

Click-And-Mortar Leading over Brick-And-Mortar in Context of Indian Retail Industry

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Abstract: After the tide of the Internet and impact of the Internet bubbled, click-and-mortar retail play very courteous role in Indian retail industry which could improve the revenue for keeping survival. This study is to explore the benefits of click-and-mortar and how click-and-mortar leading over brick-and-mortar. Section 1 contains the introduction about retail industry, Brick-and-Mortar and Click-and-Mortar, in the Section 2 we discuss unique features of Click-and-Mortar in respect of Brick-and-Mortar, Section 3 we taking into account about the importance of Click-and-Mortar as compared to Brick-and-Mortar, Section 4 contain some reasons why Click-and-Mortar leading over Brick-and-Mortar, Section 5 contains discussion & finding related to the research topic. We conclude the paper in Section 6 along with the references in Section 7.

Keywords: Retail; Retail Industry; Retail Market; Brick-And- Mortar; Click -And- Mortar; E-Commerce

I. INTRODUCTION

Retail industry in India is undoubtedly one of the fastest growing industry in the world. The Indian retail industry has emerged as one of the most dynamic and fast-paced industries due to the entry of several new players. Total consumption expenditure is expected to reach nearly US\$ 3,600 billion by 2020 from US\$ 1,824 billion in 2017. It accounts for over 10 per cent of the country's Gross Domestic Product (GDP) and around 8 per cent of the employment. India is the world's fifth-largest global destination in the retail space.

India has seen a drastic shopping revolution in terms of format and consumer buying behavior. From shopping centers to multi-storied malls to huge complexes offering shopping, entertainment and food all under one roof and it is because of this trend that the retail industry is witnessing a revolution as many new format markets like hypermarkets, supermarkets, departmental stores have made their way in the market. Now with the digital transformation retail industry growing on the online platform and transform the way of business is done in India.

Brick-and-mortar retail is rapidly transforming with the digital age. As physical storefronts turns digital, it's safe to say that traditional retail is quickly becoming a mesh of click-and-mortar. Brick-and-mortar is a type of store with physical appearance & Click-and-Mortar is a type of business model that integrates online and offline operations which typically include a website and a physical store. As the Internet-using population has grown Customers can shop over the internet on the retailer's website, and still be able to shop at the retailer's brick and mortar shop. Click-and-Mortar provides customers with the efficiency of online transactions where goods purchased online are shipped to the customer within a short time, as well as enjoy face-to-face interactions with the retailer.



The advancement of Internet technology and E-Commerce causes a new wave; however, no clear revenue model and neglect the importance of physical channel and logistic are the main reasons of Dot.com failure. The mortar (physical store) has advantage in service and distribution by owning access channel; on the other hand, the click (virtual store) has advantage in applying innovative Internet technology without any cost burden of physical channel and store. But today, the click faces the severe problems of logistic and product distribution in the operations of E-Commerce.

II. UNIQUE FEATURES OF CLICK-AND-MORTAR IN RESPECT OF BRICK-AND-MORTAR

1. Payment Options: While doing an online transactions, users can opt for cash on delivery or any online payment options. It enables the use of a credit card, debit card, UPI, electronic fund transfer through bank's website or any other payment merchants.



2. Increased Sales: With a traditional business, you are limited to a certain amount of customers, Nowadays with click-and-mortar, as most consumers are relying on mobile phones. It potentially makes the market place open for a wide range of customers to grow business revenue.

3. Anytime Purchase: As click-and-mortar is an online tech service, anyone can order products 24/7/365. This gives a smooth comfortable experience for shoppers as they can take decisions at any time, day or night.



4. Customer Support: To increase their customer base the majority of online businesses provide faster, reliable, efficient customer support. Hence, to resolve customer queries regarding the returns, payment and shipping issues.

5. Product Availability: With increasing e-commerce websites, customers get a lot of options to choose from. If in case of non-availability of products to retain customers businesses ensure that they always notify their users when the stock is back or show similar products.



6. Security: Security plays a significant role in gaining trust when working for global customers. Click-and-mortar businesses must include a secure online platform to protect customers information.

III. IMPORTANCE OF CLICK-AND-MORTAR AS COMPARED TO BRICK-AND-MORTAR

1. Improve the customer experience

There isn't a salesperson readily available on all e-commerce sites to answer questions for consumers—yet. Do you use live chat on your site? Offering (and publicizing) live chat can be just as useful as having a salesperson in your virtual store. Approximately 73% of customers view live chat as the most satisfying form of customer service while shopping online.

Another way you can satisfy customers is providing large, clear images with different angles of your products online.

The clarity of the pictures, along with in-depth descriptions, can provide the customer with the similar experience as shopping in-store.



2. Increase your reach

In Click-and-mortar, if you want to expand your market, you may need to incur some additional shipping costs to ship farther. However, they don't even come close to the costs of a brick and mortar store being built, purchasing products, and hiring employees.

Expand your selling capabilities to larger markets in different parts of the world. You should also adopt an effective shipping policy. One reason why Amazon is so popular among shoppers is because it requires sellers to ship their package within two days after the order was placed.

With social media marketing is the best way to increase your reach in click-and-mortar. Fast, speedy delivery can provide the customer with more of a feeling of instant gratification.



3. Price dynamically

When you sell online, you can simply change your price with the click of a mouse or a tap on a mobile device.

With very few exceptions, in-store sellers have to print a new price, have someone go out on the floor, remove the old one, and replace it with the new one. Basically, it makes it hard to keep up.

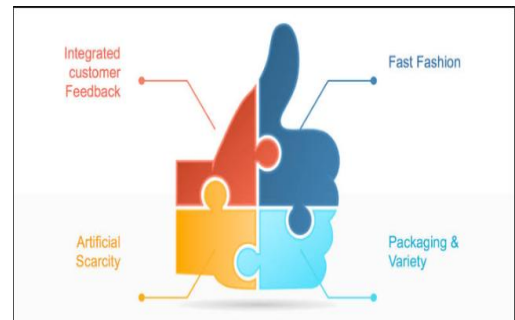
Online retailers can adopt a dynamic pricing strategy and invest in automated repricing software to change their prices in accordance with market changes or changes in competitor prices. This enables them to have the best price available at any time of the day.



4. Keeping up and gaining strength

Brick-and-mortar retailers are indubitably in the lead in the overall retail industry right now, but it doesn't have to stay that way. Online retailers' speed and efficiency can help them catch up to their brick and mortar counterparts, with a little bit of hard work of course.

Click-and-mortar still only makes up a fraction of retail as a whole, but I still believe online will play a big role in the future of retail. Soon enough, we may start seeing brick and mortar retailers being a mere fraction of ecommerce sales.



5. Locations

It's understandable that one might conflate brick-and-mortar and click-and-mortar, since both involve strategies with which to move products and services.

Brick-and-mortar, by contrast, have physical locations. They might consist of a single outlet or a chain of stores. Click-and-mortar operations don't necessarily include a physical storefront, particularly when they begin. Instead, these "digital natives" sell products online through websites and virtual shopping cart. Orders are entered remotely, and the goods are then mailed to the customers.



6. Value-added services

A click and mortar business can provide an added value to the customers through loyalty programs, logistics integration, and buyer guides. Selling products online allows the business access to customer's information like emails and buying behavior that the business can use to offer discounts and direct offers. Logistics integration allows customers to choose the most convenient channel to pick up their products, either physically, at the pickup locations and get the product delivered to their doorstep. Buying guides provide pre-purchase information about a product that will help buyers make a sound decision.



BRICK-AND-MORTAR

CLICK-AND-MORTAR

Time

1. Customers needs to be free when the store is opened.
2. Restricted time of store opening and shut down
3. Weekend rush.

1. 24/7 hours open for the customers.
2. Convince to customer in term of home delivery.
3. Place order anytime

Place

1. Limited reach

1. Extended reach.
2. Convince of home delivery.

Product Mix

1. Restricted by Store size.
2. Invariably optimized to local needs.

1. Lesser restrictions due to cheaper warehousing cost.
2. Can stock rare products.
3. Able to aggregate suppliers and customers.

Price

1. Flexibility in Pricing strategy.

1. Inclined towards competitive pricing.

Promotion

1. Restricted to areas around the store.

1. Not restricted by areas.

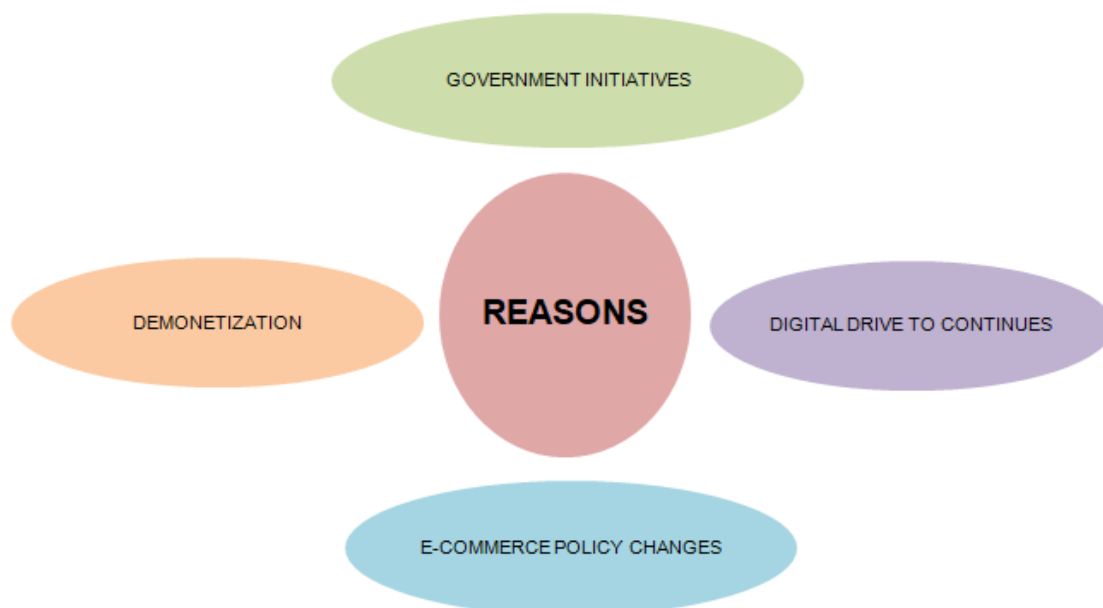
Customer Preference

1. A reason to get out.

1. Appealing to those who spend a lot of time outdoor.
2. Appealing to technology enthusiasts.

IV. DUE TO SOME REASONS CLICK-AND-MORTAR LEADING OVER BRICK-AND-MORTAR

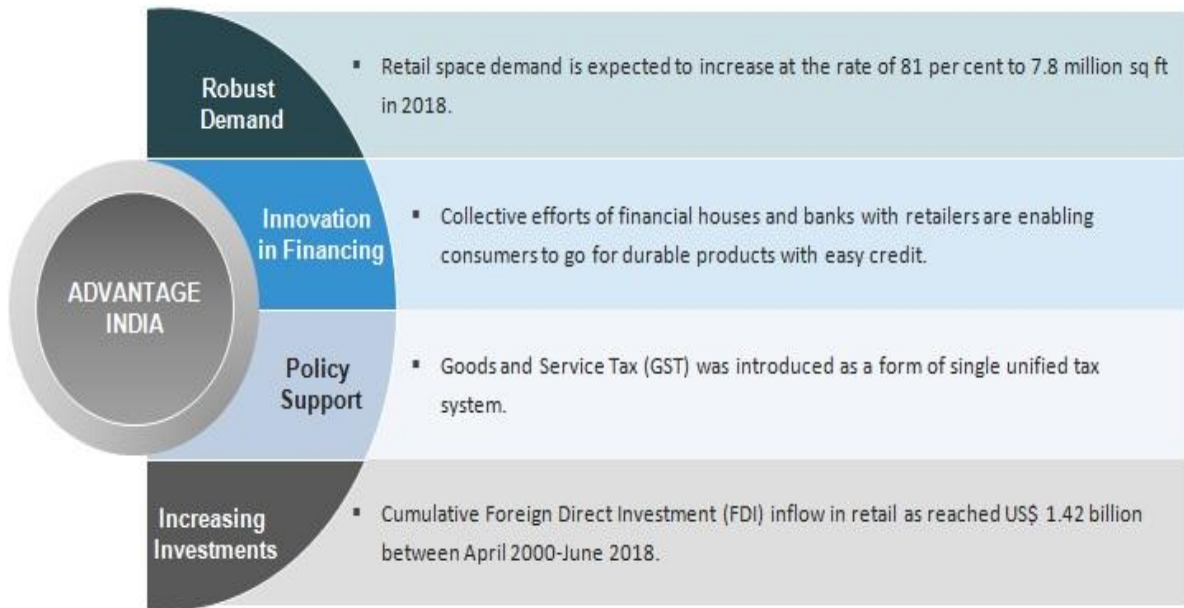
- 1. Government Initiatives:** The Government of India has taken various initiatives to improve the retail industry in India. Some of them are listed below:
 - The Government of India may change the Foreign Direct Investment (FDI) rules in food processing, in a bid to permit e-commerce companies and foreign retailers to sell Made in India consumer products.
 - Government of India has allowed 100 per cent Foreign Direct Investment (FDI) in online retail of goods and services through the automatic route, thereby providing clarity on the existing businesses of e-commerce companies operating in India.
- 2. Digital drive to continue:** The current government's heavy investment in rolling out the fiber networking for 5G will continue to boost ecommerce India. Recent investment in the Digital India and Skills India initiatives coupled with increased disposable income are driving consumption in the economy through demonetization as well as GST will drive overall growth.



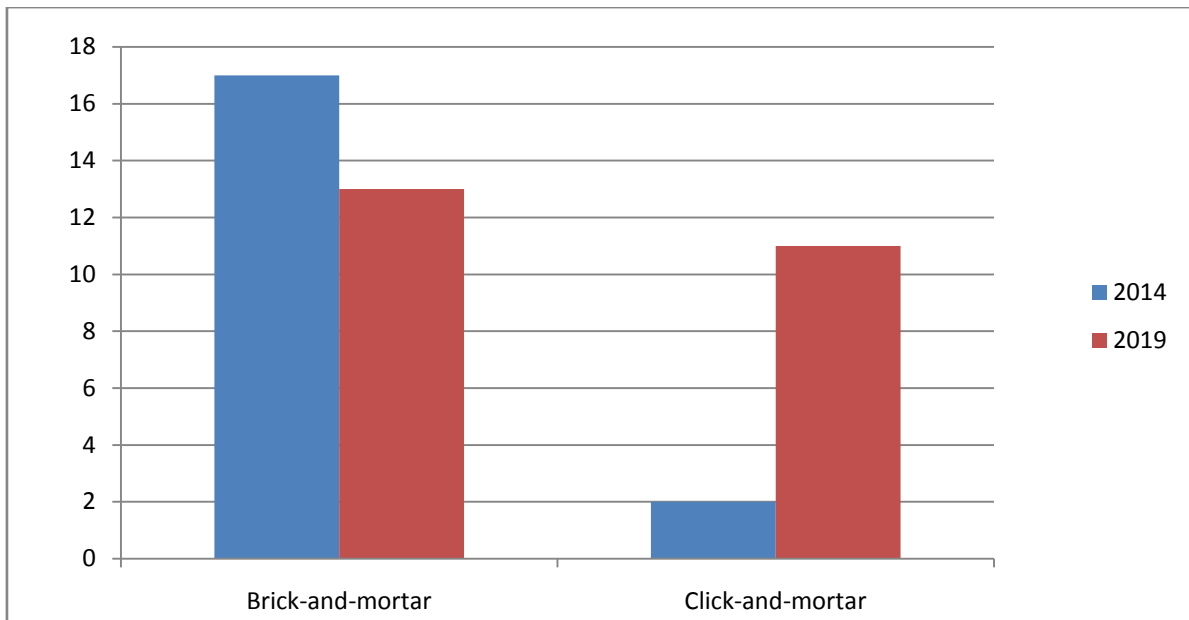
- 3. Demonetization:** From 8th November 2016, the Government of India announced Demonetization of all ₹500 and ₹1000 banknotes of the Mahatma Gandhi Series which increase the usage of online shopping and usage of Digital payments like UPI, Credit cards, Debit cards, net banking, mobile banking and many more.
- 4. E-Commerce policy changes:** The draft e-commerce policy under consideration and other changes with regards to FDI relating to E-commerce is aiming to create a level playing field for offline and online players in the Indian market. This is a positive step as this could help in curtailing non-competitive practices, see increase participation of MSMES (Medium, small, Micro Enterprises) and thus aiding in the survival and growth of small retailers in India. India is expected to become the world's fastest growing e-commerce market, driven by robust investment in the sector and rapid increase in the number of internet users. Various agencies have high expectations about growth of Indian e-commerce markets.

V. DISSCUSSION & FINDINGS

1. Advantages to India in Indian Retail Industry



2. A report bought out by Knight Frank in association with the Retailers Association of India, pointed out the share of e-tailing in modern retail with jump more than five times by 2019 (to 11 percent then, from 2 percent in 2014). During this period, the share of Brick-and-mortar is likely to fall from 17 percent to 13 percent.



VI. CONCLUSION

In the past, consumers had sufficient time to visit shopping centers i.e brick-and-mortar, searching for various products. Many consumers prefer bargaining and decide the purchases after physical examination of the commodities. The entire process can range from a few hours to weeks depending on the product, quantity, quality and source of purchase. Today there is radical change in the entire scenario. Everything in today's world is Internet oriented like Electronic Data Interchange, E-Mail, E-Business and E-Commerce. In retail sector click-and-mortar give the platform to the consumers for purchase online.

E-Commerce is exchange of information using network-based technologies. In the present high cost situation, E-Commerce can be used as a competitive strategy. It successfully includes the entire online process of developing, marketing, selling, delivering, servicing and paying for products and services which help in boosting the click-and-mortar stores.

Online shopping is a vast growing technology. If it is properly utilized with assured safety and security for the transactions, it will thrive into a highly competitive and dynamic environment.

VII. REFERENCES

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