

Customer expectations from Retailers Conveniences & Innovation required to remain competitive

Indian Vs Global Customer

There are distinct types of Indian Customers; these are classified according to the analytical partitioning of a product's target consumer group, either according to their socio-demo types or according to psychological typing. They can be labeled as:

- the pleasure seekers
- the value seekers
- the novelty seekers
- the bargain hunters or whatever's

Which ever label a customer falls under; he is a more confident consumer and is also likely to be more sophisticated and demanding.

India's consumption growth is at the margin that always drives powerful macro and market trends. It is accelerating growth off a low base. The potential comes from the structure of the Indian economy: Private consumption currently accounts for 64% of Indian GDP¹. **Higher than shares in Europe (58%), Japan (55%), and especially China (42%). India's transition to an 8%** growth path in recent years is very much an outgrowth of the emerging consumerism of one of the world's youngest populations. The increased vigor of private consumption provides a powerful leverage to the Indian growth dynamic that is rarely found in the externally-dependent developing world.

The Global Customer on the other hand is a shopper who demands honesty and respect from retailers and brand manufacturers more than the highest-quality merchandise or the lowest prices.

- Human values have become the contemporary currency of commerce.
- A chasm exists between what consumers want and what retailers offer, particularly when it comes to price, product, and service, access and shopping experience.
- The majority of consumers are hard-pressed to identify their favorite stores in many retail channels.
- Retailers in general are not well differentiated in the minds of consumers in terms of their value propositions.
- Demographics make a difference: Throughout most of the countries studied, women were much more likely than men to rate the factors related to shopping satisfaction as extremely important, while younger consumers were less apt than older shoppers to do so.

Changing expectations

The new consumer is a butterfly, less likely to remain loyal. They are changing their mind about brand choices very often, fluttering from one product to another, operating like "butterflies". Modern consumers are educated and experienced, and familiar with a growing choice of products and services. They take for granted the competitive trading environment that operates in most markets and expect high quality service and value for money, as well as good marketing and information provision.

The butterfly existence, in most cases does not arise out of choice, but confusion due to the tremendous amount of choices available to them. When people are overwhelmed by choices, they are left watching as all those things spin past them. As a result, decisions are deferred or even discarded. The famous American thinker Ralph Waldo Emerson once wrote: "Life is frittered away by detail. Simplify, simplify." The key is about management of choice – helping the consumer to make informed decisions.

Customers today are more willing to spend money to get what they want immediately. Financing options make it possible to fulfill this desire. There coexist those customers who seek a bargain and work really hard to get discounts.

¹ Source : Wall Street Journal, November 05

As customer expectations change, so do retailer's approach to service. Several retailers who have kept pace with the evolving customer say the most important thing which has remained constant is the belief that personal attention to customers is the key to repeat business and ultimate success.

Retail Innovation

The considerable movement in the industry is a result of frequently changing consumer's demands, purchasing trends and the focus on time management in merchandising to enhance value for existing buyers, which are becoming more demanding and rationale oriented. As a result the below factors that need to be considered during the conception of strategies for innovation.

- **Price gains importance over service** - Although it is imperative to have consistent and professional service. When dealing with buyers one should convey a consistently professional image. Give the buyer confidence that you are reliable. Communicate clearly and honestly. Make eye contact. Put time and energy into establishing and maintaining a long-term relationship with retail. Most people approach retail sales by thinking about their own needs— to sell their products at a certain price within a specified time frame. But you may have better success if you try to solve a buyer's problems or point out a new opportunity your product offers. If you are marketing with a co-op, dedicate one person to be the co-op's retail representative and be certain that this person can project the image your co-op wants to convey. Give your representative plenty of information for answering questions about products and the farms that produce them.
- **Technology brings transformation** - Technology has been a great facilitator of retail enterprise. From the earlier days of scanning, technology has soared to where we can capture everything in real time instantaneously. We are now wireless, seamless, cashless, and everything less - and can get any information we want and require. Retail technology has gone beyond being the enabler. For many organizations, intelligent application of technology takes the mind boggling amount of data, translating and transforming it to information, then synthesizing and transmogrifying it to intelligence. And after all of the investment and effort, it is converted to superior performance and competitive advantage.
- **Enhanced Store experience** -Today, with the emergence of several shopping malls, supermarkets and hypermarkets there is an immense competition for retaining customers. There are greater choices available to consumers than ever before. It is inevitable for retailers to develop business strategies that focus on creating and maintaining customers. A differentiated shopping experience is an important step in this direction. Visual Merchandising and Store Layout are key functions that need serious attention in enhancing customer shopping experience. Merchandising is much more than simply the arrangement of products on the shelf, it is also about understanding the way customers shop.
- **Price and value relationship** - Price is important, but value is more important. While value is in the eye of the beholder, there are things you can do to increase the value of your products. There are all sorts of marketable characteristics that demand a premium. Is a product organic? Is it produced on a farm? Does it have other production characteristics or nutritional advantages that you can document? Can one tell a story about the product or business that makes it unique? All of these characteristics can increase the perceived value of a product. When the perceived value is greater, one can expect to receive a better price for the product incase of a retail outlet. In the case of a discount supermarket however, one will need to have rock-bottom prices.

- **Product Marketing and Communication** – It is important to approach product marketing with the right blend of strategic thinking and creative execution to help influence consumer purchase behaviors and build long-term loyalty to products. In addition, creating content that persuades is the single most important function of any business. Intelligent customers are making buying decisions for products and services worth millions on the basis of the information offered to them about products that are becoming increasingly similar. Right communication makes an impact that not only captures attention, but also ensures recall and builds brands.

Major retailers globally have realized the connection between customer satisfaction and the company's bottom line. Conquest of customer satisfaction lies in the quick and efficient customer service. Retailers have to invest in a quick response system. Instead of predicting months before a season starts retailers have to closely observe what's selling and what's not, and continuously adjust what they produce and merchandise on these basis. The significant task, which the sales-staff need to understand the consumer requirements, even when they chat with the buyers in store and translate consumer feedback, and create a databank, which may be then sent to the head office to review and take immediate action accordingly. In a move to fulfill consumer's demands, the product assortments need to be continuously modified or even created. Thus, Convenience and innovation are constant elements retailers need to take into account in order to remain at a competitive edge in today's global market place.