

Retail Management Notes (21-30 Sessions)

Topic : Service Quality Dimensions

- **TANGIBLES**-Appearance of physical facilities, equipment, personnel, and communication materials
 - ▶ Physical appearance of person, product, facility and equipment
- To Ensure Quality of Tangibles:
- ▶ Maintain clean, hygienic and attractive store
 - ▶ Display products attractively
 - ▶ Dressing and appearance of staff should be proper
 - ▶ Visual Merchandise should be clear and inviting.
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- **RELIABILITY**-Ability to perform the promised service dependably and accurately
 - ▶ Deal Honestly with every new customer
 - ▶ Ensure data is correctly communicated to customers
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- **RESPONSIVENESS**-Willingness to help customers and provide prompt service
 - ▶ Respond to emails promptly
 - ▶ Respond to calls promptly
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- **ASSURANCE**-Knowledge and courtesy of employees and their ability to convey trust and confidence
 - ▶ Know your products and processes
 - ▶ Train your retail staff well
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- **EMPATHY**-Caring, individualized attention the firm provides its customers
 - ▶ Show concern when interacting
 - ▶ Listen actively
 - ▶ Maintain clear and friendly voice when talking

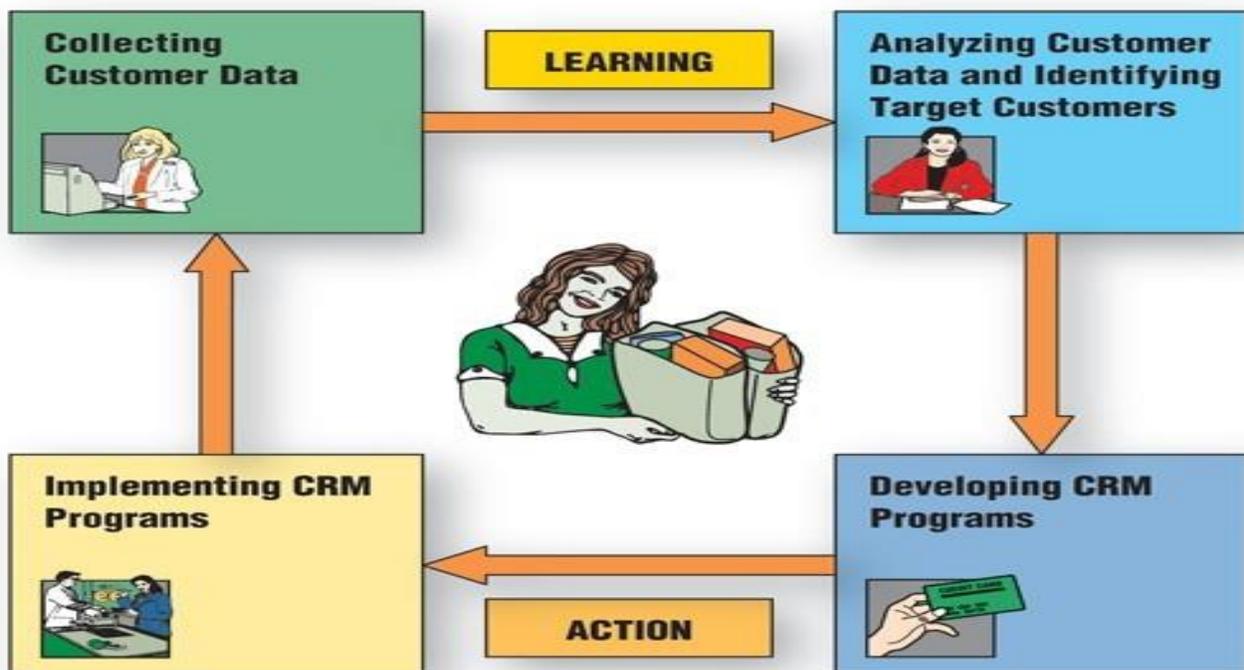
Nontangible Service Quality Delivering Instruments

- Emails
- Calls
- Website or Mobile App.
- Marketing or Promotion communications
- Any other form of contact with the customers.

Customer Relationship Management

- Involves Knowing customer
- Acquiring new customer
- Retaining customer
- Loyalty program
- Promotion communication
- Identifying new selling opportunities
- Create detailed customer profiles and defining them

CRM Process Cycle



Topic : Retail Selling

Retail means to sell goods to the public, typically in small quantities, for consumption. Selling is the exchange of goods or services for money. Although there are numerous sales completed online, there is still a need for physical locations. This opens the opportunity for jobs in sales. To be successful in this career, you need to understand retail selling techniques.

Retail Selling Techniques

Here are some techniques that can be used in retail sales. You can use one of these or a combination of them.

Compliment Their Choices

Don't be a pesky salesperson. Sometimes it just takes a quick, 'Great choice!' to help them make a decision. For a customer that is rebellious against your help, this may be the right technique. Rather than hovering over this customer, continue on with your work. Let them know you are available if they need you. Then, simply compliment their decision. It could lead to more questions or simply the incentive to make the purchase.

Follow Features with Benefits

Instead of just rattling off statistics, tell the customer how it will meet their needs, too. For example, 'This television has a built-in DVD player. That means you don't have to deal with additional machines and wires.' This translates the confusing data into understandable information.

Get the Customer to Talk to You

Ask open-ended questions. Be conversational. For example, 'I see you're looking at the jogging strollers. What would you like one to do for you?' Customers want to be helped by someone that cares about their wants and needs, not someone that just wants to make a sale.

Establish Your Credibility

Show the customer how you are the expert. Give your credentials and years in the business when introducing yourself. For example, 'Thank you for coming into to Pool Depot today. I'm Tom. I've been in the business for ten years. Are you looking for pool supplies or to build a pool?'

The retailing selling process requires researching customer preferences, developing value propositions, establishing retail networks and supply chains, setting up stores filling it up with merchandise and getting the customers in to buy the merchandise.

In this process, it is important to constantly deliver a superior level of performance and a delightful shopping experience. The sales person is a key element of the process and must participate in the following activities to be successful. At times, these activities are referred to as

the selling cycle and every salesperson is an intrinsic part of and needs to acquire the following knowledge and competencies.

Acquiring Product / Merchandise knowledge

The most important tool in the hands of the retail salesperson is the knowledge that he possesses about the product / merchandise that he is selling. It is necessary that he knows the features and benefits not only of his merchandise but is also aware of competitor's products. Product knowledge is many times, the key factor in the sales of products like apparel, jewelry consumer durables and other high end merchandise where there is a lot of customer involvement in buying.

Knowledge of merchandise involves knowing the styles, brands and types of merchandise that are carried in stock, the location of the merchandise in the store and the features of the merchandise regarding use, quality, care, price and guarantee.

Studying the customer

The salesperson needs to observe the customer's manner to determine if he or she is hurried or relaxed. It is important to listen to the customer to determine preference or quality, quantity, color, size and price. By asking questions, the salesperson can get a complete picture of the customer's wants and choose the selling point that works best. The salesperson must show an interest in the customer and be able to help the customer decide by talking about his or her pleasure, comfort, profit, pride etc.

Approaching the customer

The salesperson's approach is intended to immediately interest the customer in the products or service and let the customer know that he is there to help him. The first seconds are critical for the salesperson to acknowledge the customer and establish a good positive interaction. If the salesperson is busy with another customer and ignores the customer or is busy with paperwork or other routine duties it may send out wrong messages to the customer.

Presenting the merchandise

The salesperson needs to decide on whether to present the features or the benefits of the product to the consumer. To succeed in selling a product it is important for the salesperson to know the difference between product features and customer benefits. People usually do not buy the merchandise for itself, but rather for the benefits they can derive from it. Salespeople should stress the benefits which are what specific features of the item will do for the customer.

Overcoming resistance

The normal sales transaction always has two sides. The customer not only must spend money to get some specific article, but must also sacrifice other pleasures or satisfaction that money would

otherwise buy. This logical weighing of satisfaction may exist when the choice is between unrelated possibilities such as merchandise and a vacation, as well as in choosing between two competing brands of goods. The customer naturally wants to purchase the article that gives the most value for the money. Sales resistance is really the customer's normal way of weighting values.

Sales resistance can be classified as either an excuse or an objection. Excuses are insincere reasons offered by the customer who does not want to become involved with the salesperson. Objections represent honest points of difference between the customer and the salesperson.

Excuses frequently occur early in the sales process, when the customer is only looking or when a salesperson attempts to sell merchandise other than that asked for by the customer or after the selling points have been made, indicating either that the salesperson failed to arouse interest or that the customer has some hidden objection.

Objections indicate a desire on the part of the customer to learn more about the merchandise. They are honest reasons for not buying and show a direct relationship between a desire to satisfy a need and a natural reluctance to sacrifice money.

Sales people should welcome real objections because they are an indication that the customer is interested and /or that the customer is attempting to justify the purchase. In fact, there is an old adage that states the sale does not begin until the customer says no.

While dealing with objections a salesperson should recognize the right of the customer to raise objections. The salesperson needs to listen to what the customer is saying so that he can determine how the objection can be countered.

Source

Citeman.com
Study.com

Topic : Supply Chain Management in Retailing

The supply chain is the entire sequence of activities involved in taking natural resources and raw materials and turning them into a product for the consumer. It includes all the actions, organizations, materials, systems, people, and information involved in that process.

Retailers, like all business-to-consumer organizations, aim to match and maximize demand with supply. This means that the right products need to be in the right place in the right quantities at the right time. Given the millions of products sold daily by large retailers, SCM systems ensure replenishment inventory is being received on time at retail distribution centers and warehouses. By effectively managing supply chains, retailers can realize their sales goals.

In the earliest days of the automobile, Henry Ford made a decision to own or control the full supply chain—from the mines that provided the ore to the factories that made the glass. Raw materials—iron ore, coal, and rubber, all from Ford-owned mines and plantations—came in through one set of gates at the plant while finished cars rolled out the other. Today it is exceptionally rare for a company to try to own all the raw materials for a physical product. Even software products use pre-existing software frameworks and code.

Flow of Goods

Based on the type of retailer, supply chains can range from simple to complex. For example, Mom or Dad supplying fresh pitchers of lemonade to the children's corner drink stand would represent a small-scale supply chain (of course the lemons and water had to come from somewhere, but for the sake of argument let's keep this one simple).

For a national electronics retailer, the supply chain would obviously be more complex. Starting with the vendor, component parts would be sourced in various countries depending on price, quality and availability. Those components would then be shipped to other countries for assembly, quality inspection and packaging. From there the finished product could be transported via ship, air, and land to the retailer's receiving/distribution centers for further handling and ultimately, distribution to stores or direct to the consumer.

This example itself is very simple as there is much complexity beneath the surface. The vendor and the retailer must have a strong working relationship in order to plan, execute and finance the anticipated consumer demand as partners. The retailer must be responsible for identifying the correct product for its consumer customer in the first place. Retailers must forecast the sales potential for these products, along with marketing, promotion and appropriate distribution of the product. The vendor has to manage all phases of the product lifecycle from design to manufacture to transportation all "just in time."

Every product is different and may have a different supply chain strategy. As products are manufactured, they "move" from raw materials or components to finished goods. At some point in that process, RFID or other identification means are implemented to monitor where the product is in its manufacturing lifecycle. The movement through the supply chain process continues when products are aggregated for shipment where they can be tracked during the transportation leg of the supply chain.

Zara is a large international retailer with 6,900 stores in 86 countries. While many large U.S. retailers like JC Penney, Sears and Toys 'R Us are closing stores, Zara is opening an average of 400 new stores a year over the past five years. The key to Zara's success is their agility due to a finely-tuned supply chain. Incredibly, the company designs, manufactures, and distributes fashion products within 2 weeks from the time they appear on the catwalk. Zara does commit 15–25% of its inventory prior to the design season and fills in another 25% at the start of the season, but an amazing 50% of its clothes are designed and manufactured in season. Zara must closely manage every aspect of the supply chain in order to execute so quickly.

Given the definition of a supply chain and some brief examples, one can imagine how difficult it must be to manage all of the moving parts of the process. Supply Chain Management systems (SCM) have been developed to help organizations do exactly that. A good SCM system ensures that the right inventory is in the right place to meet anticipated demand. This serves to maximize sales potential and drive profitability as the retailer's investment is returned.

One of the most important factors in a retailer's profit picture is inventory turnover. Before operating expenses, payroll, and other costs are factored into a P/L statement, the retailer profit model is founded on three basic components: cost of goods, sale price of goods, and inventory turnover. If a product is purchased by the retailer for \$10 dollars and sold to the consumer for \$20 dollars, the gross margin for one sales transaction would be \$10 dollars. Turnover represents how many times that transaction takes place. If the retailer's inventory is in the right place at the right time, turnover is increased and more gross margin dollars are generated.

In addition to the enormous importance of inventory turnover, a good SCM system can also help drive efficiency throughout the product lifecycle, reducing costs and time-to-market. With the metrics that these systems provide, managers can make better decisions as to who/where are the best sources of supply, how much lead time is needed to ensure on-time delivery, what are the best transportation methods, etc.

Source :
Luman

Topic : Aspects of Mall Management

Mall Management: 5 Key Components of Mall Management

Mall management is defined as an overall operation and maintenance of the entire building infrastructure, including the services and utilities, ensuring that they are used in a way that are consistent with the purpose for which it was acquired.

Mall management encompasses operations, facilities management, security, accounts, common area maintenance, marketing, leasing and all the other functions even remotely related to a mall. The biggest problem in this industry is finding the right kind of tenants, while leasing out space to tenants, it is important to keep in mind the image that you want to create in the customer's mind.

In the past, several malls were constructed without doing any feasibility study or rigorous market research. Though initially they were successful in attracting people but soon went out of competition because they failed to convert visitors into potential buyers. The simple reason was 'failure in understanding local needs'.

As somebody rightly said one should dance as per the audience liking, same is applicable in mall management. It seems surprising, how mall developers can spend millions of rupees without due

diligence exercise on their feasibility. But the new generation mall developers are well educated and experienced.

They are developing malls gradually but with proper research and consultation of the experts concerned. Therefore, the market is gradually changing wherein more and more developers are approaching property consulting firms to conduct feasibility and positioning studies for their projects.

Components of Mall Management:

Mall management is a growing phenomenon in the Indian industry. The Indian retail market is expected to continue its growth trajectory in coming years also. Mall management has been identified as a critical factor for the success of malls and the retail industry across the world.

Broadly, mall management includes the following:

- 1. Positioning**
- 2. Zoning**
- 3. Promotions and Marketing**
- 4. Facility Management**
- 5. Financing**

1. Positioning a Mall:

It refers to defining the category of services offered by a mall. Generally mall positioning is determined after a detailed survey of households in the area where mall is going to be located. This survey includes demographics, psychographics, income levels and competition in the area. It also includes the location of the mall which is determined by the access, visibility etc.

The primary objective of positioning is to create a distinguish image of a mall among consumers. It forms the basis for differentiating a mall from its competitors. Positioning assists in creating a distinctive image and 'top of mind' recall for the masses when they think of a mall. For example, when a customer thinks of purchasing a handycam or digital cameras, the Soni or Canon brands come to top of his mind.

Similarly when a person decides to buy a pair of contact lenses, name of 'Renu' brand comes to his mind. This is a separate aspect that at the time of final purchase, he/she adheres to that particular brand or not. Basically final buying decisions are influenced by both the brand appeal and social status of the person.

The objectives of positioning a mall/product are:

1. To create sense of recognition
2. To promote loyalty
3. To enhance image
4. To enhance goodwill
5. To improve image of quality
6. To beat competitors

7. To attract customers
8. To maintain and attract good sales staff

Broadly, malls can be positioned in two different ways.

- a. On the basis of offerings
- b. On the basis of anchors

The detailed description about both the forms is discussed as below:

(a) On the basis of offerings:

As the very name suggests, these malls are positioned primarily on the basis of its offerings which should be reflected throughout its retail mix.

Offerings further can be classified under several notions such as:

(i) Luxury:

Under this type of positioning, a mall is positioned, advertised and marketed as 'Luxury Malls' where selections of tenants is exclusively done under the luxury class of their vertical. Local and small players though financially sound are discarded under this particular form of positioning. For example, Sony, Lenovo, Apple fall under the luxury segment within the consumer electronics vertical. Similarly, Monte Carlo, Raymond, Peter England, Levi's are luxury within the apparels verticals.

(ii) Value for Money:

Value for money style positioning conveys the message to public that their malls are neither expensive nor economical. They offer value for money. This offering is not depicted by one or more outlet but entire mall would represent the same 'value for money' image.

(iii) Economy:

Under this style of positioning, mall owners convey the message that their mall is for those people who are money-conscious and looking for affordable goods and services. Economy class malls usually are full of customers especially on weekends. Impulse buying is more in case of economy malls because first time or occasional visitors are more attracted towards cheap range goods.

(b) On the basis of anchors:

Under this type of positioning, malls are positioned on the basis of anchors, mall developers decide to have.

These are classified as under:

(i) Entertainment based:

The main theme of such mall is to offer entertainment and all possible means of enjoyment. Entertainment is offered in the form of movie theaters, swanky rides, waterfalls, gaming zones, scary houses, ice-rings, buzzy jumping, Kids play stations, Racing Cars, Video Games, interactive Kiosks, and so on.

(ii) Hypermarket/Value Driven:

One of the most common and widely apparent features of a successful mall is the presence of hypermarket. The primary reason for having hypermarket in a mall is to increase footfalls and conversion rate. History reveals that few malls which initially had no or very less occupancy rate, became consumers' first choice after the presence of hypermarkets. In short, under this type of positioning, malls are positioned on the basis of hypermarket or value driven concept.

(iii) Specialty Based:

Under this concept of positioning, malls are positioned according to the specialty stores in the mall. Specialty stores imply the message that most of the stores specialize in one particular segment of the vertical such as consumer electronics, jewellery stores, book stores, home furniture stores, and so on. This type of positioned malls conveys the message that they offer all the national and international brands under that category.

Note:

The positioned malls usually keep their offerings same for the entire life span of the mall. Though new stores, new brands can come and go but offered concept remains the same. Therefore, utmost care must be taken while setting up the mall and deciding about the positioning. Positioning is an irreversible decision and repositioning.

2. Zoning:

In the world of retailing, customers can be broadly divided into two categories namely focused buyers and impulse buyers. Focused buyers are those buyers who know what their requirements are and how to fulfill them. Therefore, they go to mall with the intention of buying and carry proper money.

If everything remains same and things are as per their requirements, taste, and budget, they do not waste time and buy the things. In case, they find things costly or opposite of their expectations, usually they leave the mall and come back. While on the other hand, impulse buyers are those buyers who visit the mall with no intention of buying but if something, appeals them, they buy otherwise indulge into window shopping. Both types of customers are important for a retail store.

But question is how retailers should entertain them and increase revenues. Zoning is the solution of this problem that allows retailers help attract both types of consumers. Zoning is a mall space allocation exercises under which mall developers basically formulate right tenant mix to attract both types of customers especially the impulse buyers.

Zoning refers to the division of mall space into various zones for the placement of various retailers. A mall is dependent on the success of its tenants, which translates to the financial feasibility of the tenant in the mall. Creating the right tenant mix not only helps in attracting and retaining shoppers by offering them multiple choices and satisfying multiple needs, but also facilitates the smooth movement of shoppers within the mall, avoiding unnecessary clusters and bottlenecks.

In the era of competition, zoning (sectors) exercise, if done properly helps in building a separate image in the minds of the visitors. This also helps influence shoppers' mall preference and frequency of visits, which is critical considering the robust upcoming supply of malls.

Advantages of Zoning:

- (i) Allows the smooth movement of shoppers in the mall, avoiding clusters and bottlenecks.
- (ii) Creates a distinct image in the minds of the customers.
- (iii) Assists in formulating the right tenant mix and the placement of these tenants within the mall.
- (iv) Helps in the selection of right anchor tenant.
- (v) Helps retailers attract both types of consumers, especially the impulse buyers.

The Great India Place Mall (GIP) is one of the biggest malls of North India, located in Noida, National Capital Region of Delhi. The GIP is a contemporary, vivid retail arcade for absolute shopping ecstasy. Planned with a dream palace theme, it has a unique ambience where shoppers cannot resist indulging and discovering a superlative experience of shopping.

The retail environment with its prime location near Sector 18, right at the entrance of Noida, is spread over 1 million sq ft. It offers its shoppers an unmatched shopping cum entertainment environment with a gamut of retail stores, well- heeled food joints and a multiplex, all under one roof. The retail environment includes six anchor stores encompassing departmental stores like – Lifestyle, Globus, Shopper's Stop, Pantaloon, a hypermarket – Big Bazaar and a home-style store – Home Town.

Though after GIP, several other malls have come in the nearby locality, yet The Great India Place Mall continues to command the highest foot traffic, continuing to be one of the most successful malls in the city in terms of annual revenues. It is also widely believed that one of the driving factors behind the success of this mall is its zoning and superior tenant mix compared to competition.

3. Promotions and Marketing:

Promotional events that help promote brands are an essential part of mall management. Some of the most effective promotional models include celebrity visits, food festivals and talk shows, which increase footfalls and, as a result, increased revenues. Organizing cultural, national, and religious celebrations have also proved useful. Considering, mall developers can plan out marketing strategies for individual malls in order that match the requirements of local consumers and addressing the challenges of local or regional competitors.

Malls are also indulged in promotional activities and events. Considering the local rituals, preferences and latest trend, each mall prepares a Marketing Calendar.

The common examples of promotions and events organized in India involve:

- (i) Fashion Shows
- (ii) Exhibitions

- (iii) Book Fairs
- (iv) Travel Fairs
- (v) Musical Contests
- (vi) Auditions
- (vii) Talk Shows
- (viii) Sidewalk Sales

Besides this, each mall celebrates various national and international days which are famous among common youth. Public holidays, long weekends, religious holidays, educational breaks, are also considered while preparing a Marketing Calendar.

Advantages of Promotions and Events:

- (i) Optimum utilization of mall space
- (ii) To create new source of avenues for mall retailers
- (iii) To attract new customers
- (iv) To beat competition

Ansal Plaza, a part of HUDCO Place built on 35 acres of land, is a shopping complex situated near South Extension, one of the posh markets in New Delhi. The Plaza complex competes with the best commercial estates in the world in its architectural splendor, aesthetic details and shopping experience. It provides comfort and variety to the customers. One of the finest malls in India today, has made shopping much more enjoyable than before.

It offers a climate-controlled environment that removes the fatigue usually associated with shopping. Careful employment of modern technology has created well-lighted, spacious and customer-friendly shopping spaces. Complete with an amphitheater, a shopping complex, twin level parking and best of the brands under one roof, it offers a complete family experience.

4. Facility Management:

It refers to the integration of people, place, process and technology in a building. Facility management companies provide specialized services to malls ranging from parking, security, to housekeeping and cash management. Facility Management handle electro mechanical services like and suppression and fire detection, access control, power management, water management plumbing, Supply Chain, Marketing Research, Logistics and Design etc.

In addition to this they also offer business services like help desk management, guest relations, and meeting room management. Few of facility management companies also provide soft services like pest control, cleaning, and physical and security surveillance, concierge services, and administration services. There are few other expert functions that facility management companies are also taking up. These include conducting research for malls to find out their requirements regarding issues such as;

- (a) Site location problem
- (b) What kind of mall to set up?
- (c) Determining the customer patterns

(d) Segmenting, Targeting, and Positioning (STP)

Under facility management various activities are classified as follows:

(i) Infrastructure Management:

It refers to the overall supervision and administration of various facilities provided to tenants, risk management measures such as adopting essential safety measures, conducting asset liability and environmental audits as well as imparting emergency and evacuation training.

Under infrastructure management following facilities are offered:

- (i) Air conditioning,
- (ii) Provision of adequate power supply,
- (iii) Safety issues related of signage,
- (iv) Issues related to signage, water supply, sanitation, etc
- (v) Water supplying and sanitation

All the above mentioned facilities provided to the tenants within the mall, form an integral part of mall management as these are considered the basic amenities that nay tenant would look for in a mall.

(ii) Ambience Management:

This aspect refers to the management of the overall aesthetics and appearance of a mall.

Under ambience management, following provisions/facilities are made:

- (i) Management of parks
- (ii) Management of fountains,
- (iii) Taking care of staircases
- (iv) Overall look of lifts and escalators
- (v) Music and overall look of the mall.

(iii) Traffic Management:

Traffic management basically includes managing foot traffic into the mall and parking areas. Foot traffic management involves crowd management inside the operational area of a mall. The flow of people is related to the design of the mall and the spatial distribution of its tenants. Under traffic management, facilities are offered to malls pertain to the effective managing of crowds, both within the premises and in the parking zone.

Until very recently, most Indian developers thought that mall management is merely another name for facilities management. The realization that these two concepts are different and that professional mall management has immense bearing on the long-term viability and success of a mall is gradually being accepted.

The significance of traffic management is increasing rapidly and demanded by one and all because of the simple reason that the flow of people is related to the design of the mall and the spatial distribution of its tenants.

For example, take a case of star-shaped mall which though attractive but will have a crowding in the centre of the mall, as everyone has to pass through the central area while moving from one side to the other. Circular malls on the other hand, may not face such problem of clogging as they usually tend to have better pedestrian flow and less congestion. Therefore, utmost precaution must be taken care of while planning about the design of the mall.

These are:

- (i) Managing foot traffic
- (ii) Parking management
- (iii) Better pedestrian flow
- (iv) Event management in and outside the malls

5. Finance Management:

Financial Management is concerned with the acquisition, financing, and management of assets with some overall goal in mind. Financial Management entails planning for the future for a person or a business enterprise to ensure a positive cash flow. It includes the administration and maintenance of financial assets. Besides, financial management covers the process of identifying and managing risk.

Under finance management function, facilities management companies cover the following activities:

- (i) Accounting system to track the debt and invoices,
- (ii) Cash receipts and collection of income
- (iii) Organizing resources to deliver an efficient and effective annual audit.

Source

Yourarticle.com

Topic: IT in Retailing

Technology is changing the way many businesses operate for the better of the company and its customers.

Technology is enhancing many industries from financial institutions to retail outlets. It is important that companies stay up-to-date with the increasing changes and enhancements technology is creating for their business. In the retail industry, technology is changing the way many aspects of the industry are conducted.

Role of Technology in the Retail Industry

- **Point of Sale**

Until very recently, customers have had to stand in long lines to purchase their merchandise. Thanks to technology, though, customers can check out from wherever they are in the store through handheld computers, scanners, and printers. This has significantly improved the satisfaction of customers because before, about 10% of customers would leave without making a purchase if they had to wait a long time in a long line.

The use of technology in retail has also made payment processes easier with contactless payments. These payment methods use RFID or NFC technology to allow the customer to make their purchase with their smartphone or even watch. This technology has eliminated the need for passwords or PINs and has streamlined the checkout process for customers. Faster transactions have led to higher sales volumes in stores that offer remote POS and contactless payments.

- **Customer Service**

When customers have to wait in long lines to purchase their items or can never find an associate to help them out, they get frustrated with the store and their satisfaction goes way down. Technology changes this by offering customers the help they need with self-help kiosks. These kiosks have helped businesses save money and increase the satisfaction of their customers. Machines like self-help kiosks are an excellent application of IT in the retail industry.

Technology has also improved the way customers shop online by providing a more personalized shopping experience. Technology is also being used by companies to offer their customers virtual views of products through augmented reality. Augmented reality allows customers to get a better idea of what they want to purchase before they make their final decision. With this technology, businesses have improved the experience of their customers and increased their sales.

- **Management of Inventory**

The practice of managing inventory has always been very costly for businesses. With technology that can track inventory through its purchase cycle and offer real-time information about the product to management, inventory management has gotten better and is costing companies a lot less. With technology tracking items and offering real-time updates about the items, managers have a much better sense of what is being purchased and what items they need to order to keep their merchandise stocked. When technology is used to keep track of inventory, store merchandise is more organized and the potential for employee theft is drastically decreased.

- **Price Auditing**

Just like with inventory management, price auditing has been a time-consuming and costly process for businesses. Price auditing is necessary, though, for companies to ensure that they're not overcharging or undercharging their customers. Technology has streamlined this

process by automating price checks when products are scanned. This creates more accurate pricing, saves store employees a lot of time and creates better trust between the store and the customers. The impact of this information technology in retaining has been very great and beneficial.

Technology is changing many industries and benefitting many companies and customers. It is essential that companies stay up-to-date with changing technology and ensure that they are utilizing all technology that is available to them. Technology is not only making jobs easier, customers happier and businesses more accurate, it is also saving companies time and money. What new technology have you implemented in your company recently?

12 examples of digital technology in retail stores

1. Hema's QR codes

In 2016, Chinese ecommerce giant Alibaba opened its first Hema store in China. The premise of the supermarket is to combine elements of online and offline shopping to create the ultimate seamless experience.

In-store, customers can scan QR codes on products to get more information (including the exact date food items were harvested, sourced, and delivered). Payment can also be made through the Hema app, making shopping quick and convenient.

Another impressive element is Hema's in-store dining experience, which is powered by robots. Customers can use the Hema app to organise a seat at a table, as well as order items from the store to be cooked. Robots are used to move items from shelves to the kitchen and deliver the meals when they are ready. Pretty impressive stuff.

2. 7Fresh's autonomous shopping carts

Elsewhere in China, Alibaba rival JD.com has opened its own high-tech supermarket. 7Fresh – which first opened in 2018 – includes technology elements to deliver a super convenient shopping experience.

One of the main features is its smart shopping carts, which follow customers around the store (instead of having to be pushed). This means customers can keep their hands-free, making it easy to focus on looking after children and other personal tasks. The stores also include 'magic mirrors' that sense when an item is picked up and then display information about it.

3. Specsavers' Frame Styler tool

Choosing glasses can be a lengthy and exhaustive experience, with customers trying on dozens of pairs before finding the one that suits them. In 2018, Specsavers launched a new in-store service to make the process much easier.

Frame Styler – which works via in-store tablets – is an imaging software tool that produces a 3D model of the customer’s face. From this, it selects the glasses that best suit the person’s face shape, gender, and age. Customers can then try on multiple styles in 3D, easily and quickly comparing pairs in seconds.

A valuable bit of tech which speeds up as well as simplifies the in-store experience.

4. Nike’s Speed Shop

In 2018, Nike opened a flagship store in New York City called the ‘Nike House of Innovation 000’. As you might expect from the name, it’s pretty impressive, including digital elements to create an immersive and highly convenient experience for shoppers.

Alongside customisation studios and instant checkout points, a stand-out feature of the six-floor studio is the ‘Speed Shop’. This allows customers to reserve shoes online to try on in-store. More specifically, customers can arrive (through a dedicated entrance) to find a locker with their name on, which can then be unlocked via their smartphone.

Mobile check-out is also available, meaning customers do not even need to speak to anyone (let alone stand in a queue) if they want to buy the shoes in question. The ultimate in convenience shopping.

5. Amazon Go’s automated checkout

Amazon has revolutionised the online shopping experience, but the brand is now intent on taking a slice of the physical retail pie too. The Go stores use a combination of computer vision, deep learning, and sensor fusion technology to automate the payment and checkout process. This means that customers can enter the store, pick-up items, and leave without queuing or checking out, while payment is automatically made through the Amazon Go app.

There are now nine Amazon Go stores open in the US and reported plans for thousands more worldwide by 2020.

6. Kroger’s digital price tags

In 2018, US grocery chain Kroger rolled out digital price tag technology across hundreds of stores. Called ‘Kroger Edge’, the tech digitally displays pricing and nutritional information, allowing the store to instantly and remotely update it.

Kroger has also announced plans to integrate the technology with shopper’s smartphones to align with shopping lists, and to alert them about what items to look for next.

Customer experience aside, the technology is said to have the biggest impact on the retailer’s sustainability efforts. According to Microsoft, the tech runs on renewable energy, while the illuminated pricing means that Kroger will be able to turn down overhead lighting and therefore reduce energy costs.

With both brands and consumers becoming increasingly concerned with environmental issues, Kruger Edge could be an example many other retailers will soon want to follow.

7. Zara's self-checkout

While it's standard in supermarkets, the fashion retail industry has lagged behind when it comes to self-checkout service. This is largely due to the process being made more complicated by security tags and the like. However, Zara proved that it can be a worthwhile addition when it introduced the technology in 2018.

Now, customers can skip Zara's famously lengthy queues and use its slick and surprisingly easy-to-use kiosks.

8. Target's mobile wallet

In 2017, Target launched a mobile wallet designed to make payment and checkout a much faster and more convenient process. Interestingly, the retailer states that checkout via the mobile wallet (which lives in the Target app) is four times faster than regular payment. Users can pay with their Target REDcard or credit card and as well as access and apply discounts.

With purchase activity through apps on the rise, this kind of technology can be a great way to keep up with consumer expectations and enhance loyalty.

9. Ted Baker's interactive windows

Store windows are often used to catch the attention of shoppers, but Ted Baker took this one step further in 2017 by making its exterior interactive. In partnership with Nexus Studios, it installed interactive windows in its Regent Street store to promote its 'Keeping up with the Bakers' campaign.

Shoppers were encouraged to place their hands in the window, triggering a camera to photograph their face (as well as prompting sound effects); the image would then be placed into scenes from 'Keeping up with the Bakers' and shared across social media. Participants were also entered into a prize draw to win a £1,000 shopping spree in-store.

As well as encouraging passers-by to head in-store, the technology cleverly ramped up interest in Ted Baker's marketing creative, making it a truly omni-channel campaign.

10. Audi's VR showroom

The experience of buying a car no longer starts at the dealership, with consumers typically researching via websites, social media, and motor forums. In 2017, Audi launched a virtual reality experience in global showrooms to offer a more personalised CX.

The VR experience allows consumers to configure their dream car, as well as explore the car's exterior and interior in realistic detail. The experience also includes special 'Audi moments', such as the Le Mans 24 Hours race, whereby users can witness the pit-stop atmosphere.

Through VR technology, Audi is able to offer consumers a dynamic and interactive buying experience, transferring the process from a digital tablet to something much more immersive.

11. Sephora's beauty hub

Sephora is known for its web strategy, but it's also intent on integrating digital into all customer touchpoints. In 2017, it launched a number of 'connected stores' in France, which are kitted out with innovative technology.

A main part of this is the 'Beauty Hub', which includes a virtual lookbook as well as the brand's Virtual Artist service. The latter allows shoppers to get a 'virtual makeover' to test how different make-up will look (without actually applying products). From this, Sephora employees are able to offer shoppers a more professional and bespoke experience, powered by technology as well as personal expertise.

12. Topshop's VR waterslide

Lastly, another example that shows in-store technology doesn't always have to be directly associated with the shopping experience itself. Topshop used technology for the sake of fun in 2017 with its Splash! campaign.

The retailer turned its Oxford Street flagship store windows into an interactive pool scene. Wearing an Oculus rift headset, customers could experience a 360-degree ride on a virtual water slide, twisting and turning above the crowds below.

While it sounds frivolous, reports suggest that the technology-led campaign *did* have an impact on sales. Elmwood, the digital agency behind it, states that swimwear sales increased 100% from the same period the previous year as a result.

Source:

Techfunnel

Topic : Legal and Compliance Aspect

REQUIREMENTS TO START A RETAIL STORE

- **REGISTRATION (INCORPORATION CERTIFICATE)**
 - Can be any form of organization i.e. Company, LLP, Partnership, OPC (One Person Company), or Sole Proprietorship
- **DIN (DIRECTOR IDENTIFICATION)**
 - Required to register the company's Directors with the registrar
- **UDYOG AADHAAR REGISTRATION**
 - For Individual entrepreneurs if only 1 shop

- EIN (EMPLOYER IDENTIFICATION)
 - Required to hire employees on payroll
- CURRENT ACCOUNT
 - Required for dealing of cashflow in and out for organization or for any commercial establishment
- FDI NORMS
 - If an MNC wants to establish its Retail company in India, they require to adhere to FDI Norms
- FRANCHISE LICENSE / AGREEMENT
 - Required in case of buying a Franchise of a Retail Chain brand
- COMPANY PAN CARD
- GST CERTIFICATE
- IMPORT / EXPORT LICENSE
 - Required if selling overseas
- SHOP AND ESTABLISHMENT LICENSE (S & E ACT)
 - Required for all retail establishments
- ALCOHOL LICENCE
 - In case of bar & restaurant or any alcohol related retail activities
- TRADE MARKS OR ROYALTY AGREEMENT
 - Trade Marking of Logo, Brand Name or Royalty agreement if using some other brand name

OTHER COMPLIANCES

- FIRE COMPLIANCE FOR STORE AND OFFICE ESTABLISHMENT
 - Fire NOC to be procured from local Municipal corporation
- HEALTH AND SAFETY COMPLIANCE (FOOD LICNESE FSSAI)
 - Required for Food retailing setup
- LABOUR LAW
- EPF ACCOUNT
 - To pay PF to employees
- POSH (PREVENTION OF SEXUAL HARASMENT ACT)
 - POSH addressing group to be established within the organization
 - Large format retail store to have POSH team established at store or regional level
- INSURANCE FOR EMPLOYEES
- SIGNAGE PERMIT

OTHER LEGAL ACTS TO COMPLY WITH: (Retail organizations must be aware and adhere to following acts)

- Provision Fund and Miscellaneous Provisions Act

- Employee State Insurance Act
- Bonus Act
- Minimum Wages Act
- Maternity Benefit Act
- IT / ITES CERTIFICATE
- Child Labor (Prohibition and Regulation) Act

OTHER STORE / OFFICE LEVEL LEGAL COMPLIANCE DOCUMENTS: (Following certificates and compliances are required to run the store and functioning of offices)

- AMC (ANNUAL MAINTENANCE CONTRACT)
- LEASE & LICENSE AGREEMENT OR LEASE AGREEMENT
- LIFT OPERATING LICENSE
- DG OPERATING LICENSE
- ELECTRIC CONNECTION
- TELEPHONE AND INTERNET CONNECTION
- HVAC OPERATING PERMISSION
- LOCAL AUTHORITY PERMISSION
- WATER CONNECTION
- SOFTWARE LICENSES