

GREEN RETAILING- AN EMERGING TRENDS IN RETAIL MARKETING

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Abstract

The essence of retail marketing is developing merchandise and services that satisfy specific needs of customers, and supplying them at prices that will yield profits. Thereby the concept is a philosophy, not a system of retailing or retail structure. In today's CRM landscape the old analogy comparing the rifle and shotgun approaches to message and / or offer delivery is perhaps more appropriate than ever, as more retail organizations struggle to achieve one-to-one marketing-communications with customers and prospects. Targeting allows a retail enterprise to channel its marketing budget where there is the greatest (and fastest) possibility of Return on Investment (ROI).

Key words: Retailing, marketing mix, ROI, green retail, digital retailing

Introduction

In India the retail industry is one of the most sunrise sectors in the economy. At Kearney, the well - known international management consultancy, recently identified India as the 'Second most attractive retail destination' (Marketing master mind, 2008) globally from among thirty emergent markets. India said to be one of the largest emerging market, due to its population over one billion. India is one of the largest economies' in the world in the terms of purchasing power and has a strong middle class base of 300 million populations. According to him, the total Indian retail market is estimated at 275 billion in 2004 and \$321 billion in 2006, and project the same to \$368 billion in 2008, \$421 billion in 2010, considering an annual grown rate of 7% and \$590 billion in 2011 which contribution about to 12%.

Retailing is the interface between the producer and the individual consumer buying for personal consumption. A retailer is one who stocks the producer's goods and is involved in the act of selling is to the individual consumer, at a margin of profit. A retailing is the last link that connects the individual consumer with the manufacturing and distribution chain.

Emerging Trends in Retail Marketing

The consumers' acceptance of internet shopping in the prior decade led to the development of multi-channel retailing, with leading companies broadening their marketing reach and integrating operations to maximise cross-channel synergies. The next five years will see the on-going convergence of smart technology, consumer insight, interactive-multi-channel marketing and an express supply chain, all providing real-time insight and access to the digital customer. These brand driven advances in marketing, technology and the supply

chain, along with the progression of the customer's digital lifestyle, will create a dynamic customer to brand relationship and interactive shopping experience.

The history of the future of retailing is being created today by leading innovative companies such as Amazon, Apple, Disney, Google, Nike and Zara. Each is leading the way forward, pioneering specific initiatives that are defining the future of the retail landscape. Amazon is leading in the mining of deep customer insight and in creating personalised shopping experiences. Apple is leading in the development of "smart" personal devices, Disney is building interactive stores, Google is developing Web TV, Nike is integrating live customer input into product design and Zara is redefining the supply chain process. On the consumers' side, customers are living in a fast-paced, wireless, continuously connected culture and they are looking to easily manage and control their lives through time-shifting technology and smart media devices. A large portion of their life has become "digitized" through emails, instant messages, downloads and virtual social interaction with friends, family and their favourite brands.

Marketing strategy

A marketing strategy is a process that can allow an organization to concentrate its limited resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage'. A marketing strategy should be centred around the key concept that customer satisfaction is the main goal.

A strategy consists of a well thought out series of tactics to make a marketing plan more effective. Marketing strategies serve as the fundamental underpinning of marketing plans designed to fill market needs and reach marketing. Plans and objectives are generally tested for measurable results.

Retail Marketing Mix

Retail Marketing mix is the term used to describe the various elements and methods required to formulate and execute retail marketing strategy. The mix may vary greatly according to the type of market the retailer is in, and the type of products / services.

Driving Forces for Organised Retail Sector to Grow

1. Growth in middle class population, purchasing power of population in middle class population leads to more consumption patterns. Hence that leads to growth of retail India.
2. Change in the pattern of consumer behaviour

Consumer behaviour have moved from traditionally consumed staple food grains product to the branded cereals and corn flakes packaged food and drinks. Higher disposable income led to a shift in consumption behaviour.

3. Consumption culture of super rich class

According to the survey conducted by Technopak, there are about 106 million households India with an annual income of over `45 lakhs, by the end of 2010 this figure is estimated to reach 3 million. A study of NCAER reports that the number of households that will earn an income over `1 crore went up by 20000 in 1999 to `53000 in 2005. O & M puts this estimate at `61000 and Merrill Lynch estimates it at `83000.

4. Other forces

Expectation of youth, improving infrastructure, producers matching consumer needs to the improvement in production and technology, dual income families, easy availability of credit facilities, emergence of foreign player and above all government policies towards organised retail sector.

Green Retail

Green Retail is all about optimum utilization of resources and reduction of operational cost while reducing the adverse environmental impact. Going green is just a way of doing your bit for the environment. Global warming is fast becoming a concern which needs to be dealt with. Retailers are waking up to this fact and are undertaking activities that enable them to be tagged as a 'Green Company'. Retailers have started working on with these lines. J.C. PENNEY became the first retailer to attain the Energy Star for a retail store thereby reducing carbon footprint of its operation.

Secondly retailers building their business by new low-carbon business. There is a move to develop new radically effective low-carbon solution. Large retailer such as Tesco, Wal-Mart, Kohl's, Office Dept and Big Bazaar and many more have adopted green strategies and realized the significant benefit from them.

A Survey conducted recently by Global Research Firm compiled around 23000 consumer responses in 17 Countries across five continents. The study revealed that majority of the consumer from developed countries known about the threats from Global Warming and they were willing to pay more for green products.

Break of Energy Efficiency in India has categorized the retail sector as an energy intensive industry. The Government of India's national action plan on climate change released on July 30, 2008, aims to boost energy efficiency and put stricter regulations to reduce the demand for energy. Cost and consumer perception are the two most important factor in the retail business. Both can comply with green retail norms.

Green Retailing

What is green retailing? It is of Two parts.

1. What you sell and
2. How you sell it.

Green Retailers

Many retailers at the world level started for going green retailing. Few of them are:

Bharati-Wal-Mart

As America's and the world's largest retailer, Wal-Mart employs more than 2.1 million associates worldwide, including more than 1.4 million in the United States. With \$405 billion in sales for fiscal year ending January 2010, Wal-Mart operates 8,400 retail units around the world and works with 1,00,000 suppliers. Wal-Mart has its strong commitment to Sustainable development, it Joined hands with Coco-Cola India to undertake a plantation drive in and around Best Price Modern Wholesale Store. This partnership with Coco-Cola in India begins with planting of over 2000 sapling in Amritsar and would be scaled up to every location where Bharati Wal-Mart is present. In 2005, Lee Scott, Wal-Mart's Chief Executive Officer, outlined a series of environmental sustainability efforts the company would pursue to lessen its carbon footprint. Wal-Mart's three environmental goals include: to be supplied 100 percent by renewable energy, to create zero waste and to sell products that sustain people and the environment. Wal-Mart is also focusing on increasing the transparency of its supply chain by looking at where products are sourced and manufactured, how they are shipped and packaged and how they are used and ultimately disposed.

Wal-Mart's latest step towards plans to green supply chain came in February 2010, when it announced that its plans to cut some 20 million metric tons of greenhouse gas emissions from its supply chain by the end of 2015, equivalent to removing more than 3.8 million cars from the road for a year. Wal-Mart have saved 1000 barrels of oil, 3800 trees and millions of dollars in transportation costs by working with their suppliers in packaging.

Big Bazaar

The notion of green retailing is more than just about products on shelves. Stores like Big Bazaar's are trying to minimize the environmental impact of their business. Green retailing is about conservation, recycle and reuse. Big Bazaar is moving toward utilizing LED lighting.

Newton Super Market

It has banned the use of plastic grocery bags at its 280 plus stores starting on earth day 2008. The company sells a special reusable bag for `5 each sale of which feeds 100 kids in remote villages.

Timberland of New York City

Timberland has opened a "Carbon Neutra" store with reclaimed wood, salvaged brick, efficient lighting and non Voc paint.

Dell Green through Energy Consumption

Dell, had announced it gets 26 percent of its global electricity needs from renewable energy sources, from 20 percent in 2008, and powers nine of its facilities with 100 percent renewable energy.

On-Demand Shopping

The customer, through smart media devices and engagement with the brand, will have the ability to create and control their own personal shopping experience. They will hold the remote control of their shopping experience; choosing when to shop, where to shop, how they want the product presented, even designing their own product, all from their Web-TV, smart mobile device or smart retail store. The brands that understand, anticipate and respond quickly to the customer's shopping preferences will flourish, while others will play catch up. With live, multi-media brand access, the customer will have personal control over their shopping experience, just as he/she has control over the TV viewing experience today. This is the future of retailing; interactive, real-time, mobile, customer controlled, on-demand retailing with brands providing responsiveness through targeted, personalised marketing.

Customised Shopping

The consumers' increasing capabilities to interact in real-time with retailers through the web, television or mobile devices will certainly transform the way shopping is transacted. Brand insight of extensive consumer activity will intuitively recommend relevant product offerings and empower the consumer with the ability to craft his or her own personalised shopping experience. Technology will enable virtual, personal stores with products and a shopping format based on previous shopping history, interests and preferences. Amazon's "wish lists" and Zippo's "favorites" will evolve into personal storefronts, accessible by the specific consumer and invited friends, family and social networks. Consumers will also have the ability for much more input into the actual design of their product choices. On select products today, Nike allows the customer the option to customise the design of their own shoe. On-going advances in consumer behaviour analysis and interactive communication flow will allow personalisation capabilities to become a powerful competitive advantage. A strategy that provides the consumer with targeted choices and customisation options will enable the consumer to create a truly personal shopping experience of their own design.

Multi-Channel Digital Retailing

The prior decade saw the consumers' acceptance and migration to web retailing and the implementation of multi-channel retailing as the dominant growth strategy. Retailers realised the synergistic marketing and operational benefits of presence in more than one selling channel, along with new methods to reach consumers. Web presence,

email and web search contact strategies became required business standards. Multi-channel retailing enabled the brands to efficiently engage the customer across multiple channels; stores, web and print, uniformly driving brand awareness and purchase motivation. The multi-channel retailing strategy will continue to be the foundation for consumer retailing over the next decade, however, the channels will evolve to include various forms of interactive multi-media, distributed through smart devices and digital media. The future multi-media retailing channels will be merged web/TV, mobile phones, tablets, interactive retail stores, social media and digital kiosks. These multiple selling channels will be interconnected and allow the customer a seamless shopping experience across all channels. The leading brands will operate through a diverse variety of selling channels, while the infrastructure remains transparent to the customer. A great example of this multi-channel digital strategy today is Crate & Barrel, which has a robust store, catalog and on-line presence and is also aggressively promoting mobile shopping, social commerce and location based coupon offers

Conclusion

The future of retailing is interactive, virtual and intuitive, customized and on-demand. Although the pace of technological change sometimes seems intimidating, the brands that develops a responsive organisation which respects, understands and engages the on-demand customer will progress and succeed in the future digital retailing world. This comprehensive organizational strategy requires integration of the latest “smart” technology, advanced intuitive customer insight, stimulating interactive marketing, a cohesive multi-channel marketing network and an accelerated supply chain to bond with the demanding and selective customer. The customer will have more choice, control and power than ever before. The organizations that create an authentic, personal, interactive and responsive connection with them will flourish.

Going green in a small way at first. Going green is a journey. Feel good and proud about the things you can do and are doing. Retailers, the green link between manufacturing and consumer. The Government of India, all state government and local authorities are all started feeling importance of eco-friendly products and packaging. In India state like Nilgiri, Tirupathi in Andra Pradesh and many more tourist places had banned the use of plastic bags for carrying.

Retails from different sectors in the country have started to produce and promote eco-friendly products. Companies trying to bring out green products in the market. It's a just a matter of time, more and more eco-friendly products will come, keep your environment safe and preserve nature for future generation.

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