A New Paradigm in Offline Business

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Abstract
Consumers have numerous reasons for purchasing online, primarily of security reason. Shopping online requires little effort when compared to purchasing products at a typical brick and mortar store. With fast shipping services available, purchasing online, consumers can expect to receive goods relatively quick after placing an order. Considering the fact that shopping online appeals to consumers convenience, does this mean that retail stores will close and become online-based only? What will become of retail store consumers who are accustomed to obtaining outstanding service? Will they have to forgo all of the privileges accorded to them until now by retail stores? The objective of marketing is to understand consumers as well as possible. Marketers must supply products or services in accordance with the desires of their customers. Studies utilizing phenomenological approach focussed on experience, events and occurrences have reflected on the assessment of the online business. Via the Internet, all related parties are able to interact with one another, discuss issues and provide input and advice which is of benefit to stores and consumers alike. Discussions may even develop to the point of discovering new items required by consumers. Retail stores must develop anew business paradigm with one priority: discovering a solution to the problems encountered in serving their customers as pre-existing relationships will develop to become long-term partnerships with mutual benefits.

Keywords: customer, online, offline, relationships

BACKGROUND
E-commerce and online purchases, as they continue to develop, provide a large contribution to overall purchases worldwide, by leveraging on the availability of always improving Internet services. In June, 2017, it was estimated that 50% of inhabitants worldwide are Internet users, based on the Internet Usage and World Population Statistics, updated on June 30, 2017 (www.Internetworldstats.com). The ongoing growth of Internet usage confirms that online transactions are estimated to continue to rise in number. E-commerce has already become a way of life, altered purchase patterns, among other things, and caused profit potential to grow for those who possess websites and fulfill the requirements to provide online purchase services 24 hours a day and 7 days a week, non-stop as sales are conducted seemingly beyond time or space restrictions. Anyone is able to benefit from the huge growth and popularity of Internet technology, which has brought about a plethora of applications requiring effective communication between man and machine. Consequently, existing standards and initiatives have begun to facilitate the exchange of information between customers and suppliers, as well as between suppliers, by providing frameworks to identify products and services in the global marketplace (Gómez-Perez, et al, 2004).

For customers prepared in such a way, there are compelling reasons to conduct purchases online. One is the issue of security. Online shopping is considered to be easier by many customers, requiring less effort than purchasing at brick and mortar stores. With no physical presence needed, online consumers benefit greatly from the security of their own domain. With product purchased of significant value, online consumers do not need to worry about being intercepted on their way back to their place and got robbed. With same day delivery courier services now provided by online stores, buying online has become the ultimate convenience service available, One of the scenario involving time, such as a person about to sleep for the night, as time approaching 11PM, he/she becomes aware that they must send birthday flowers to a close friend/family member in the morning of the following day. At this time of night, there are no brick and mortar stores open, but this is not a problem any longer. Simply by quickly visiting a website via his/her device, and spending a few minutes online researching the design, type, price and delivery options available, the purchase and delivery of the flowers is completed. The birthday present gift can be sent and received within a few hours.

The process of purchase and delivery of products is extremely efficient, appealing to consumers, who are able to conduct transactions rapidly with optimal website loading time using their favourite websites. In realizing this, online shoppers are also aware that they will not be able to receive the product/s immediately after purchase. The delivery process will consume a reasonable amount of time in order for the product to arrive safely at the address of the purchaser.

The rapid purchase and delivery process allows consumers to purchase a range of products appropriate to their desires and needs, including purchasing and paying for them by scanning a QR code with their smartphones. Products can be added to their virtual basket and such products or food can be delivered to their office or home. The online market circumvents time and space limitations. Consumers have shopping security via the Internet in obtaining their daily needs. They are able to request deliveries of toilet paper or detergent when household supplies run low, without having to leave the house. Practical and pleasing!

There are multiple reasons why consumers like online shopping, including the fact that they are able to view and compare scores of stores and products within a relatively short time-frame. This compares favourably to roaming on foot from
store to store or navigating the corridors of large shopping malls, which in all likelihood will consume a far greater amount of time. Online shopping is a smarter option, with consumers simply navigating from one web page to another, compared with the more onerous task of navigating the corridors in shopping malls inspecting the products on offer at brick and mortar stores. They are able to compare features, look up product reviews for their desired and required products and compare prices, quality and service; and all can be done online.

For buyers who have time, but minimal experience in the purchase of their desired products, product reviews can provide information and be obtained from the websites of producers. These reviews are not merely a way for consumers to gather information, they are a form of involvement and the value of consumer commitment to the products being reviewed. Online product reviews and testimonials are important underlying factors, as a number of buyers have stated that they rely on such reviews when making purchasing decisions. Online reviews influence purchasing decisions. Buyers read online reviews before making purchasing decisions. Reviews have changed the way in which customers make the decision to purchase items. Consumers have now become omnichannel buyers; they prefer to select, buy and be served via several channels, albeit channels with varying strengths and weaknesses.

Although consumers enjoy shopping online, does this mean that physical retail stores will close their doors and transfer their business to online-based stores? Will retail store consumers, accustomed to outstanding service, forfeit all of the privileges they have been provided with up to now by retail outlets?

THEORETICAL FRAMEWORK

Marketing concerns identifying and satisfying human and social needs. Satisfying these requirements is fundamentally a process of fulfilling needs in a manner which will benefit both the marketer and the consumer. These marketers demonstrate intelligent marketing and convert the satisfying of the personal needs of consumers or society into profitable business opportunities. This satisfying of needs creates value between the marketer and the consumer, along with planting the seeds of mutual benefit to become an important theme in the development of future marketing ideas. This means that sales are not the most important aspect in marketing. The objective of marketing is to know and understand consumers as well as possible, with marketers supplying the most appropriate products or services to those consumers (Kotler, Keller, 2016).

Ideally, marketing must produce consumers who are prepared to purchase precise product plans in accordance with analytical assessments and a marketing mixture: products, prices, distributor networks and promotion.

Inherent to this marketing mixture is “individual management”. There are many different actors or individuals involved in services. Marketing employees are individuals, as are consumers, and their interaction can have a large impact on all marketing activities with regard to fulfilling the desires and needs of consumers. The degree of staff differences and their interaction with consumers is extremely important and needs to be managed. This management, primarily from the compliance aspect, is a mixture of marketing within Internet-based technology development. Several considerations must be made, particularly regarding appropriate selection and training, and how to manage and communicate with the varying staff and management levels as an internal part of marketing (Gilmour, 2003). From time to time, each marketing individual may require up-to-date training and other encouragement to develop skills and competency to contend with the competition.

Websites can become a vanguard for business, allowing consumers to obtain a direct reaction. They can provide a first impression, indicating if the business is well-presented. A good impression is one which provides what the consumer wishes to know by visiting the site, not only to make the site appealing to the consumer, but also to bring about profitable business. For this reason, website content must be continually renewed in line with consumer dynamics. The first rule in creating a website is: the job is never finished, there is no finish line. Making a website is not a one-off plan (Segel, Callan-Bogia, 2006).

Phenomenological studies are focussed on experience, events and occurrences, the study of the business of ideas emanating from a sum of data rich in induction and human interest, along with the concerns of stakeholders, from a perspective which may reflect upon the study of on-line business. In the context of better understanding social phenomena regarding on-line business, this study involves three discussion groups, each consisting of 10 members.

Those selected represent male and female adults, with experience as store owners, online shopping consumers and general consumers. The study was conducted in Jakarta in November-December 2017. Through interaction and intensive discussion, the outcomes have been reconstructed. Explanations regarding background, certain incident reports and activities and reflection have provided the opportunity for the researchers to compile notes regarding personal experiences, such as speculation, emotions, problems, ideas, estimations, impressions and prejudice.

The empirical phenomenological approach involves a process of relating human experiences to obtain a comprehensive fundamental picture as a reflective structural analysis which embraces the essence of the participants’ experiences. It remains for the social scientist to adopt the stance of a disinterested observer and study the life-world of others (Psathas, 1989).

Mankind may exist in the same situation, however, as a researcher, assessments are not made from the perspective of one’s own world. He/she attempts to reach beyond the constraints of personal life and existence, and adopt positions from the reference point of other people. To analyse data through oral studies, the researcher uses inductive methods and a qualitative approach. Qualitative means developing concepts, insights and understanding of patterns within data which aim to build theories. It can be said that theories must originate from and be based on interpretative data (Taylor et al, 2016).

By utilizing this method, discussion outcomes can be formed to construct theoretical reality, taking advantage of intuitive knowledge to clarify and build logic from philosophical
problems, so that research results are able to explain the philosophical structure of research objects by using interpretations based on inductive thought patterns through phenomenological paradigms.

DISCUSSION

Physical retail stores are distribution channels which support marketing activities in presenting, selling and providing physical products or services to consumers. Aside from retail stores, sales activities and the provision of physical products or services to consumers can be conducted via the Internet, email, cell phones or landlines directly or indirectly through distributors, wholesalers, retailers and agents as intermediaries. To conduct transactions with potential buyers, marketers also utilize service channels such as storage warehouses, transportation companies, banks and insurance companies as a complement to their marketing activities.

Marketing is an activity designed to communicate with, provide for and serve consumers by creating established, long-term relationships mutually beneficial to consumers, clients, partners and the broader public. Its management is often known as the art of persuasion. Marketing management can be translated as the art and knowledge of selecting target markets as consumers and persuading them to take advantage of the superior products of the marketer. Marketers normally offer goods, services, events, experiences, personnel, places, properties, organizations, information and ideas to four different markets: consumers, business, global entities and non-profit organizations.

Markets these days are fundamentally different from the markets of bygone days. Internet technology, globalization and social responsibility have created new opportunities and challenges, and in a significant manner which has altered the behaviour of consumers and marketing companies. Marketers do not merely compete with other marketers selling similar products, but also with consumers themselves, particularly with dissatisfied ones. Satisfied customers provide favourable reviews, but dissatisfied ones provide reviews which create the potential for possible consumers to not purchase marketed products. Like it or not, people do speak to one another about their purchase experiences, both online and offline. In 2012, consumers reported that offline word-of-mouth still accounted for 62% of the conversations around deal sharing. However, it is challenging for small businesses to estimate how effective offline marketing, word-of-mouth and referral programmes are for them (Tsai, 2013). The online business has access to a large amount of accurate data regarding several factors, including how consumers conduct their Internet browsing and what they do with their time. This includes consumers who have experience in the use of certain products and provide either positive or negative reviews concerning them. Retail stores are able to take specific steps: use reviews to reduce the level of consumer absenteeism and increase business opportunities. This is due to the fact that consumer reviews form a platform from which potential consumers make purchasing decisions. Consumers who connect socially will use social media to provide recommendations and don’t really care which media they select, although usually they choose a network of friends.

When someone enthusiastically recommends a product or service, being aware or unaware, this creates a ripple effect among his/her network of friends following online. Online product observations, recommendations and testimonials are important beyond this, as a number of buyers state that they ultimately depend on reviews to make their purchasing decisions. Purchasing decisions influenced by other people’s observations make consumers become less independent, even though, in reality, they are totally free to decide on the product of their choice without the influence of reviews. They remain in their houses without venturing out, but are able to buy from anywhere, independently, without having to visit retail stores to purchase items they desire and need. This represents a new type of reality in purchasing patterns, one where the consumer is more connected to a device and data, more comfortable in moving smoothly among media channels, and generally able to obtain more information than was previously the case. Consumers are in a position of purchasing control, rather than in the hands of retail stores.

Purchasing is fundamentally a process conducted by someone to fulfil his/her needs and satisfy his/her desires. In principle, needs represent the basic demands of humanity. Human needs are biogenic and have a psychogenic quality. The degree of this need is multi-level, from basic needs, a feeling of security, to being recognized as belonging to a certain group, obtaining recognition or respect or even to the point of the need for self-actualization (Maslow, 1970). Shop owners are aware that the needs and desires of consumers are basic to the process of buying. Due to this fact, the identification of consumers’ needs assists marketers in developing effective marketing strategies. Marketing is about conversations, and the Internet has become a hub of conversations. The connected nature of the Internet allows us to follow and track these conversations, and provides entry points for all parties (Stokes, 2009).

Marketing means market management aimed at building mutually beneficial relationships with consumers. The concept of exchange and relationships leads to the market concept, where actual buyers and potential buyers meet with marketers of products. These buyers are divided according to the needs and desires able to be satisfied by the process of exchange with the products of the marketer. To make this relationship proceed smoothly, the marketer must conduct a series of activities to obtain buyers, such as identifying the needs of the (potential) buyer, designing product offers, ascertaining selling prices, providing information and persuasion, and locating and delivering products to the consumer. Meanwhile, nowadays consumers prefer to remain at home and surf the Internet for their shopping. The meeting point between marketers and consumers is the retail store. Retail stores are able to be contacted via dialogue channels such as email, blogs, text messages and websites based on the Internet.

Retail stores overcome consumers’ indecision as the buyer is able to directly touch and see the product they wish to purchase. At the store, aside from touching products, consumers are able to pay detailed attention to the product to be purchased, and confirm their satisfaction in what they are purchasing. After direct payment, issues of security and personal information on the Internet are avoided. Conversely, shopping online merely allows a visual image of products to be purchased. Although in
recent years product visualisation has improved significantly, including details of products to be purchased, goods are still unable to be touched. Despite this fact, online shopping provides shopping time flexibility with 24 hours a day and 7 days a week access, as well as the ease of locating desired products and comparing what is available and at what price. This process can be conducted whenever required, except in the case of language or communication translation problems. Differences in perception are often at the root of many of the other barriers to communication (Stanton, 1990).

Online purchases do cause consumers to experience stalled potential, requiring repeated confirmation due to Internet website malfunctions or delayed responses. On the other hand, consumers accustomed to shopping online must volunteer personal information to a third party, and must trust this third party to carefully protect consumer privacy and not misuse it. Privacy is an important problem regarding online shopping, including online payments, the security of which is often uncertain. The poor quality of online security is an obstacle, particularly for products ordered from other continents.

Consumers are requested, when ordering online, and when checking their emails for orders coming from vendors in the place of purchase, to log in to websites which are actually phishing sites. Phishing is an attempt to obtain sensitive information such as user names, passwords and credit card details, often for the purpose of crime and masquerading as a trusted entity in electronic communications. Security user studies frequently use deception in order to simulate a security threat (Shostack, 2014).

Apart from the potential for electronic communications crime when shopping online, shopping offline at retail stores actually allows consumers to be unaffected in a negative way through mutual interaction, exchange of greetings and news, and the building of human relationships. Salespeople provide advice and information considered to be more personal and private in an offline manner. Salespeople are able to explain how to operate a product in a personal and affectionate manner. This is a primary reason why all of these impressions are valued more highly than those online, where mere verbal explanations are available, lacking in any emotional attachment. In stores, where products are generally available on-site, consumers quickly receive the product/s they have purchased and are able to bring them home immediately. Salespeople are on hand to explain and confirm that what has been purchased is appropriate and correct according to the wishes of the consumer.

Large shopping centres, complete with comfortable facilities, encourage people to “go shopping” to enjoy themselves. The positioning of shops, displays and arrangements of products, along with the comfortable lighting system, make shops amenable for window-shopping as you pass them by. Stores in shopping centres, with their complete facilities, unsurprisingly, become meeting points for various needs, both business and personal. Spending time in shopping centres has become central to the above needs, and stores have become places for and play the role of pick-up points. Shopping has become a means of recreation, particularly with friends, family, and as a good way of taking full advantage of consumers’ spare time.

Internet-based technological advances have already become daily needs, including in the retail business sector. Stores, as a part of the retail sector, have experienced a period of renewal and breakthrough. The demographic shift, dominated by the Millennial generation, who are technology-smart and gadget-minded, has actually brought about a number of new expectations for retail stores. Many young people, it would seem, are carving out niches for their own communities online to maintain the everyday relationships in their own lives.

Retail stores, in order to be able to continue and develop their businesses in the coming years, are benefitting from this generation of Millennials. The most likely way to achieve this is to proceed in line with their activities. Stores must be capable of connecting in the same way, being Internet-based. Stores must establish websites. Via these websites, the primary focus is to generate more traffic to the website, so that products offered will attract attention and visits from potential consumers. Ensure that the language used is on the website with potential customers. Understand which potential customers are important. Knowing your target audience also provides you with the opportunity to identify other online marketing opportunities (Jones, 2010).

Websites boost business by providing notices, requests, orders and purchases, and if possible enable stores to provide tracking information services for the delivery of products sold to consumers. This also means that stores will become increasingly transparent, facilitating the provision of information and allowing consumers to know the prices, features and quality of products so they can be compared with other products. In all likelihood, this will result in reduced profit, but, in obtaining rational consumers, stores will obtain an increase in sales volume, ultimately resulting in increased profits. The Internet “encourages highly rational shopping”, eroding the ‘risk premium’ that sellers have been able to extract from wary buyers (Sinha, 2000). New information technology has radically changed the economy. On the one hand, buyers are able to quickly and easily compare products and prices, putting them in a better bargaining position. At the same time, technology allows sellers to collect detailed data about customers’ buying habits and preferences (Bichler, 2004). If contact has already been made between stores as sellers and (potential) customers, there will be mutual interaction, discussion, provision of input and advice, resulting in benefits to both stores and consumers. Discussions are even able to uncover what it is that consumers really need. Discussions and efforts to provide solutions to consumer problems are the routine experiences for shopkeepers serving their customers. Retail stores must utilize one critical advantage, that of providing solutions to problems in serving their customers. The process of service is calculating how services are delivered, including providing understanding concerning what actual issues are encountered by customers and how they can be solved, along with policies and procedures which guarantee effective and efficient service. The management of the service process requires supervision before, during and after the delivery of products to the consumer. Experience provides a service to the consumer, and represents a managerial and operational process offering “attention to detail” in all aspects of service.
The service ‘process’ takes account of how the service is delivered; for example, the policies and procedures that ensure an efficient and expert service (Gilmore, 2003).

Of course, discussions can be online via the Internet and even face-to-face. Retail stores must become involved with new buyers, particularly from the Millennials generation, and make efforts to meet their expectations. If in accordance with their style of shopping, they will become an opportunity to acquire new consumers in addition to existing ones. Retail stores can consider the future by implementing a new paradigm profiting from the superiority of conducting business via the Internet; an online-based business, offering services 24 hours a day and 7 days a week, combining with offline-based business excellence, where products can be seen, touched and felt, taken possession of directly, avoiding the possibility of personal data misuse, as well as enjoying the experience of personal face-to-face service. All potential consumers’ data can be analysed with the implementation of information technology to assist in creating a potential market, thereby converting them to new buyers. The changes in buying patterns into Internet-based have benefitted to enhance competitive advantage for retailer shop, the experience of providing offline services to existing customers is developed to increase and grow the business, the Internet is optimized to capture new potential customers (figure 1).

![Figure 1: The Internet optimized the service to customer](image)

If stores are able to learn how to involve buyers and make them feel unique and special, this will provide them with an exceptional experience, so that they will wish to remain connected, giving birth to loyalty, which in turn will engender the desire to continue shopping at a particular shop.

This privilege, along with an extremely popular slogan intimating that the customer is the king, and, due to this, consumers are empowered to gain greater access to information, more avenues to purchases, and the flexibility to shop and survey at the time and location of their choice. Customers will be able to order and pay for products online and collect them at retail stores; this adjustment will bridge the gap between online and offline retail. There are many other similar reasons why consumers have conducted business with retail stores, but, due to the unique quality of purchasing online, conditions have altered or strengthened their motivation. A convenience buyer, someone motivated by the currency of time, will love the online experience only if it has a perception of saving time (Segel, Callan-Bogia, 2006). In order for consumers to be better-informed and connected, retail stores must put in place a new paradigm in conducting their business; one of adapting and conforming to the idea that personalized services be provided with both online and offline interaction.

The provision of appropriate information online for the consumer will ensure they move independently in their shopping, creating trust and loyalty in retail stores, which will mean an increase in business for retail stores. The provision of information channels based on the Internet, websites, social media and news sites to disseminate information will not only make it easier for consumers to make purchases online, but also to shop offline. Their experience in obtaining privileges by shopping offline will be disseminated via online review forums and live blogs. This alone will improve the image of retail and related stores. Many people talk to one another about their shopping experiences, both online and offline. Even if you’re not planning to sell directly online, a website can help you gain new customers, serve existing customers better and streamline costs and operations. In fact, most business-to-business websites are established for a dual purpose – to sell products and services, either directly or indirectly, and to provide information (Sweeney et al, 2006).

Online business has access to a large amount of data concerning a number of factors, including how consumers are browsing the Internet and what they are doing with their time. If retail stores know what they are looking for, they can gain a clearer picture of which aspects of which programmes are effective, and the abundance of users sharing information on the web provides a good idea of who consumers are, and what they are discussing. Nevertheless, there must be some compatibility between those discussing online and retail store products. It’s important to have the right kind of conversation and invest in the right social channels. Otherwise, you could very well have no impact – or worse, a detrimental effect on your business (Tsai, 2013).

Retail stores must learn how to respond to the requests and needs of consumers who like to make transactions on the Internet. One of the well-known exclusive handbag brands in the world, Hermes, also uses the Internet to accommodate Internet users, albeit in a different manner. Hermes merely uses the website as a presentation or display of their products, which resembles a beautiful sketch, but there is no technology to receive orders. Nevertheless, there must be some compatibility between those discussing online and retail store products. Birkin and Kelly. Hermes deliberately does not receive orders, but employs a system whereby (potential) customers must come and visit Hermes boutiques worldwide, and then wait to see if they are able to purchase a Birkin or Kelly handbag, and which colours are available. Nevertheless, with some accessory products, Hermes does list prices and receive orders.
Experience as a retail store can be used to connect with new customers, and their data can provide information regarding other aspects of their lives, such as the personalization and suitability of products, which can be a solution to the issues surrounding these consumers. Furthermore, once a relationship is established, retail stores are then able to actively interact with them. This already established relationship will then overcome issues with changing shopping patterns. These changes, while having the potential to be perceived as daunting, actually provide the opportunity for those retail stores with the confidence to move forward. Retail stores can utilize their experience to provide solutions via discussions in stores which have now become open to the Internet. Services provided can now have the same focus, being the provision of solutions to consumer issues, however now in a more encompassing manner, with the possibility of overcoming geographical limitations such as those previously encountered. However, this no longer a problem as products purchased are able to be delivered by a courier service.

CONCLUSION

The advancement of Internet-based technology has brought about a measure of new hope for retail stores. With careful planning, physical retail stores can be engineered into online without any significant hurdle. Business owners will be able to strengthen and further develop their business in the coming years by utilizing the Internet. The consequence for stores will be an increased transparency, while making it easier with the provision of Internet services and having the ability to offer greater personalization to their customers. Stores with a mastery of data, analysis and Internet technology will be benefitted in a creative way, allowing them to create very special shopping experiences for their customers. Existing customers will now be able to use the Internet to contact retail stores. Potential customers will also benefit from the same situation. All parties will be connected via the Internet, able to interact, discuss, provide input and advice, which will ultimately benefit both stores and customers. Discussions may even develop to the point where the real needs of customers are uncovered. Retail stores must utilize one critical advantage, the provision of experience to provide solutions to issues arising in serving their customers. Discussions around issue resolution will surely take place online on the Internet, as well as in offline face-to-face forums. Relationships already formed will develop into long-term, mutually beneficial partnerships.

REFERENCE:

