The Review on the Patterns and Developments in Retail Commerce: Focusing on the Future Customer Experience

Ms. Tanvi Thakkar[1], Mr. Ghanshyam Sarode[2], Mr. Solanki Rakesh[3], Mr. Sujal Chaurasiya[4]

Assistant Professor, Lilavati Lalji Dayal Night College of Commerce, Charni Road, Mumbai[1]

Master's in Commerce, Gujarat[2]

FYBCOM, Lilavati Lalji Dayal Night College of Commerce, Charni Road, Mumbai[3]

FYBAF, Lilavati Lalji Dayal Night College of Commerce, Charni Road, Mumbai[4]

Abstract: *Retail associations are currently encountering increased competition as a result of rapid advancements in innovation, more sophisticated management techniques, and a more competitive industry environment. Therefore, retail firms have shifted their focus from increasing sales to finding methods of attracting and retaining customers. This study presents a novel perspective on enhancing the customer experience to enhance the performance of retail organizations. The proposition suggests that the exploitation of technology and the customer experience are fundamental factors in customer loyalty. Considering the combination of design thinking and marketing strategies, we provide a new framework for the shopping experience. Using this approach, we developed a mobile application and implemented it at a grocery shop located in Monterrey, which is the third-largest city in Mexico. This story also explores the role that technology plays in enhancing customer satisfaction. We hypothesize that utilizing advanced resources can enhance the communication and interaction between the store and customers, hence influencing their final decision-making process about purchases. The study of flow has important implications for business executives, since it promotes understanding, foresight, and expertise in retail professionals.*

Keywords: consumer satisfaction; shopping experience design; retailing trends; innovation; creative thinking; marketing data; user-centric design; store loyalty

I. INTRODUCTION

Recently, retailers have recognized that improving the customer experience is essential for achieving business success [Verhoef et al., 2009; 2012, Levy and Weitz; Petermans and others, 2013]. This is especially important due to the rise of online competitors, who have entered new markets and attracted customers with personalized products and services [Herring et al., 2014]. The future of retailing will focus on engaging with customers on a personalized basis. The irreversible pattern relies on enhancing enjoyable client experiences at various levels - rational, profound, sensory, physical, and spiritual.

In order to do this, retailers should carefully manage the integration of advanced technological systems while also focusing on the creation of innovative business models [Manyika et al., 2015]. Client experience encompasses the psychological and personal judgments of individuals when making purchases [Klaus, Maklan, 2013]. Customer experience refers to the internal and subjective reaction of a customer when they come into direct or indirect touch with a firm, as defined by Meyer and Schwager (2007). Typically, direct interaction with the consumer begins during the purchase, use, and servicing processes. Circuitous contact often involves spontaneous methods of presenting an organization's products or services, such as advertising, news stories, or reviews. The modern philosophy of service design is driven by technology and the empowerment of consumers on a global scale. An integral aspect of improving service quality is developing innovative techniques to enhance the client experience. Undoubtedly, they serve as a valuable asset for improving customer-store interactions. Nadiri (2011) states that several activities, including the

shopping process, encounters with store personnel, claims, and returns, have a direct impact on customers' impressions and experiences. Retail establishments provide a diverse range of goods and services.

Retailers prioritize understanding and fulfilling the increasingly intricate and high standards of their target markets. 2014. They understand that a successful plan for service design requires a new user-focused approach that focuses on improving points of engagement in the store [Clatworthy, 2011]. This new approach requires a thorough examination of the market to identify the customer's unfulfilled requirements and wishes. It also aims to identify the areas that need improvement in existing products and services, as well as the creation of new ones. In this particular situation, the strategic option of fostering knowledge emerges as a crucial means to understand customers and their competitive environment [Jenster, Solberg, 2009]. Machine Intelligence (MI) can enhance the process of quantifying intuitions, contextualizing marketplaces, and scaling opportunities. Prototyping can integrate current marketing trends and design through the use of experience.

This study enhances its approach by integrating elements from two methodologies: marketing intelligence and design thinking. We present a fundamental framework to understand and address customers' desires by analyzing their expectations and behaviors in a competitive environment. The presentation commences by stressing the importance of retail enterprises and the relevance of forging strong connections with clients. The strategy prioritizes the utilization of cutting-edge technology-driven resources to augment the shopping experience for customers. Furthermore, it asserts that the design process should prioritize the active collaboration with clients in order to create value together. Furthermore, the study exemplifies the role of progress and advancement in satisfying customers and fostering store loyalty. Subsequently, a thorough examination of existing literature on design thinking and marketing intelligence approaches is conducted, followed by the development of our model. Subsequently, we use our methodology in a Mexican grocery to present an innovative method for improving the consumer experience. Thus, the study presents strategic recommendations and concludes. Ultimately, this text addresses the constraints of the present study and proposes new avenues for further research.

II. LITERATURE REVIEW

Retail industry research is considered a fundamental pillar of the marketing area. Over time, its scope has progressively expanded to a worldwide level. Retailers function within a well-established and fiercely competitive market, where the expectations of customers are continually changing [Grewal et al., 2009]. The ongoing store choice of consumers is determined by their satisfaction with meeting their expectations, which in turn affects their loyalty [Paul et al., 2016]. Initially, retail theory primarily aimed to boost sales at convenience stores, shopping centers, and supermarkets. The focus of attention was primarily on the last stage of the production network, with fewer studies examining the experiences generated during shopping [Berman, Evans, 2003]. Nevertheless, the rapid advancement of technology, more advanced management strategies, and the merging of industries currently provide new obstacles and heightened rivalry for firms [Sirohi et al., 1998]. They have redirected their attention from increasing growth and sales to prioritizing client loyalty [Lewrick et al., 2015]. [Nadiri, 2011] The retail industry has been urged to devise innovative approaches to enhance consumer satisfaction by embracing fresh ideas pertaining to the customer experience. The shopping experience and atmosphere are the main factors that impact customer satisfaction in large retail locations [Paul et al., 2016]. The main objective in today's retail industry is to deliver an exceptional client experience [Verhoef et al., 2009]. In order to attract and maintain customers, businesses have adopted a range of initiatives, including customer loyalty cards, discount vouchers, exclusive deals, and marketing campaigns.

Innovation and technology play a crucial role in enhancing consumer pleasure and fostering store loyalty. They are essential elements that help to the development of more gratifying shopping experiences. Both environments have a significant impact on customer influence [Sharma, Stafford, 2000]. The genuine potential of technology has never changed as rapidly as it is currently changing [Foley, Ship, 2012]. Retailers are increasingly using self-service technologies as they obviate the necessity for customers to queue. These advancements involve the use of self-filtering, researching products online before purchasing them in physical stores, or browsing at items in stores before buying them online (also known as showrooming) [Lewrick et al., 2015]. It showcases recent innovations that enhance user experience. According to Paul et al. (2016), it is expected that retail enterprises, especially big ones like supermarkets and malls, will offer unique shopping experiences that can lead to consumer satisfaction and loyalty to the store. Hence,

ISSN
2581-9429
IJARSCT

the existence, success, and expansion of any organization depend on customer satisfaction-driven loyalty [Davis, 2013; Paul et al., 2016]. For loyal clients, the implementation of technological advancements may carry greater significance in influencing their purchase choices than the price. As stated by Martos-Partal and González-Benito (2013), this is because they are generally less responsive to changes in price and have a significant impact on word-of-mouth advertising. Offers a concise overview of the literature, presenting different methods for emphasizing the importance of technology in improving customer happiness. The influence of technology on organizational performance can be observed through the viewpoints of customers and indicators such as market share, productivity, and revenues [Verhoef et al., 2009]. Technology undeniably plays a pivotal role in improving efficient interactions that enhance customer satisfaction.

Design and innovation approach - In recent years, there has been a focus on developing customer-centered design thinking to gain a better understanding of customer behavior. This study utilizes a design-oriented approach. Designers have enhanced their understanding of people's requirements by applying several approaches during the creative process, thanks to their sensitivity. The model presented here incorporates a systematic approach known as design thinking, which is a customer-centric tool used to generate new ideas, products, and services [Brown, 2008]. Design thinking involves a fundamental process of identifying people's desires, unmet needs, and emotions resulting from their interactions with a product or service. The main goal is to improve the quality of life by prioritizing clients in the design process [Vianna et al., 2011]. During the process of plan interaction, the originator engages in a logical thought process in which internal mental thoughts and external expressions of these thoughts are combined and organized to form a concept [Cross, 1999]. According to Tim Brown's approach [Brown, 2008], design thinking consists of three primary stages that are developed through a repetitive cycle with ongoing feedback between stages:

1. Motivation. This stage is dedicated to the identification and understanding of a problem that has the potential to be transformed into a product or service. During this stage, professionals from several professions, including engineers, sociologists, and psychologists, watch and analyze behaviors and attitudes.

2. Brainstorming. During this phase, possible resolutions to the identified issue are created through the process of brainstorming and sketching. In addition, prototyping is conducted and testing is carried out to evaluate anticipated success and identify possible modifications. The optimal solutions are selected based on their market, technical, and financial feasibility.

3. Execution. The time where the offering is presented to advertise is called the marketing phase. The organization's worldwide vision is achieved immediately. Achieving success hinges on delivering favorable customer experiences. The Institute of Design at Stanford, in its IDS strategy from 2010, proposes that the design thinking process consists of four stages, the first being Empathize. Individuals' physical and immediate needs are defined in order to understand the ways in which they see the world. Systematic perception is essential at this point.

Objectives of Information Analysis -

The objective of the information analysis is to discern correlations and trends in customer behavior.

Generate ideas. The aforementioned techniques, including Bodystorming, mindmapping, prototyping, and brainstorming, are employed in the process of concept creation.

Model. Iterative process of arranging models in order to acquire newly developed insights.

Pilot exhibition and testing conducted with prospective clients to ascertain the feasibility of acceptance. The generated pieces of information are taken into account for input and valid modifications.

Enhancing cognitive abilities - The customer experience is influenced by both internal and external variables. Examine the company's external environment to gain a more thorough insight [Petermans et al., 2013]. Under these specific conditions, a marketing intelligence (MI) system can offer a market-oriented perspective, providing valuable insights regarding competition, technology, and societal trends in specific market segments. The activity of market intelligence, as described by Aaker et al. (2003), is focused on providing accurate and timely business knowledge that adds value to the development of a business environment. According to Jenster and Solberg (2009), market intelligence helps a company, its customers, competitors, markets, and the industry as a whole to understand, analyze, and assess the external environment in relation to events.

Copyright to IJARSCT
www.ijarsct.co.in

ISSN
2581-9429
IJARSCT

183

Moreover, MI improves the process of making decisions. It allows businesses to predict changes and adapt effectively with new products or services, while also providing valuable information for detecting opportunities and dangers. Therefore, it is considered a crucial skill for achieving retail success and obtaining a competitive edge [Obeng et al., 2015]. Market intelligence (MI) encompasses distinct areas linked to two key domains: marketing research and database marketing/customer relationship marketing (Figure 1). The scope of the MI process may be tailored to the specific requirements of a firm, and the insights it generates can lead to transformative outcomes. Our investigation employs a MI (Market Intelligence) approach that adheres to the five-stage insight pattern proposed by Jenster and Solberg in 2009. It is important to emphasize that the involvement and support of senior management are crucial for facilitating this MI process. Similarly, when establishing the MI movement, the dimensions of the rm are also crucial.

The proposed model, named the Shopping Experience Design, integrates the characteristics and processes of both the MI and design thinking approaches, as identified in the literature review. According to Cacciolatti and Fearne (2013), small enterprises are not as affected by the dependability and variety of information sources.

This study argues that the combination of these two methodologies can help businesses, especially supermarkets, better understand the needs of customers when they are shopping. Furthermore, it believes that using technology is integral to enhancing customer satisfaction and hence enhancing the overall success of the firm. The main goal is to aid organizations in creating service solutions that enhance customer happiness. The fields of marketing intelligence encompass the prediction of future trends and demands, the surveillance of stakeholders, the establishment of brands, the identification of target markets, the development of new products, and the analysis of both quantitative and qualitative market dynamics. Compiled by the authors.

The retail shopping experience

The design model focuses on optimizing the customer experience. Advertisers and planners can employ this model to improve the interactions between retailers and their customers and increase customer satisfaction. The model envisions existing and upcoming trends that could have a substantial influence on technology applications. This approach can be seen as a creative strategy to understand and gain insights about clients while engaging with a service. The concept consists of six phases, starting with MI as the central focus. To optimize the user-centered design process, MI is integrated into multiple stages of the design thinking process. This paradigm necessitates the collaborative endeavor of multifunctional groups, including marketers and designers.

Analysis of a specific instance or situation

The Shopping Experience Design approach was implemented in a company that has been a dominant force in the Mexican supermarket industry since 1968 and should be consistently pushed across different stages. This corporation presently possesses and manages more than 674 outlets throughout the entire country. During the period of this study, the company was undergoing a transformation in its corporate identity and had the position of being the second-largest retailer of diverse products in Monterrey. The name of this company will be "Opportunity" in order to protect privacy. It is important to note that the market we intend to focus on is predominantly composed of young individuals. Presently, emerging-market cities accommodate a staggering 2.6 billion individuals, which equates to approximately one third of the global population. According to Capizzani et al. (2012), the population of Singapore is projected to reach 3.9 billion by 2030, whilst the population of developed market cities would only increase by 100 million. Mexico's growing middle class makes it an attractive place for shopping. The retail sector experienced a 5% growth in 2015 according to Euromonitor [Euromonitor, 2016b]. It is expected that the number of working-class families will increase by 3.8 million by 2030, in line with the growth of the middle class [Euromonitor, 2015]. The store offers various loyalty programs, such as giveaways, promotions, delivery shopping, phone ordering, and partnerships with other organizations. Their main program is a rewards system, in which customers may swap accumulated points for specific products. In recent years, the shop has faced difficulties in retaining customers, mostly due to the wide range of channels it offers, including internet, telephone, and traditional brick-and-mortar locations. Meanwhile, Monterrey has experienced a significant surge in the quantity of small retailers that are effectively rivalling the major supermarkets located in close proximity to clients' residences. Given this situation, the company decided to explore a novel method for improving consumer shopping experiences and fostering a culture of customer pleasure. In the following section, we

Copyright to IJARSCT
www.ijarsct.co.in

ISSN
2581-9429
IJARSCT

184

will examine each stage of the Shopping Experience Design model as it was implemented in the study of the "Opportunity" organization.

The first stage of the Results Deepens stage focuses on the organization of the MI Cycle: Arranging and Direction Planning should consider the activities and personnel in charge, as well as the allocation of resources and monitoring indicators. This move was specifically tailored to meet the unique requirements of the organization in issue. Data collection involved the acquisition of both primary and secondary data to analyze market developments from 2012 to the present. The company's top competitors were identified, and their main strategies for gaining and maintaining clients were classified based on technology, service management, and advertising. The data was collected through a process of examining the websites of competitors and doing on-site visits to supermarkets. In addition, we examined statistics databases, publications, and scholarly articles pertaining to innovation and market trends. Analysis: Upon reviewing the obtained outcomes, we were able to gather the following insights. The analysis revealed that the main competitors of 'Chance' have focused their strategies on improving the shopping process by offering enhanced services through both physical and digital means. Mobile technology has become an essential component of consumers' current lifestyles. The competition for increased support in this business will continue to grow in the near future.

Second stage. During this stage, we conducted an assessment of the company's ideology, target market, future ambitions, and external environmental changes. Currently, the primary objective of Opportunity is to cultivate enduring relationships with consumers, society, and the environment in order to fulfill customers' demands for products and services. The company's objectives are to provide the optimal client experience and provide a hospitable work environment. This organization serves the working class (C/C-level) in order to demonstrate division.

Third stage. Tools such as customer tour mapping and touch-point assessments were utilized to identify areas in the store that could benefit from enhancements. The key touch-points identified are shop-and-move decisions, the store entrance, product searches, payment for purchases, and product transfers. We conducted a survey of 110 individuals who were engaged in shopping activities at the store on different days and at different hours. Furthermore, a substantial number of these clients willingly consented to participate in interviews to discuss the many facets of their purchasing process. According to this analysis,

The practicality and ease of locating specials and delivery alternatives were identified as the most crucial variables during the purchasing process in Stage 4. The inspiration stage entailed generating ideas and subsequently devising solutions that were derived from prior studies. The initial concept was to develop a digital tool aimed at enhancing consumers' shopping experiences: an application designed to facilitate communication between clients and the grocery store regarding products, services, and promotions offered.

Level 5. Sketches of smartphone apps were generated during the morph stage. The designs were initially created using Corel X7 design program, considering all aspects of the app. As previously discussed, the Shopping Experience Configuration model (Figure 2) highlights the need for top management to prioritize the process in order to address criticism across different stages. Consequently, before doing the intended model testing, the leaders of 'Opportunity' provided us with constructive criticism and suggestions, which were subsequently integrated into the program. Once this prerequisite was fulfilled, the prototype design underwent testing to evaluate client response. The proposed application enables users to navigate between different sections of the store and view the daily discounted items. The supplementary characteristics that were incorporated into the prototype were favorably received. Online shopping, which includes delivering items directly to the customer's residence, and a secure transportation service if the customer prefers to visit the store. Both of these supplementary services can be included in the overall cost of the transaction. A majority of 76% of the individuals surveyed expressed that this digital tool would enhance their shopping experience by improving user-friendliness, therefore making it easier and more fun. Furthermore, they proposed the integration of elements such as product tracking, discount surveillance, and transportation services, in addition to home delivery, as advantageous.

The development company involved would be responsible for future implementation.

III. CONCLUSION

The suggested Shopping Experience Design model encompasses a design activity that considers two essential methodologies: configuration thinking and MI, from a larger perspective. The components from both techniques are

Copyright to IJARSCT
www.ijarsct.co.in

ISSN
2581-9429
IJARSCT

185

integrated into a synergistic and iterative paradigm, with a focus on enhancing the client experience. By utilizing this method, it is feasible to gain a more profound understanding of client expectations and uncover external events that could strategically impact the design. The proposed model promotes the utilization of technology to augment consumer interactions and experiences. We have proved that this approach may increase the customer experience during the purchasing process. We have also proven that the utilization of technology plays a crucial role in establishing robust and long-lasting connections between individuals and products or services. Applications encompass various technologies such as smartphone applications, aisle holographic systems, and intelligent advisers. Our research indicates that the Shopping Experience Design methodology is effective. The outcomes of testing it for our scenario review provided valuable insights that led to the development of an innovative solution that was accepted by 76% of the participants involved in the review.

Our study has shown that this strategy can greatly improve the purchasing experience. The aforementioned studies highlight that the customer experience and the use of technology are essential aspects in attracting and retaining customers. Our review provides recommendations for executives in the field of business systems, highlighting expertise, as well as retail professionals. The research presents a methodology based on a proposed theoretical model. We subjected this model to a trial at a single retail outlet, where we devised a tailored technology solution. However, it is necessary for future research to involve testing the application in various departments of the organization, incorporating additional features into the application, and even applying it to different types of retail management domains to establish enduring connections between individuals and products or services. Furthermore, this approach can enhance the customer experience during the shopping process. The proposed model promotes the use of technology to enhance customer interactions and experiences. Examples of utilizations include smartphone applications, visualization systems in navigation, and intelligent advisors.

This research indicates that the Shopping Experience Design methodology is effective. The results of testing it for our scenario review provided valuable insights that led to the development of a novel solution that was accepted by 76% of the participants involved in the review. Our study has shown that this strategy can greatly improve the purchasing experience. The aforementioned studies highlight that customer experience and the use of technology are crucial elements in acquiring and retaining customers. The paper introduced a methodology grounded in a theoretical framework that has significant ramifications for decision makers in the retail industry, marketing analysts, and business strategists. We subjected this model to a trial at a single retail outlet, where we devised a tailored technology solution. However, future study should include conducting additional testing of the app in other branches of the organization, incorporating additional features into the app, and exploring its applicability in other sorts of retail services.

REFERENCES

[1]. Aaker D., Kumar V., Day G.S., and Leone R. (2003) Marketing Research (9th ed.), New York, NY Wiley and Sons. Molina V.,

[2]. Acosta M., Elizondo M., Garca G., and Ramos L. (2013). La innovación como proceso interactivo: A descriptive study of the regional innovation system in Coahuila. Vol. of the International Administration and Finance Review 6, pp. 89-107.Amazon (2016) Amazon Prime Air. Accessible at:

[3]. Azuma R., Baillot Y., Behringer R., Feiner S., Julier S., and MacIntyre B. (2001) Recent advancements in augmented reality. https://www.amazon.com/b?node=8037720011. PC Illustrations and Applications, IEEE, vol. 21, no 6, pp. 34–47.

[4]. Berman, B.R., and J.R. Evans in Retail Management: A Plan for Success (9th ed.), NJ: Upper Saddle River Pearson Training.

[5]. T. Brown, "Design thinking." vol. of the Harvard Business Review 86, pp. 84–96.

[6]. Bustos–Reyes C.A., González–Benito (2006). Papel of commercial format in the benefit of minority establishment. Información Comerci al Española, ICE: Revista de economía, vol. 828, pp. 269–288.

[7]. L. Caciolatti (2013). Marketing intelligence in SMEs: repercussions for the sector as well as policymakers. Planning and Intelligence in Marketing, vol. 31, pp. 4–26

Copyright to IJARSCT

www.ijarsct.co.in

ISSN
2581-9429
IJARSCT

186