ABSTRACT

This Project aims to help Business to Consumer Organisations involved in General Trade Offline Distribution Business and Online selling through Marketplace portals to have a sustainable co-existent business model and adopting outside – in approach by putting customers at the front of their business strategy and to have a sustainable business framework. The solution has been developed through primary data collection through customer questionnaire about their preferences for Offline and Online shopping, reasons and ranking. Besides this, depth interviews were taken from offline and online stakeholders and involved decision makers with focus on consumers' preferences and organizations profitability. Knowledge Management N-Form model was used to develop a consumer centric Knowledge Management sustainable model for the organizations. Conflict factors between offline and online trade were parameterised and sustainable integrated model is proposed. Marketing strategies with the influence of marketing mix tools (Product, Price, Place, Promotion, People, Process, Physical Evidence and Partners – 8 P's) are correlated with the conflict factors to suggest marketing strategies for the organizations.

Till date there is no comprehensive study or solution available with the organizations to maintain balance and integration between traditional general trade model and online business model and this project aims to build upon practical solutions drawn out from Marketing Strategies and Knowledge Management principles to propose sustainable business model. The project is made from organizations point of view to understand manufacturers' dilemma and propose solution keeping consumers' interests to the core of business strategy.

The project is divided into 4 parts.

Part 1 comprises of empirical data collection from respondents questionnaire on their preferences for offline and online shopping and various reasons for their preferences. Data analysis is done by statistical tool SPSS. The data extraction is further studied by statistical tool SPSS Version 16.0 for Windows for Pilot Factor Analysis Test and Correlation Bivariate testing to identify variables responsible for consumers' behaviour.

Part 2 comprises of proposing conceptual Knowledge Management framework modelled on Hedlund N-Form Knowledge Management Model to propose a

sustainable KM framework for organizations to keep their Customers and Retailers at the fore front of their business strategies by adopting Outside-In approach and thus a new KM model is developed.

Part 3 comprises of depth interviews taken of stakeholders in Offline and Online trade and identifying Conflict factors. These identified conflict factors are analysed considering marketing mix 8 P's tools to develop marketing strategies to overcome conflicts to have sustainable integrated approach for the organization.

Part 4 comprises of proposing strategic business model with integrated and symbiotic approach considering both customers' and organizations' interests.

The study and Project is one of the kinds in its approach and solution and as on date such comprehensive study is not available for Business to Consumer Organizations as they are facing dilemma of maintaining synthesis between Offline and Online trade.

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INTRODUCTION

This part of the project will establish the Problem background, Problem statement and the Research Questions, which explains the problem statement in detail. In addition managerial and organizational relevance will be mentioned. The project parts of Consumers' Preferences through empirical study and Data Analysis approach, Conflict Factors identification through depth interviews, and KM Model proposition and Business Strategic model will be presented in further chapters. Limitation of the study will also be discussed along with the approach.

1.1   PROBLEM BACKGROUND

Business to Consumer B2C model companies especially companies working in sectors like FMCG, FMCD, Consumer Electronics, Apparels, Footwear, Hardware, Furniture, Kitchen wares, Lifestyle goods etc. are traditionally working in General Trade Model for B2C business which comprises of :-

Company ⟹ **Distributor** ⟹ **Retailer** ⟹ **Consumer**

OR

Company ⟹ **Super Stockist** ⟹ **Distributor** ⟹ **Retailer** ⟹ **Consumer**

OR

Company ⟹ **Distributor** ⟹ **Retailer** ⟹ **Reseller** ⟹ **Consumer**

And many such General Trade combinations.

With the advent of E-Commerce and M-Commerce online players, B2C business in these sectors have seen a paradigm change with focus on online selling and availability of products / services to consumers at convenience of their homes.

E-Commerce / M-Commerce players like Flipkart, Amazon India, Snapdeal (Unicorns of Industry) are doing really well in reaching out to customers and through various Pricing techniques, Logistics model and Unique Business model and are able to generate Top Line and making these sectors very competitive and

as a result consumers are benefitted having more choices for low prices. So, there is a shift from traditional Brick & Mortar model to Click & Order model.

<u>Traditional General Trade model is important for B2C organizations for the following reasons</u> –

- In India, business is relationship oriented.

- Internet penetration for Online trade is low around 4% and expected to go up by only 11% by year 2020.

- Tier-2 and Tier-3 markets which are important for penetration and revenue volumes can be tapped by growing organically through general trade.

- Logistics challenges are low in general trade.

- Cost of distribution is low.

- Super stockist / Distributor act like Franchisers which finances the production of organizations.

- Consumer preferences for Experience, Touch, Feel and Buy are fulfilled by General Trade model.

- These act as Service points and also for providing First Level Services to consumers.

- Sustainable Competitive Advantage (SCA) of organizations is their robust Distribution – Retail network.

<u>Challenges being faced by traditional General Trade model</u> –

- Bleeding Bottom Line due to Deep Discount Strategy by online players.

- No major product differentiation by organizations.

- Higher cost of operations as compared to online players.

- Multi brand players are also suffering Working Capital Blockages which is affecting their ROIs.

- Customer-contact missing as focus is on fulfilment of requirement rather than requirement generation.

E-Commerce / M-Commerce model is important for B2C organizations for the following reasons –

- Focus is on Low Prices, Availability to the Consumer and Top Line Achievement.

- Changing Consumer Preferences.

- Catering to ADHD Consumers (Attention Deficit Hyperactivity Disorder) – Gen Next.

- Low Advertising Cost.

- Overall Cost Low due to Disintermediation Model.

- Online presence is important for organizations due to intense competition.

- Modern Trade Outlets are also important from organizations' point of view due to benefits like Experience Stores, Retail Merchandising, Sales & Service Points, etc.

Challenges being faced by E-Commerce / M-Commerce players –

- Predatory Pricings, Deep Discount Strategy and other Low Pricing Techniques are contributing to business model losses.

- Business Model is based on Gross Merchandising Value (GMV) which is Top Line, Acquisitions, Penetrations, rather than Revenue Generation & Profit Maximisation.

- Seed funding / VC funding is getting squeezed as investors are questioning business models of online players.

- Almost similar models with no differentiation among online players resulting in intense competition and affecting profitability.

- Logistics, still a big challenge.

- Payment Options, like Cash on Demand (COD) model contribution to losses.

- Internet penetration generally is still low.

1.2 PROBLEM STATEMENT

Discussing the background of the problem, results in the following problem statement. This project will examine the problem statement as formulated below :

"How can B2C organizations sustain Online Click & Order model and Offline Traditional General Trade model and have integration, synthesis, sustenance, avoid conflict parameters, and have sustaining business model involving both Offline & Online avoiding conflicts and benefit from Knowledge Management principles ?"

1.3 RESEARCH QUESTIONS

In order to answer the formulated problem statement, the following research questions are formulated. Answering the research questions will answer the problem statement as described above.

- What are the Consumers' Preferences for Offline & Online shopping and the reasons for the same ?

- What causes a channel conflict in general and what marketing strategies can organizations use to reduce channel conflict and multi-channel strategies for synthesis and co-existence model ?

- How can Knowledge generated at Retailers end and Consumers feedback could be captured for improvement in Offline & Online models to have sustainable Knowledge Management model for the organization as a competitive strategy ?

- Can we have an integrated approach and sustainable business model comprising both offline, online, and knowledge strategy ?

1.4 CONCEPTUAL FRAMEWORK

The problem statement and research questions are lined out into a conceptual framework. The conceptual framework contains Independent Variables (X) and a Moderator, which are important to give an answer to the problem statement.

Figure A : <u>CONCEPTUAL FRAMEWORK TO BUSINESS STRATEGY</u>

The diagram contains the following elements:

Top boxes: **Independent Variables (X)**, **Moderator**, **Dependent Variable (Y)**

Independent Variables (X) boxes:
- Product
- Price
- Place
- Promotion
- People
- Process
- Physical Evidence
- Partners
- Consumers' Preferences

Moderator (center oval):
Knowledge Management Model.

Conflict Parameters

Multi-Channel Strategy & Approach

Dependent Variable (Y):
Conflict Parameters Reduction between Online & Offline Channel, Superior Knowledge Generated being captured to have Sustainable Business Model

1.5   SCOPE OF THE STUDY

The project gives guidelines to B2C organizations to have integration and optimisation strategies for sustenance of Offline and Online Models with focus on Consumers' preferences.

1.6 OPERATIONALIZATION OF VARIABLES

This explains the definition of variables in the conceptual framework proposed in more detail.

CHANNEL CONFLICT

By definition, Channel conflict is defined as a situation in which a manufacturer perceives his retailer (s) to be engaged in behaviour that impedes or prevents it from achieving its goals.

In this project, Channel Conflict is assumed to occur when manufacturers consider selling online through online players to end consumers directly through E-Commerce and M-Commerce platforms against the traditional general trade set up.

MARKETING MIX

The marketing mix strategy is a tool that helps organizations meet long term objectives and gain a competitive advantage. Traditional 4 Ps of Marketing Mix – Product, Price, Place & Promotion have been revised in the context of Service and Online – Multi-channel strategies of organizations to have 8 P's.

PRODUCT

Can you offer a different product range online or offline ? How can you add value to products through additional content or online services ?

PRICE

Review pricing and consider differential pricing model for online & offline products or services.

PLACE

Identify your offline & online distribution issues and challenges. Should you create new intermediaries or portals or partners with existing sites ?

PROMOTION

Discuss the problems and opportunities between offline & online communications mix. These will be detailed in the acquisition and retention communications strategies. Review approaches for offline & online promotions and merchandising

to increase sales. You may want to include exclusive promotions to support the growth of different digital channels, i.e. email, mobile, Facebook, Twitter.

PEOPLE

Can you use automated tools such as FAQ to deliver "web self-service" or should you provide online contact points through Live Chat or Phone Call-back ?

PROCESSES

List the components of process and understand the need to integrate them into a system.

PHYSICAL EVIDENCE

Identify the digital components that give 'evidence' to customers of your credibility such as awards and testimonials.

PARTNERS

The eighth P. So much of marketing today is based on strategic partnerships, marketing marriages and alliances that this 'P' is added in as a vital ingredient in today's marketing mix.

1.7   SIGNIFICANCE OF THE STUDY

Significance of this study is both for Academic & Managerial relevance.

ACADEMIC RELEVANCE

From academic purpose, this practical study may be able to develop specific marketing mix models, new strategies, Knowledge Management strategies or examine new insights from organizations' point of view in reducing gaps and conflict areas between Offline & Online channel and improve Customers' experience and distribution integration strategies. This study is one of its kind and not done so far so may lead to academic paradoxes, similarities or new insights about the organizations' approach of integration & optimization business model. Hopefully, this study will help academics to point out future research about integrated distribution strategies in the right directions.

MANGERIAL RELEVANCE

Organizations can use the results of this study for describing and managing their (win-win) strategies to avoid or reduce channel conflict with some attention and knowledge. Marketing and Knowledge Management professionals can spend their time more effectively to the long term relationship with their General Trade retailers and to engineer a more efficient channel strategy in which both offline and online benefits from each other. Superior knowledge generated through Retailers' and Customers' feedback are captured and used for increasing organizations' effectiveness and Customers centricity and to understand consumers preferences and buying behaviour so as to channelize the offline and online trade model accordingly and build on integrated sustainable competitive advantage.

LITERATURE REVIEW

The incumbents (or offline players) are feeling threatened by the E-commerce companies, like Flipkart, Snapdeal and Amazon India which had changed the rules of the game. The E-commerce companies are gradually taking business away from incumbent offline players by offering huge discounts on products that they sell. One reason for the same is the fact that the E-commerce companies have managed to get around the inefficiencies built into the Indian retail system. The E-commerce companies don't have to maintain huge inventories. If they manage to build up an efficient supply chain network, they can keep ordering goods as they go along. Hence, they do not have to maintain a large inventory like the offline players. This helps keep costs down. Also, like offline players they do not need to maintain a huge physical infrastructure like showrooms, godowns etc., to sell their goods. They can also buy goods directly from companies producing them and get a better deal in the process. These goods can be then directly sold to prospective consumers without having to go through an elaborate distribution channel. Ecommerce market size for goods is expected to jump about five times to $40 – 50 billion by 2020 from about $8 – 12 billion presently.

For organizations, it is imperative to have integration and co-existent model between Offline and Online Models with focus on Customers' Preferences and Behaviour so as to have sustainable business model. Customers are not making rigid distinctions between online and offline shopping. In a shopping mission, consumers figure out what they want and are driven by three primary considerations: convenience, price and assortment (the variety of range and offering). Convenience includes ability to get instant delivery (as in physical stores) as opposed to waiting periods of 2 – 3 days, typical for E-Commerce. Mom and Pop shops still dominate the retail landscape, and price discounts/offers from big retail are often the biggest attraction. Online retailers are offering huge discounts by funding these price offs themselves. This is not sustainable. E-Commerce majors claim they are building customer loyalty to their websites. But the blunt truth is that shopper loyalty is not high anywhere in the world, and least so in India. Here, customers will go anywhere and to any channel for a great deal. There is also the point that online and offline modern trade accounts for less than 5 per cent of total retail. This creates natural incentives for supplier companies to protect the interest of traditional retail. The omnipresence of traditional retail means that omni-channel shopping in India will take off best if online and offline

pool their resources together. Since organized brick and mortar retail and online majors' account for just a fraction of India's shopping, a partnership between them will be best positioned to incentivize omni-channel buying habits by offering great convenience and variety to shoppers. The second reason why E-commerce majors should be looking to invest in offline chains or partner with them is the poor quality of India's supply chain infrastructure. India's supply chains are creaky. Delivering orders small in value (less than Rs 2,000), but that still represent average basket size for a consumer, costs too much if warehouses are situated on the outskirts of cities. And for real estate cost reasons, warehouses are often outside city limits. Additionally, most cities in India have commercial transport restrictions. This partnership will improve customer choice, price and convenience, and be a win-win for both online and offline retailers.

Various terminologies need to be explained in the context of the Literature Review of the Project.

2.1 BRICK & MORTAR MODEL – OFFLINE MODEL

In its simplest usage B & M model describes the physical presence of a building(s) or other structure. The term *brick-and-mortar business* is often used to refer to a company that possesses buildings, production facilities, or store for operations. More specifically, in the jargon of E-commerce businesses, brick-and-mortar businesses are companies that have a physical presence and offer face-to-face customer experiences. This term is usually used to contrast with a transitory business or an internet-only presence, such as an online shop, which have no physical presence for shoppers to visit and buy from directly, though such online businesses normally have non-public physical facilities from which they either run business operations, and/or warehousing for mass physical product storage and distribution. Traditional General Trade model Distribution – Retailers set up is denoted as Brick & Mortar model.

2.2 CLICK & ORDER MODEL – ONLINE MODEL

It refers to 'online marketplace' model which is a game-changer from a distribution and consumer standpoint. Online players takes care of the entire packaging, warehousing and logistics requirements (delivery to consumers included) of firms planning to sell their wares through its platform. By establishing

merchandise storage and distribution capacities on a large enough scale to bring down these costs, companies may find it far cheaper to offer products on online platform than through their own networks.

2.3   MOM & POP STORES

A small, independent, usually family-owned, controlled, and operated business that has a minimum amount of employees, has only a small amount of business volume, and is typically not franchised, therefore open for business only in a single location.

2.4   MODERN TRADE OUTLETS

Modern trade refers to retailing through large-format stores whereas general trade refers to retailing through kirana stores. The big change to retail has come through multi-brand shops in malls and the way businesses are conducted; electronically on the net, with far less constraints of space and infrastructure. The marketing and supplying these electronic stores and big malls is totally different from the demand and supply chain of the traditional markets.

2.5   DISINTERMEDIATION MODEL

In economics, disintermediation is the removal of intermediaries in a supply chain, or "cutting out the middlemen" in connection with a transaction or a series of transactions. Instead of going through traditional distribution channels, which had some type of intermediate (such as a distributor, wholesaler, broker, or agent), companies may now deal with every customer directly, for example via the Internet. Disintermediation may decrease the cost of servicing customers and may allow the manufacturer to increase profit margins if total costs are actually decreased by eliminating distributors or resellers. Disintermediation has acquired a new meaning with the advent of the virtual marketplace. The virtual marketplace sellers are edging out the middlemen. It must be understood, however, that direct sellers and buyers connect with each other because of the platform created by the virtual marketplace vendor. There is quid pro quo for the vendor for the use of the

platform, else it would make no business sense to create such a platform. If the buyer, having connected with the seller, circumvents the platform and talks to the buyer and does her deal directly with the buyer, then the platform owner is unlikely to get her revenue share. This may be considered a new form of disintermediation.

2.6 CHANNEL CONFLICTS BETWEEN OFFLINE & ONLINE PLAYERS – ORGANIZATIONAL PERSPECTIVE

Channel conflict can occur when two channels focus on the same consumers. This may happen when the opportunity of reaching consumers in implicit or explicit way competes and have conflicts of interests.

First factor for channel conflict is because of changing prices across channels for similar or identical products. In this case, organization does not use the same pricing approach across its channels which can lead to some channels feel threatened by way of losing business. In addition, unequal promotion activities from the organization, which are at times related to prices, are also factors for channel conflict.

Second cause of channel conflict is goals incompatibility (also called goal divergence) which may occur when organization's intention with its distribution channel is not clearly defined and explained to its retailers. This may also lead to internal conflicts about consumers resulting in worst scenario in consumers' confusion and dissatisfaction and more channel conflicts between parties.

Third important element is domain definition. That means which population to serve. Territories alignment and service and for coverage, responsibilities need to be spelt out clearly. Also, which selling technologies would be adopted by organization are also important.

Last important channel conflict cause is to have different perceptions of reality. This can occur when retailers undertake different marketing activities for the same situations, because they all have another perception about the output of their marketing activities that can be. So, when goals become incompatible, their domains almost similar, and the perceptions of reality are different, greater is the level of channel conflict.

Channel conflict can lead to breakdown of balance of power structure and increase the risk of financial losses, lawsuits, protective legislations, trust destruction, and market shrinkages. So, when adding a new channel in the system, organizations should consider the trade-offs of the benefits with potentially negative consequences of these organization's activities. So, channel relationship management is strictly necessary.

2.7 INTEGRATION OF ONLINE & OFFLINE CHANNELS – BENEFITS OF MULTI-CHANNEL APPROACH

Click & Mortar businesses can represent a model that allows for operation on the net without facing the typical managerial problems of internet pure play businesses. The following benefits are there for multi-channel approach.

Company name. Businesses already present in traditional markets have a company customer awareness that can be used online without significant additional investments, while start-up companies must employ many resources in achieving a suitable level of awareness. The trust placed in well established offline brands also allows consumers to overcome natural suspicion toward the Internet.

Customer base. Start-up businesses, besides having to build all of the business from scratch, do not have a customer base. On the contrary, a business that has been established for some time in other channels allows click-and-mortar companies to target communication and promotional activities at its customers. Indeed it is much easier to obtain a response from customers who have already had a positive purchase experience and hence a certain degree of trust in the company and its products.

Knowledge of demand. An online distribution channel has specific peculiarities in its approach to customers. However, businesses already operating in other channels possess information about the preferences and habits of their customers that allow the business top concentrate on the true needs of consumers and avoid bad choices and wasted resources.

Profitability. Start-up companies are often influenced by the need to quickly reach high levels of profitability and thus produce a return on the capital invested. Click-and-mortar companies, on the contrary, can tolerate periods of sales below the

break-even point on the online channel, since they can count on profits coming from the traditional business. A series of implications on management costs should be taken into account for click and mortar companies, in particular related to: transportation, delivery of goods, warehouse management, carrying out orders and information related activities, management of the returns.

Well-established infrastructures and distribution logistics. The delivery cost of digital or digitalizable goods is extremely small, while the delivery of physical goods implies a higher cost exasperated by expectations of ever shorter delivery times by consumers. Delivery from the physical store closest to the customer could represent the ideal distribution center, and also the place where the product can be returned.

Reaching markets not yet served or complementing an existing market offering. For companies not provided with their own physical distribution network, it might not be considered beneficial to open points of sale in markets in which the necessary investments and the related cost are not compensated by adequate sales projections. The potential to activate an online presence allows for the overcoming of spatial and temporal barriers through forms of virtual ubiquity and reaching potential customers worldwide at any time, at a limited cost. In markets already served, it becomes possible to supplement what is offered by expanding the range of products (for example, low turn-over products or products not often requested by customers), or time availability (for example seasonal products, that might not be available at certain points of sale).

2.8   KNOWLEDGE MANAGEMENT MODEL – N FORM APPROACH

Knowledge Management is defined as a systematic, goal oriented application of measurement to the tangible and intangible knowledge assets of the company, with the aim of using the knowledge of the firms to enable the creation of new knowledge that can generate the value for an organization. KM can be defined as the process for acquiring, storing, diffusing and implementing both tacit and explicit knowledge inside and outside the organization's boundaries with the purpose of achieving corporate objectives in the most efficient manner. Various KM activities in the organization are *knowledge identification, knowledge*

acquisition, knowledge application, knowledge sharing, knowledge creation and knowledge preservation.
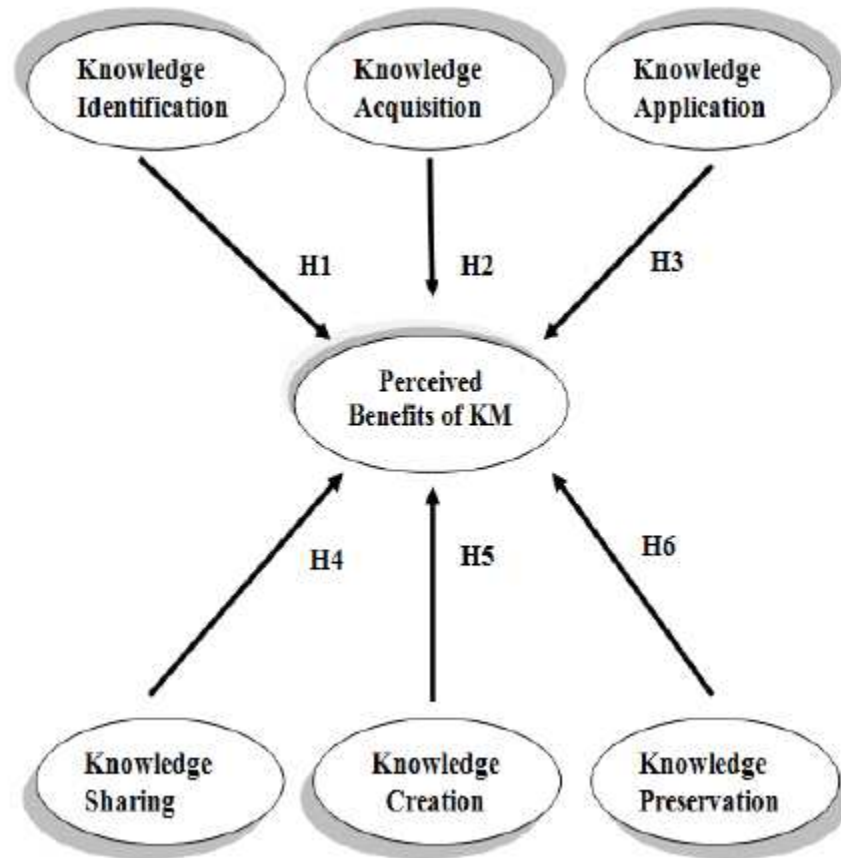
Figure B : BENEFITS OF KNOWLEDGE MANAGEMENT IN AN ORGANIZATION

N-Form KM Model builds on the interplay between articulated and tacit knowledge at four different levels: the individual, the small group, the organization, and the inter-organizational domain. Effective knowledge management is argued to require departures from the logic of hierarchical organization and the M-form structure. The alternative N-form given by Hedland, 1994 is characterized and suggested as more appropriate. It entails combination of knowledge rather than its division, which is the basic principle in the M-form. Other attributes of the N-form are: temporary constellations of people, the importance of personnel at 'lower levels', lateral communication, a catalytic and

architectural role for top management, strategies aimed at focusing and economies of depth, and heterarchical structures.

Model of Knowledge Types, Transfer And Transformation Processes

This KM model emphasizes on two knowledge types – *Articulate Knowledge* and *Tacit Knowledge*. Tacit knowledge (TK) is defined as in Polanyi (1962), indicating knowledge which is nonverbalized or even non-verbalizable, intuitive, unarticulated. Articulated knowledge (AK) is specified either verbally or in writing, computer programs, patents, drawings or the like.

Second, we distinguish between four different levels of carriers, or agents, of knowledge: the individual, the small group, the organization, and the inter-organizational domain (important customers, suppliers, competitors, etc). AK and TK exist at all levels. The figure below provides examples of eight types of knowledge thus mentioned.

	INDIVIDUAL	GROUP	ORGANIZATION	INTERORGANIZATONAL DOMAIN
ARTICULATED KNOWLEDGE/ INFORMATION Cognitive Skills Embodied	Knowing calculus	Quality circle's documented analysis of its performance	Organization chart	Suppliers' patents and documented practices
TACIT KNOWLEDGE/ INFORMATION Cognitive Skills Embodied	Cross-cultural negotiation skills	Team coordination in complex work	Corporate culture	Customers' attitudes to products and expectations

Figure 1. A model of knowledge categories and transformation processes: Types of knowledge. Adapted from Hedlund and Nonaka, 1993.

N-Form model of Hedlund focusses on the interaction between individual and organizational knowledge, and the transformation process. The model distinguishes between three forms-or, perhaps better-aspects of knowledge: *cognitive knowledge* in the form of mental constructs and precepts, skills, and knowledge embodied in products, well-defined services or artifacts. The model allows explicit distinctions between storage, transfer and transformation and explains three basic sets of concepts.

Articulation and internalization, the interaction of which is termed reflection. (The processes are illustrated through vertical arrows in Figure 2).

Extension and appropriation, together constituting dialogue. (Horizontal arrows in Figure 2.)

Assimilation and dissemination, referring to knowledge imports from and exports to the environment.
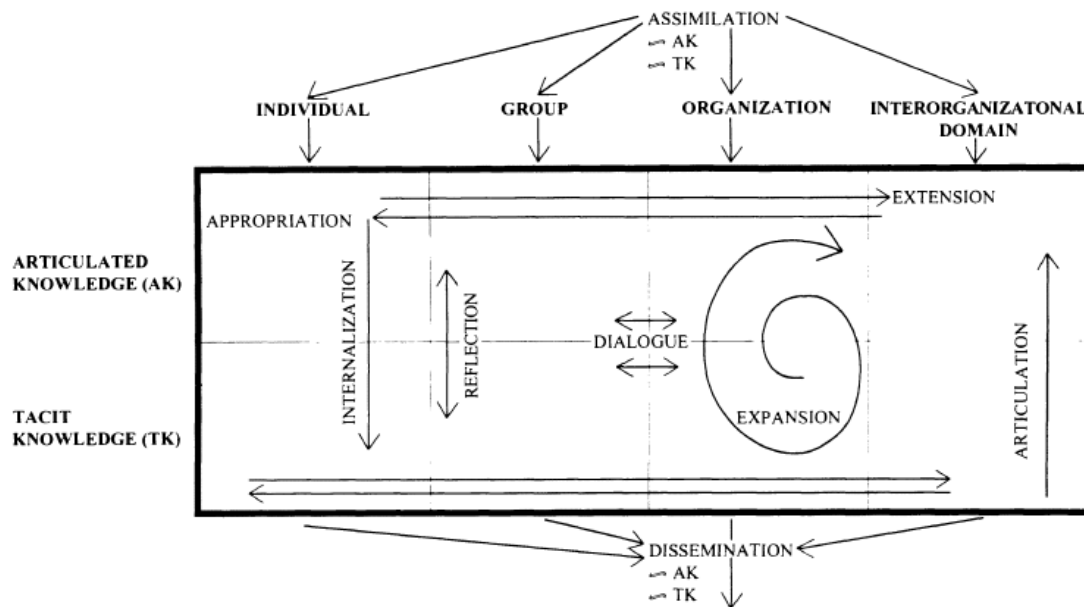
Figure 2.   A model of knowledge categories and transformation processes: Types of transfer and transformation. Adapted from Hedlund and Nonaka, 1993

So, the distinction between N-Form and M-Form made was as below –

	N-form	M-form
Technological interdependence	Combination	Division
People interdependence	Temporary constellations, given pool of people	Permanent structures, changing pool of people
Critical organizational level	Middle	Top
Communication network	Lateral	Vertical
Top management role	Catalyst, architect, protector	Monitor, allocator
Competitive scope	Focus, economies of depth, combinable parts	Diversification, economies of scale and scope, semi-independent parts
Basic organizational form	Heterarchy	Hierarchy

RESEARCH METHODOLOGY / RESEARCH DESIGN

3.1   INTRODUCTION

The purpose here is to describe the methodology used to achieve the research objectives of this study. This includes the type of the research, target population, the sampling techniques, the data collection and data analysis procedures.

3.2   TYPE OF RESEARCH

In order to gauge the consumers' preferences for online and offline shopping, the researchers used descriptive study through cross sectional survey method of data collection.

3.3   POPULATION OF STUDY

The targeted population for the purpose of this study comprised of residents of Delhi/NCR which are mainly consumers of offline / online shopping. Considering the time and resources available, the targeted population was only limited to Delhi areas in NCR.

3.4   SAMPLING DESIGN AND SAMPLING PROCEDURES

The researchers used both probability and non-probability sampling techniques. From the non-probability sampling technique, convenience sampling is used to select the locations for the study, which are Delhi due to their accessibility to the researchers. And a simple random method is used from the probability sampling technique to select interviewees from offline and online channel from sampled sources.

3.5 SOURCES OF DATA

Information is gathered from both primary and secondary data sources. From the primary data sources survey questionnaires and depth interviews and from the secondary sources books, journals, and research papers are used.

3.6 DATA COLLECTION METHOD

Self-administered questionnaires are distributed to 70 consumers of offline and online shopping in order to find out the consumers' preferences, reasons and rank for their offline or online shopping experience and the factors that positively contributed for the information, change and maintenance of these attributes. Conflict factors between offline and online channel were determined through depth interviews.

3.7 DATA ANALYSIS AND INTERPRETATION PLAN

After collecting and sorting the questionnaires, data are coded, computed and analysed using the Statistical Packages for Social Sciences (SPSS) software.

Appropriate statistical analyses such as Exploratory Factor Analysis, Correlation Analysis are used according to respective objectives and descriptors. The analysed data is presented using tables, graphs and pie-charts.

DATA INTERPRETATION AND ANALYSIS

4.1   INTRODUCTION

The project is divided into 4 parts.

Part 1 comprises of empirical data collection from respondents questionnaire on their preferences for offline and online shopping and various reasons for their preferences. Data analysis is done by statistical tool SPSS. The data extraction is further studied by statistical tool SPSS Version 16.0 for Windows for Pilot Factor Analysis Test and Correlation Bivariate testing to identify variables responsible for consumers' behaviour.

Part 2 comprises of proposing conceptual Knowledge Management framework modelled on Hedlund N-Form Knowledge Management Model to propose a sustainable KM framework for organizations to keep their Customers and Retailers at the fore front of their business strategies by adopting Outside-In approach and thus a new KM model is developed.

Part 3 comprises of depth interviews taken of stakeholders in Offline and Online trade and identifying Conflict factors. These identified conflict factors are analysed considering marketing mix 8 P's tools to develop marketing strategies to overcome conflicts to have sustainable integrated approach for the organization.

Part 4 comprises of proposing strategic business model with integrated and symbiotic approach considering both customers' and organizations' interests.

4.2   PART – 1 CONSUMERS' PREFERENCES TOWARDS OFFLINE & ONLINE SHOPPING

A survey was conducted with Questionnaire on Consumers' Preferences & Behaviour on Offline & Online Shopping was conducted and 63 respondents responses were recorded on the following parameters –

- Preferable mode of Online shopping viz. E-Commerce or M-Commerce

- Preferences & Reasons for Offline (Brick & Mortar stores) shopping

- Preferences & Reasons for Online (Click & Order stores) shopping

- Ranking for Top 5 choices for Offline & Online shopping, respectively

- Customers' Feedback System (for KM N-Form model development)

Pilot Exploratory Factor Analysis was done using SPSS 16.0 software. Factor Analysis allows us to look at groups of variables that tend to be correlated to each other and identify underlying dimensions that explains these correlations. Primarily used for data reduction and extraction to reduce to manageable level.

Key statistics associated with Factor Analysis

Communality – Communality is the amount of variance a variable shares with all the other variables being considered. This is also the proportion of variance explained by the common factors.

Eigenvalue – The eigenvalue represents the total variance explained by each factor.

Percentage of variance – This is the percentage of total variance attributed to each factor.

Component matrix – Helps to identify the items classified under the different variables (input) given in the conceptual model. All these items will be clustered to define and describe input variable characteristics. Number of variables extracted would be equal to number of columns given in the extraction table.

Extraction Variable > 0.5

Interpretations

All 68 variables were seen and accepted in the Principal Component Factor Analysis Extraction method. None of the variables got dropped. Total variance explained by 20 components extracted with cumulative percentage 84% of expected outcomes.

Correlation Analysis

Correlation is a simple but powerful way to look at the linear relationship between two metric variables. Bivariate correlation was carried out between single metric dependent or criterion variable and a single metric independent or predictor variable.

Interpretations

If we take single variable in Online shopping for consumers' preferences for example, Online Shopping for Electronics; then the reason for Experience is positively correlated. Significance value is 0.503 which means that correlation between variables – Online Shopping for Electronics & output variable – Online Reason is accepted.

Correlations

		online_electronics	online_reas_experience
online_electronics	Pearson Correlation	1	.503**
	Sig. (2-tailed)		.000
	N	63	63
online_reas_experience	Pearson Correlation	.503**	1
	Sig. (2-tailed)	.000	
	N	63	63

**. Correlation is significant at the 0.01 level (2-tailed).

Figure C : Correlation Table 1

Similarly, if we take single variable in Offline shopping for consumers' preferences for example, Offline Shopping preference; then the reason for Daily Needs is positively correlated. Significance value is 0.588 which means correlation between variables – Offline Shopping & Offline Experience is accepted.

Correlations

		offline_shopping	offline_daily
offline_shopping	Pearson Correlation	1	.588**
	Sig. (2-tailed)		.000
	N	63	63
offline_daily	Pearson Correlation	.588**	1
	Sig. (2-tailed)	.000	
	N	63	63

**. Correlation is significant at the 0.01 level (2-tailed).

Figure D : Correlation Table 2

Now, analysing reasons for Consumers' shopping behaviour viz. Online Shopping; reasons related to Emotional Factors and Trust are positively correlated. Significance value is 0.532 which means correlation between variables – Online Reasons is accepted.

Correlations

		online_reas_emotional	online_reas_trust
online_reas_emotional	Pearson Correlation	1	.532''
	Sig. (2-tailed)		.000
	N	63	63
online_reas_trust	Pearson Correlation	.532''	1
	Sig. (2-tailed)	.000	
	N	63	63

**. Correlation is significant at the 0.01 level (2-tailed).

Figure E : Correlation Table 3

Interpretations for Preferences for E-Commerce / M-Commerce platforms for Online Shopping

58.3% respondents chose E-Commerce platforms over 41.7% M-Commerce platforms which means that despite online players making Mobile Apps for enhanced and flexible shopping experience, consumers still prefer E-Commerce medium more.

- E-Commerce websites using laptop, desktop, notebook, etc.
- M-Commerce options through Mobile Apps via smartphones, Tablets, etc.

41.7%

58.3%
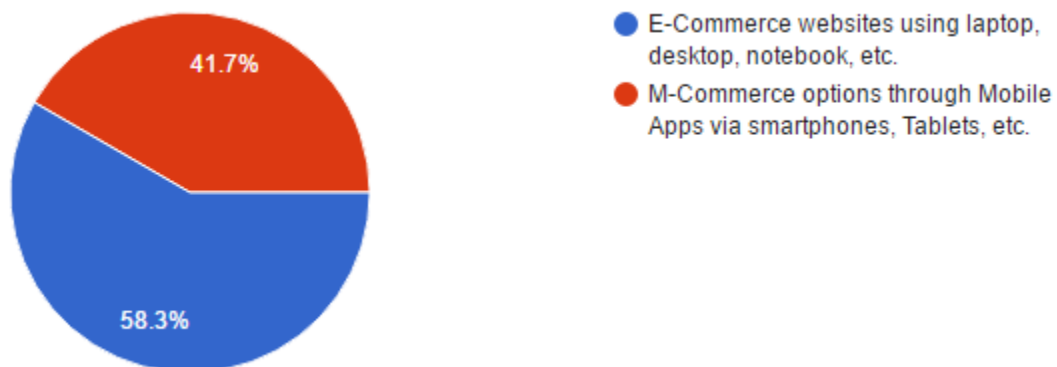
Interpretations for Rank Preferences for Consumers' Offline (Brick & Mortar Stores) Shopping
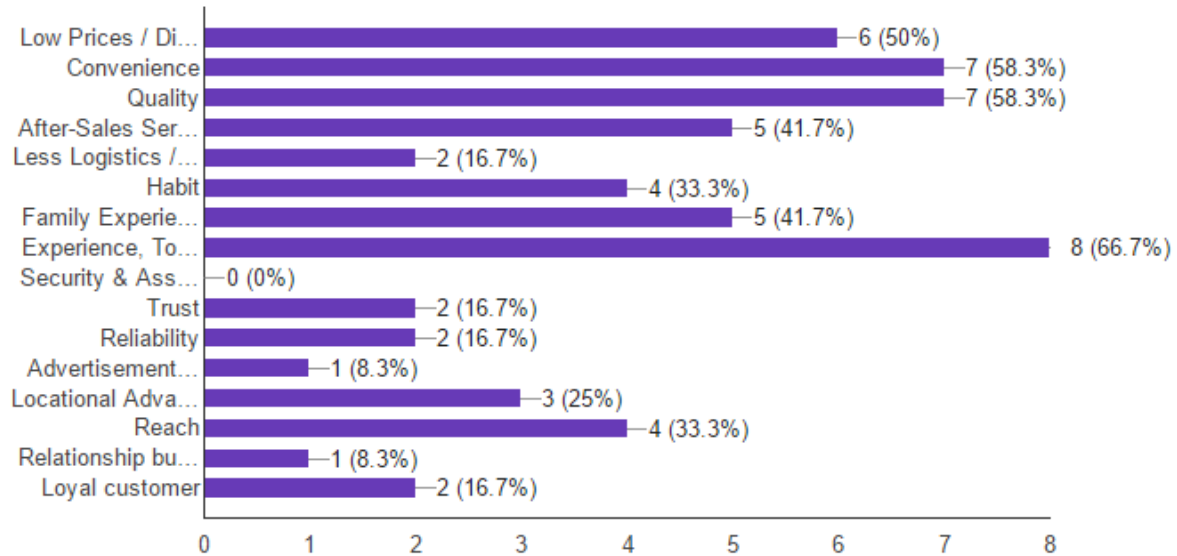
Top 5 ranked choices for Consumers to prefer Offline (Brick & Mortar Stores) shopping are :-

1. Experience, Touch, Feel & then Buy

2. Shopping Convenience & Quality

3. Low Prices / Discounts offered by Stores

4. After-Sales Service & Family Experience

5. Out of Habit & Ease of Reaching Out

Interpretations for Rank Preferences for Consumers' Online (Click & Order Portals) Shopping

Top 5 ranked choices for Consumers to prefer Online (Click & Order Portals) shopping are :-

1. Low Price Strategies / Discounts

2. Payment Options like COD, etc. & Home Delivery

3. Ease & Convenience

4. Personal Experience & Trust

5. Social & Emotional Connect

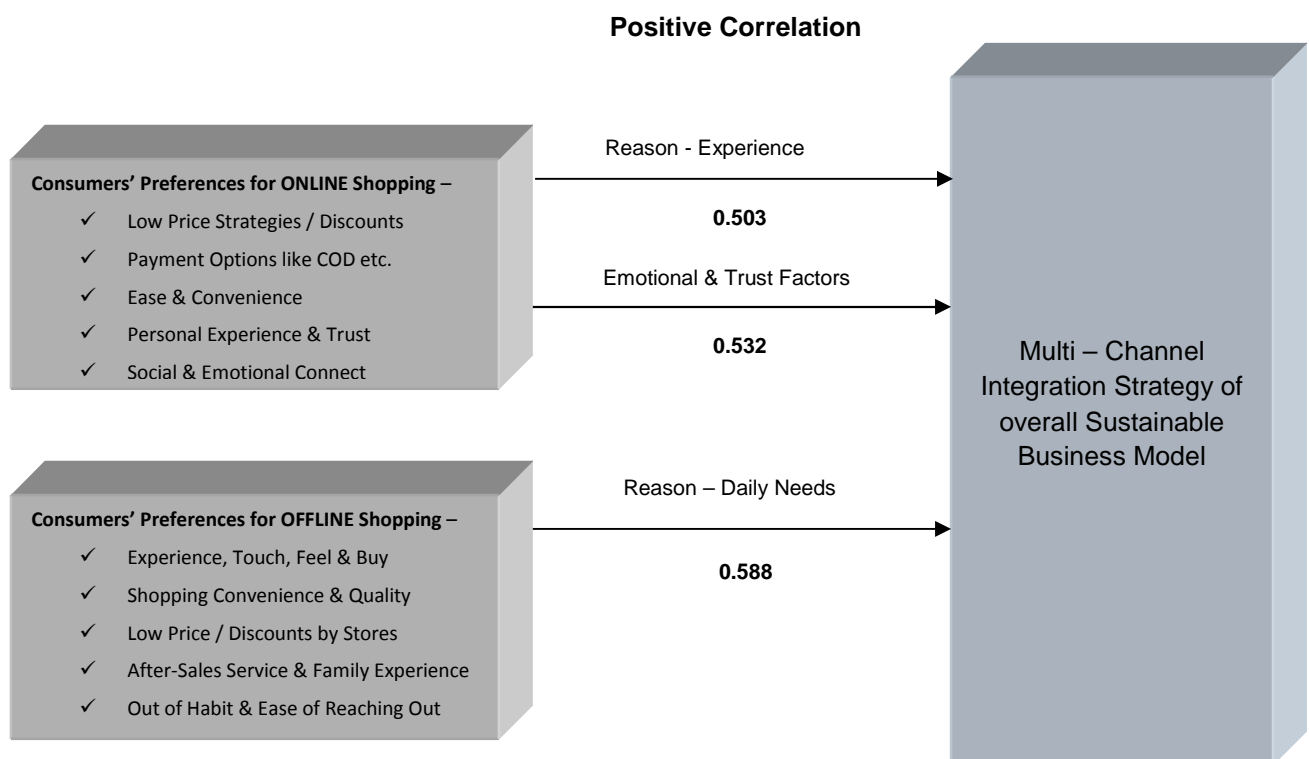**Positive Correlation**

Consumers' Preferences for ONLINE Shopping –
✓   Low Price Strategies / Discounts
✓   Payment Options like COD etc.
✓   Ease & Convenience
✓   Personal Experience & Trust
✓   Social & Emotional Connect

Reason - Experience

0.503

Emotional & Trust Factors

0.532

Consumers' Preferences for OFFLINE Shopping –
✓   Experience, Touch, Feel & Buy
✓   Shopping Convenience & Quality
✓   Low Price / Discounts by Stores
✓   After-Sales Service & Family Experience
✓   Out of Habit & Ease of Reaching Out

Reason – Daily Needs

0.588

Multi – Channel Integration Strategy of overall Sustainable Business Model

FIGURE F : CONSUMER'S PREFERENCES MODEL (SUB-PART OF SUSTAINABLE BUSINESS MODEL) SHOWING POSITIVE CORRELATION BETWEEN ONLINE & OFFLINE VARIABLES WHICH ARE SIGNIFICANT TO THE OUTPUT OF INTEGRATION CHANNEL STRATEGY

4.3 PART – 2 KNOWLEDGE MANAGEMENT MODEL DERIVED FROM HEDLUND'S N-FORM MODEL ON THE BASIS OF CUSTOMERS' & RETAILERS' FEEDBACK SYSTEM

For Business To Consumer (B2C model) organizations, superior knowledge generated at POS (Point of Sale) Retailers' end and feedback from Customers both Online & Offline are important to be captured and the isolated knowledge generated needs to be utilised for improvement in processes, deliverables and service to ensure Customer Delight.

Our survey gave insights that 66.7% Respondents visiting Retailers (Offline Shopping) prefer giving feedback & out of this percentage of Consumers 41.7% are not satisfied or not convinces with the actions taken on their feedback by Retailers or Manufacturers.

On the contrary, 50% of the Respondents prefer giving feedback while shopping Online (Click & Order) & out of this almost 91.7% are satisfied with the responses to the their feedback and are convinced that Customer Feedback System is indeed working in Online mode.

Which gives an important insight that Online portals with their capability built in for capturing feedback of consumers and being actioned upon are treating Consumers' feedback or Knowledge generated in improving their shopping experience further and ensuring consumer delight and repeat purchase. Companies built around an "inside-out" mind set—pushing out products to the marketplace based on a customer view that looks at them only through the narrow lens of products has made them less competitive than those organizations that have transformed to an "outside-in" mindset that puts the customer at the center of the organization and looks to deliver competitive value propositions. Outside-in orientation, strategy, operating model and execution maximizes customer lifetime value (LTV) and ultimately creates differentiation vis-à-vis competitors.

Taking cue from Hedlund's N-Form KM Model, proposed model for Knowledge Management as sustainable enabler for optimization strategy is "outside-in" approach from Customers' and Retailers' point of view and capturing superior knowledge generated to be used and re-used for process improvement, product modification and superior customer experience.
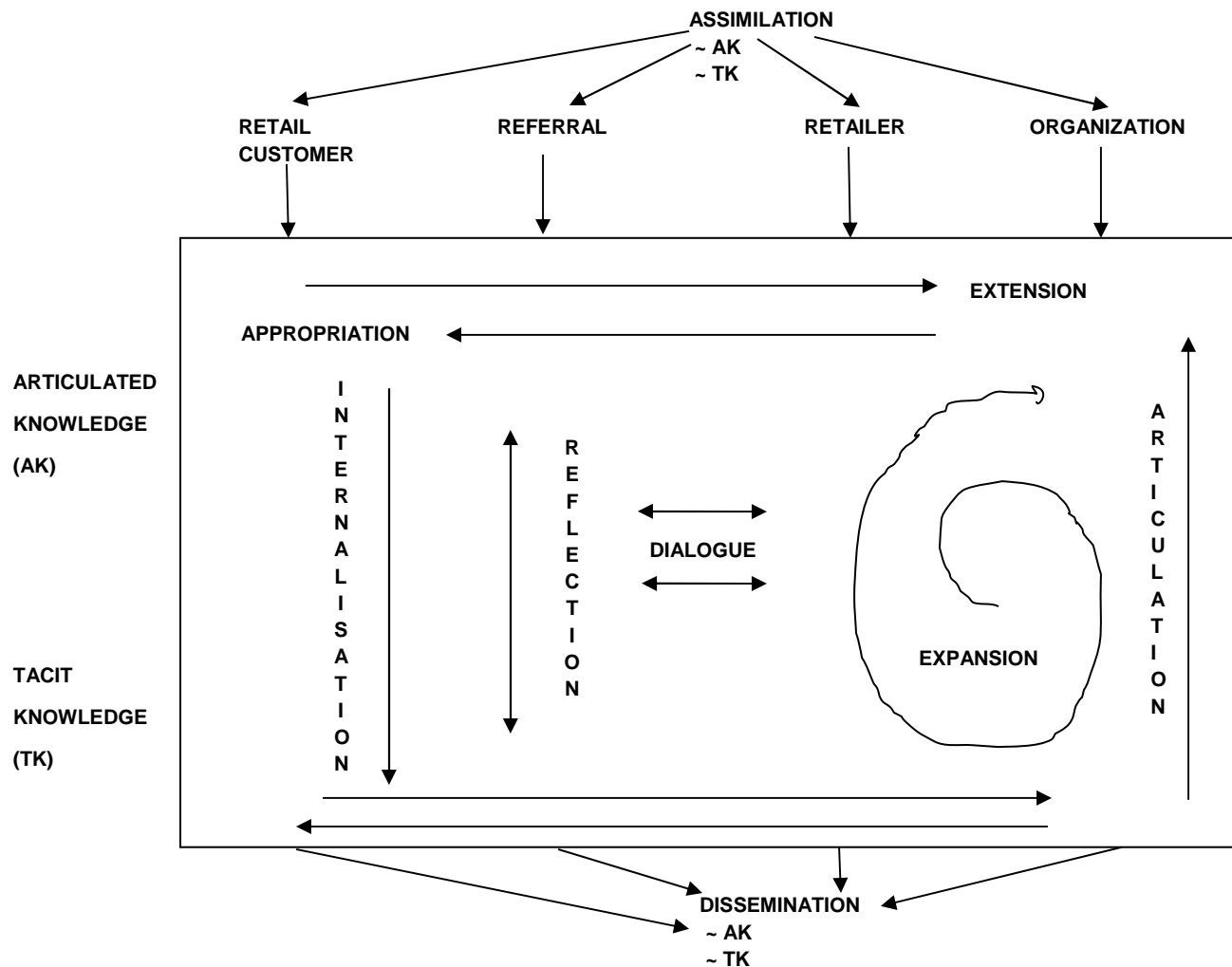
FIGURE G : PROPOSED MODEL OF KNOWLEDGE MANAGEMENT BASED ON HEDLUND'S N-FORM MODEL FROM CUSTOMERS' AND RETAILERS' KNOWLEDGE AND FEEDBACK CAPTURING AND SUPERIOR KNOWLEDGE GENERATION POINT OF VIEW – TRANSFORMED MODEL AS BUSINESS STRATEGY FOR B2C ORGANIZATIONS

4.4 PART – 3 CONFLICT FACTORS IDENTIFICATION BETWEEN OFFLINE & ONLINE CHANNEL AND ANALYSIS USING MARKETING MIX 8 P's TOOLS & DEVELOPMENT OF MARKETING STRATEGIES TO OVERCOME CONFLICTS FOR SUSTAINABILITY MODEL

Depth Interviews were taken to record various Conflict Factors. Depth Interviews were taken from February, 2016 to May, 2016 from series of channel partners in both Offline & Online Trade for identification of various factors and to develop approaches to the problem from organizational point of view.

1. Mr. Vikas Soni, Product Manager – Kitchen & Hardware, SNAPDEAL, Gurgaon

2. Mr. Sunil Gauba, Facilities & Infrastructure – VS, WS Retail Limited, Bangalore (FLIPKART)

3. Mr. Rahul Shukla, Sr. Manager – Projects, SNAPDEAL – Vulcan Logistics, Gurgaon

4. Mr. Ankit Jangalwa, Category Manager – Appliances, AMAZON India, Mumbai

5. Mr. Sandeep Bindra, Proprietor, M/s Pathways Marketing. National Distributor for AMAZON India, SNAPDEAL & TOLEXO

6. Mr. Rajesh Gupta, Proprietor, M/s Ansh Traders, Distributor for Godrej Security Solutions for Noida region

7. Mr. Ashok Mittal, Proprietor, M/s PLML Traders, Distributor for Godrej Security Solutions for Ghaziabad region

8. Mr. Sanjay Sharma, Proprietor, M/s Reliable Safe Works, Retailer for Godrej Security Solutions for Noida region

9. Mr. Vinod Kalla, Proprietor, M/s Accurate Surveillance Solutions, Distributor for Electronic Home Security Solutions (EHSS) for Godrej Security Solutions for Delhi-NCR

10. Mr. Sunil Kumar, Proprietor, M/s Kwality Hardware, Dehradun. Largest hardware Retail store in Dehradun, Uttarakhand

11. Mr. Bhatia, Proprietor, M/s Bhatia Trading Company. Local Kiraana Store at Poosangipur, Near Janak Puri, New Delhi

12. Mr. Inayat Khan, Proprietor, M/s Khan Trading House. Local Kiraana Store at Maharani Bagh, Near New Friends Colony, New Delhi

Mix of Offline & Online Trading Partners were interviewed to determine Conflict Factors and to strategize by using Marketing Mix Tools 8 P's. Sample Videos were taken during interviews with due permissions from Interviewees for records and interpretation later on.

MARKETING STRATEGIES (8 P's STRATEGIES) FOR ORGANIZATIONS TO REDUCE CHANNEL CONFLICT BETWEEN ONLINE & OFFLINE CHANNEL

With identification of Conflict Factors through Depth Interviews and Secondary Sources, the Conflict Factors are being discussed with respect to Marketing Strategies as Proposed Solutions for channelizing the Conflict Factors into symbiotic, sustainable and integrated relationship where both channels can co-exist for organizational benefits.

PRODUCT STRATEGIES FOR OPTIMIZATION TO REDUCE CHANNEL CONFLICT

Identified Conflict Factors related to Product –

- ✓ Same Product being offered by both channels – No differentiation

- ✓ Confusion regarding Product Life Cycle

- ✓ Obsolete Product cannibalising New Product through conflicting channel working

Marketing Strategies suggested –

- ✓ General Trade Retailers are generally more accustomed towards selling few variants of Product / Limited SKU due to paucity of display space / limited operational knowledge and limitation in carrying inventory. The fast selling

products could be pushed through traditional retail and slow moving SKUs could be pull generated by online marketplace model as there is no limitation towards inventory carrying capacity / display limitations.

✓ Different Product – Different Channel Approach. Creating online exclusive products.

✓ Complex or Technical Products could be sold through Online only approach whereas Integrated Solution Centric products could be sold through Offline only approach as these would mean tie ups with ASPs (Authorised Service Providers) for installation support.

✓ Product identification through Serial Nos. / Bar Coding / etc. for Organizations to instil discipline and compliance among channels.

✓ Omni-channel approach for related product category. For example, Electronics items sold through online marketplace model could be complemented by Accessories / Fixtures / Substitutes selling through offline retail channel. Organizations need to adopt consultative mode of selling.

PRICING STRATEGIES FOR OPTIMIZATION TO REDUCE CHANNEL CONFLICT

Identified Conflict Factors related to Pricing –

✓ Low Pricing / Penetrating Pricing / Discounts being offered by Online Players.

✓ Market Operating Price getting disturbed

✓ Retailers margins getting squeezed

✓ Leakage Pricing Model by Offline Channel

✓ Inter – Online competition may force Price below MOPs

Marketing Strategies suggested –

✓ Different Margin Structure for Offline Channel & Online Players.

- ✓ *Stackelberg Strategy* – In this pricing strategy, one of the retailers set its price first and after that other retailers react by increasing their prices and their own profit.

- ✓ *Channel Integration Strategy* – Organizations set the optimal price in a manner the retailers and traditional retailers can increase their profits. For example, reduction for retailers (push) or price promotions for consumers (pull).

- ✓ *Equal pricing approach* – Webb & Lambe pricing strategy. Being followed by big brands like Apple & Samsung. Equal pricing across channel will have low level of conflict.

- ✓ *Compensation & Commission strategy* – Traditional set up heavy companies may adopt this strategy to compensate or incentivise their general trade retailers by offering commission through distributors or to their salespersons which can act as motivation for them.

- ✓ *Logistics & Overheads rationalization* – Traditional distributors may adopt the approach perfectly followed by Online marketplace model by reducing logistics and overheads and offering FOR deliveries on behalf of Retailers to cut down on operational cost which builds on Product pricings.

- ✓ Exclusive deals by brands with Online Channel for price advantage to them and getting numbers commitment as a result. Push Approach.

- ✓ Organizations need to understand that Online Marketplace model do not have moral obligatory responsibility of maintaining Market Operating Prices. They are Marketplace typically like Palika Bazaar / Mall where customers goes for window shopping and whosoever is offering the best price will sell the products. They are like developer who has developed the mail and will do the maintenance and will rent out the shop or sell to shopkeeper in that context online website will give free display of products but moment it sells they charge a commission. So, Online players will not take ownership of maintaining MOPs.

PLACE STRATEGIES FOR OPTIMIZATION TO REDUCE CHANNEL CONFLICT

Identified Conflict Factors related to Place –

- ✓ Channel Distribution approach not identified clearly

- ✓ Territorial infringements and disputes

- ✓ Intra stock transfer and related challenges, particularly in Modern Trade Outlets

- ✓ Delay in fulfilment of customers' orders by Online channel

Marketing Strategies suggested –

- ✓ Distributor Sales Tracker Mechanism should be adopted by organizations to track secondary and tertiary sales and to check fairness of sharing margins across retailers.

- ✓ Proper Channel Distributor Approach to be in place so that Retailers feel confident that their segment / territorial customers will not be infringed upon.

- ✓ *Frazier Strategy* – Selling lower volume products at higher prices through different channel say, Online and higher volume products at lower prices through traditional retailers.

- ✓ Check on delay in fulfilment of orders by keeping track of Online marketplace registered suppliers and periodic feedback.

PROMOTION STRATEGIES FOR OPTIMIZATION TO REDUCE CHANNEL CONFLICT

Identified Conflict Factors related to Promotion –

- ✓ Ineffective and uneven promotion strategies across channel

- ✓ Promotion efforts not customised and channel centric

- ✓ Competing promotions strategies between Offline & Online. Even within Offline Channel viz. Traditional Retail / Modern Trade Outlets / Exclusive Business Outlets

- ✓ Non-adherence to commitments by organizations

- ✓ Non-uniform communication plan which hampers pull strategy

Marketing Strategies suggested –

- ✓ It is important for organizations to know that more elastic consumers' demands are, the more profitable price reductions are for the retailers. Elasticity of demand is directly proportional to the promotion efforts required.

- ✓ Push & Pull Strategies need to be combined as the effect of Promotions to price sensitive consumers will increase thus.

- ✓ Having uniform promotion content across retailers and sharing of consumer data bases with retailers by organizations.

- ✓ Promotion budgets should be made as part of Marketing budget and dissemination of promotional content should be parallel to the achievement and in line with communication plan.

PEOPLE STRATEGIES FOR OPTIMIZATION TO REDUCE CHANNEL CONFLICT

Identified Conflict Factors related to People –

- ✓ Personalities conflict

- ✓ Partial treatment with channel

- ✓ Over-commitment

Marketing Strategies suggested –

- ✓ Organizations need to understand that business scenario is moving away from Product approach to Fulfilment / Customer Delight approach and

relationships with channel would be the driving factor to their motivation, drive, push, effort and achievement.

✓ Back office and troubleshooting support needs to be strengthened from person specific to system specific approach.

✓ More robust contract spelt out clearly to channel will dispel any perception towards partial treatment.

✓ Effective communication policies and channel engagement programs.

PROCESSES STRATEGIES FOR OPTIMIZATION TO REDUCE CHANNEL CONFLICT

<u>Identified Conflict Factors related to Processes</u> –

✓ Refusal of service or fulfilment of order obligation by third party channel

✓ Person driven approach rather than System driven approach

✓ Warranty / Guarantee obligations non-adherence

✓ Disparity in delivery, differentiation, gratification and fulfilment processes

<u>Marketing Strategies suggested</u> –

✓ System Approach necessary like Online Tracking & Replenishment System to check fairness in margins, adherence to MOPs, inventory replenishment and slow moving SKUs across channel.

✓ Adherence to Warranty / Guarantee obligations through third party services, due diligence and periodic audits.

✓ System driven delivery process and distribution of collaterals, rewards and gratification materials across channel.

✓ Call Centre / Back Office training and communication.

PHYSICAL EVIDENCE STRATEGIES FOR OPTIMIZATION TO REDUCE CHANNEL CONFLICT

Identified Conflict Factors related to Physical Evidence –

- ✓ Non-uniformity in customer experience results in losing sales

- ✓ Absence of SOP to deal with intangibility of services to convert them into tangible benefits

- ✓ Offline channel more exposed to physical evidence challenges as consumers experience, touch, feel and then buy at physical stores

Marketing Strategies suggested –

- ✓ Training is important for Offline physical stores channel for uniform customer experience and to avoid disparity.

- ✓ Guiding policy or SOP in place.

- ✓ Adherence to brand positioning and brand guidelines at all times by online marketplace players.

- ✓ Social media tracking by organizations.

PARTNERSHIPS STRATEGIES FOR OPTIMIZATION TO REDUCE CHANNEL CONFLICT

Identified Conflict Factors related to Partners –

- ✓ Absence of uniform partnerships in differentiation approach

- ✓ Laggards and non-competing approach by channel

- ✓ Person driven approach rather than policy driven approach especially among traditional general trade model

- ✓ External factors like financial discipline, environmental factors contribute to channel conflict

Marketing Strategies suggested –

- ✓ More strategic partnerships with differentiation approach with Offline & Online channel.

- ✓ Partnering Online through organic optimization techniques in driving or diverting consumer traffic to their websites.

- ✓ Creating demand by pull strategies through effective Integrated Marketing Communications.

- ✓ Exclusive dealings / partnerships / assortment models / piggybacking approach / substitute modelling.
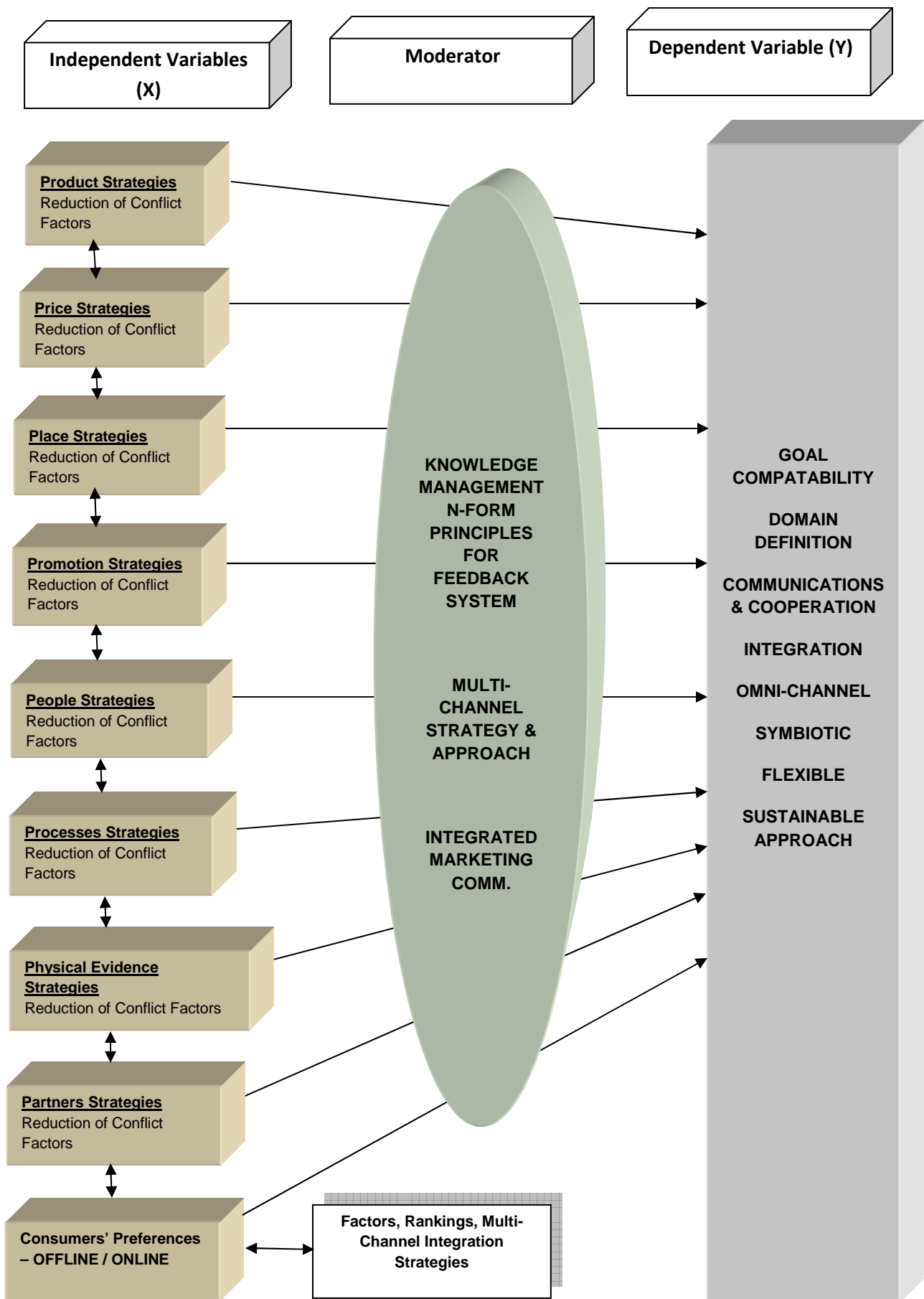
4.5 PART – 4 PROPOSITION OF SUSTAINABLE BUSINESS MODEL WITH INTEGRATED OFFLINE – ONLINE CHANNELS, SYMBIOTIC, OMNI-CHANNEL & OPTIMIZATION APPROACH BY B2C ORGANIZATIONS FOR CONSUMERS' & ORGANIZATIONAL INTERESTS

Identification of Consumers' Preferences, Marketing Mix Strategies to avoid Offline – Online Channel Conflicts and Knowledge Management Modelling for Knowledge capturing and dissemination to improve Consumers' & Stakeholders Feedback processes would enhance profitability, customer centricity index and life time value and would do good for B2C organizations looking for more sustainable approach to their business.

WHY SUSTAINABLE BUSINESS MODEL ?

Products & Processes Innovations are costlier and with increased commoditization and no substantial value differential proposition between competing brands, Sustainable Competitive Advantage could be obtained by B2C organizations by integrated and optimization approaches to their businesses and stakeholders involved.

FIGURE H : SUSTAINABLE BUSINESS MODEL (INCORPORATING ALL FACTORS)

Independent Variables (X)	Moderator	Dependent Variable (Y)

Product Strategies
Reduction of Conflict Factors

Price Strategies
Reduction of Conflict Factors

Place Strategies
Reduction of Conflict Factors

Promotion Strategies
Reduction of Conflict Factors

People Strategies
Reduction of Conflict Factors

Processes Strategies
Reduction of Conflict Factors

Physical Evidence Strategies
Reduction of Conflict Factors

Partners Strategies
Reduction of Conflict Factors

Consumers' Preferences – OFFLINE / ONLINE

KNOWLEDGE MANAGEMENT N-FORM PRINCIPLES FOR FEEDBACK SYSTEM

MULTI-CHANNEL STRATEGY & APPROACH

INTEGRATED MARKETING COMM.

Factors, Rankings, Multi-Channel Integration Strategies

GOAL COMPATABILITY

DOMAIN DEFINITION

COMMUNICATIONS & COOPERATION

INTEGRATION

OMNI-CHANNEL

SYMBIOTIC

FLEXIBLE

SUSTAINABLE APPROACH

CONCLUSIONS, MANAGERIAL IMPLICATIONS, LIMITATIONS & FURTHER RESEARCH

5.1 CONCLUSIONS

B2C organizations looking for optimization and sustainability in their approaches towards traditional General Trade and modern Online Marketplace model have to evolve themselves and have outside – in approach keeping Consumers at the centre of their business strategies. Integration and sustenance of Offline – Online is essential to maintain Profitability, Growth, Omni-Channel approach and Multi-Channel Integration.

First, Consumers' Preferences needs to be understood clearly. Research shows that 58.3% consumers using online mode still prefer E-Commerce platforms as against 41.7% online users who prefer M-Commerce platforms. There is positive correlation between Online factors of Experience, Emotional & Trust reasons and the value is significant. There is positive correlation between Offline factors of Daily needs for consumers. So, integration approach for organizations is important.

Secondly, Knowledge Management Principles of superior knowledge generated to be captured, stored, used and re-used and actioned upon is necessary. Here, the model proposed is derived from N-Form Hedlund's Knowledge Management model with outside – in approach with aim of capturing Retailers' and Consumers' knowledge for Consumers' delight and satisfaction.

Thirdly, understanding of Offline – Online Conflict parameters from Marketing Mix 8 P's point of view is very important. It is important for organizations to understand that stakeholders needs to be taken along with managing and minimizing conflicts in their approach towards multi-channel integration plans. Perceptions about Online Marketplace model need to be understood in practical sense by traditional General Trade heavy organizations. Scale of E-Commerce is very high. Generalist approach needs to give way to Differentiation approach. Gone are the days of numbers driven approach. Now, profit maximisation and consumer centric strategy needs to be adopted. Online Marketplace is also re-inventing themselves by focussing on Basket Profitability Model rather than Gross Mechanising Value Model. Market Operating Prices Management, Scalability of Businesses, Optimization of Channels, Minimizing Inventories, Superior Supply

Chain Design leveraging and evolving channel strategies are going to be superior competitive advantage for the organization in future.

5.2   MANAGERIAL IMPLICATIONS

Marketing Managers, Knowledge Practitioners & Leaders in B2C organizations can benefit in several ways of the information of this Project. There is no available research as on date on the subject of optimization and integrated approach to multi-channel strategy. Marketing Strategies need to benefit from Knowledge Management principles and culture within the organization for organizational strategic intent.

Marketing & Knowledge Managers should study the proposed Sustainable Business Model and can use implementable suggestions and marketing mix conflict minimisation and resolution models for better decision making and proactive consumer centricity approaches instead of trusting only their own intuition. Learning curve could be minimised by having KM as a core strategy.

Offline – Online Channel conflict might occur to some Managers as dysfunctional and having negative repercussions to profitability, motivation and relationship. But without channel conflict, organization and channel will tend to become passive and decrease their creativity to make use, adapt or let go interesting opportunities in multi-channel strategies.

5.3   LIMITATIONS   &   RECOMMENDATIONS   FOR   FURTHER RESEARCH

Research conducted with a pool of 63 respondents due to paucity of time could have been more exhaustive to get diverse consumer groups responses. Statistical tool of Confirmatory Factor Analysis could have been applied then. Sustainable Business Model framework proposed might not work in all B2C organizations as the level of integration of Offline & Online may vary as per their organizational strategy. Moderating factors could be more and variables could have been more exhaustive which may possibly lead to interesting findings, insights or completely new marketing models. Third limitation in the Project is the assumption that organization is always the powerful one, driving businesses and implementing business strategies but in practicality, Channel – Offline or Online can take precedence in deciding organizational strategy.

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APPENDIX

QUESTIONNAIRE