products also you might see them playing in the stores itself. So, these are more appearing as the experience stores as compared to other retailers which could be in the



sports segment. Now, even with respect to Decathlon, we will be looking at this video which basically presents a Decathlon store experience and I want you to note down key points.

How do you think a Decathlon store experience is different with respect to the other retailers in the sports segment? And for this also please come back to the forum and share your views. We will be happy to read about them. So, we will be looking at this video now.

So, I really hope that you enjoyed looking at this video and you have also noted down your points. So, please head to the forum and share your views with us. Now, the last thing which is going to be a part of this particular session is why do we need to focus more on strategizing in retailing than ever before, right? First thing is simply because the market has become too much competitive, especially after the policy of liberalization, globalization, privatization. We have a lot of foreign players entering into our markets which have not only impacted how retailers take care of their customers, but also with respect to the quality of products that is being offered in the retail stores.

And in the present times, it is also having an impact with respect to the technology interface that we kind of execute or operationalize at the retail stores with respect to how we share information with customers, how they place orders and even with respect to how they are shopping when they are inside our stores. So, one thing which definitely has made an impact is new competitors. See, if you look at entertainment retailing, everybody is competing for time. I have the option of logging to Amazon Prime and watching the show.

Along with that, I have other competitors also that are competing for my time. Now, it could be Netflix, it could be Disney Hotstar, it could be Zee5. But along with that, we are also television is also competing, right? Because if you talk about entertainment industry, it is all about time and where the customers would be spending their time. Now, another way of looking at this could be the competition has simply risen to the next level. Just imagine the grocery stores are competing with big and giant players like Amazon and even Flipkart who have now entered into the grocery markets. Earlier, they were in a way competing with Big Bazaar and Reliance Fresh, but now the competition has been taken to the next level, right? Another is new formats are emerging.

If you remember, we had discussed about scrambled merchandising, right? Where you will see retailers keeping products which actually lies out of their core. We had discussed about smart points having pharmacies inside them, right? Many times you will also see coffee bars will more look like bookstores and bookstores will also have coffee shops. You might also see shops on gas stations. You will also be able to see a lot of chaos which earlier have only been popular at the airports.

*Why do we need to focus more on strategizing in retailing now than ever before:*

Simply, because of the emergence of:

- New competitors (Competing on Time, Restaurants are competing with food trucks)
- New formats (Coffee bars and Book Stores, Shops on gas stations, Kiosks, Click and Collect, Scrambled merchandising is on rise)
- New technologies
- Shifts in customer needs (More for Less)

Apart from that, we just discussed about click and collect strategy which we might see kind of gaining a lot of momentum in the times to come, right? Apart from that, simply you will see a lot of formats coming up and definitely the advent of online retailing is also impacting this a lot more, which definitely gets into the orbit of new technologies.

There has been a huge impact with respect to the augmented reality and virtual reality technologies. They have definitely made an impact on how people buy and also with respect to the fact that the distance between search and experience product is now minimizing. Search products basically are those products which you can easily buy online because touch and feel for those might not be required. Whereas experience products are those products which you would like to touch and feel, experience them or inspect them before you make the final purchase. Now just because of technology, even that gap is getting minimized because see if you have a 3D technology, the chances of experiencing or inspecting a product online are increased, which was not the case earlier.

Earlier people would anyway prefer physical stores if they wanted to buy experience products. Let's say if you want to buy DSLR, you would definitely prefer going to a physical store, looking at the DSLR, clicking pictures, then checking out on the quality of pictures and a lot more things that you would like to check. But now just because of AR and VR, this gap is definitely getting minimized. And the last thing is shift in consumer needs. They definitely want more for less. They always look for value offering, which means the quality of the product should not be minimized, but the price should be decreased, right? And technology has anyway impacted how they shop.

Everything is just on fingertips. They can collect information, which is just a few clicks away. So, a lot of things have changed. New segments have emerged. Women have got into a different jobs. They are earning on their own.

So, that is indeed emerging as a different segment considering their financial stability. Now, you also see youth spending a lot on entertainment or recreational activities. So, that again is emerging as a huge business, right? So, these were a few things that I hope gave you a perspective about why we need to be or have, you know, a very enhanced or heightened focus when it comes to strategizing in the present retailing dynamics. Now, as we move further, we will be discussing a lot more exciting things. We will be touching upon the facets of segmentation or looking at the value that the segmentation or the target markets kind of occupy when it comes to building a strong retail marketing strategy. Along with that, we will also be digging more deeper into the facets of sustainable competitive advantage or how retailers can actually achieve that.

So, looking forward to meeting you in the next session and we will be again back with a lot more exciting things. Thanking you for now. Wishing you a good day ahead.