

## 3.1: Role of the Web to Retailers

### Learning Objectives

- Define the role of the web to retailers

Let's think again about your own shopping behavior. What was the last thing you bought online? Why did you decide to purchase it this way? Was it the only way the item was sold? Was it the most convenient way to shop? Was it because you were able to shop easily, getting product information and comparing alternatives? Did it offer the lowest price? Did you go to a manufacturer's site? Or, did you buy it through a retailer? What about a retailer that's exclusively online like Amazon? Your own answers to these questions provide much of the detail for why e-tailing is important to retailers.

The overarching benefit of e-tail is that it extends the reach of retailers to more consumers. However, this isn't just about physical reach and expanding beyond the four walls of a store. Instead, e-tailing also helps retailers engage consumers without the limits of store hours, available staff, and inventory on the sales floor or in back-stock. E-tailing makes the full resources of the retail organization available to shoppers without constraint.



Certainly, we understand that e-tailing allows retailers to reach consumers outside their immediate market, pushing past individual store locations to reach distant or previously inaccessible customers. But, another key feature of e-tailing is that it is always “open,” so shoppers are not only able to access stores more easily, but they're also able to shop when it is most convenient for them. This shifting of place and time elevates convenience.

Further, e-tailing can also have a positive impact on customer service for retailers. Think about times when you've been shopping in-store, unable to find an associate for assistance or finding one who wasn't able to answer your questions well. What about times you were shopping for a specific item, only to find it wasn't available in your size or in the preferred color or available in-stock at all. Those frustrations of customer service can be mitigated and minimized with effective e-tailing.

E-commerce sites can be a direct line to the consumer to provide service and support, when they are well well-maintained by retailers. To be well-maintained, they must be secure, easily navigated, optimized for desktop and mobile navigation, and updated with current product and promotional information.

Effective e-tailing relies on systems that provide product information, inventory tracking, promotional offers and secure transactions. Thus, it's possible for an interested shopper to visit an e-tail site, review products, ask questions, make selections and

check-out, selecting from multiple delivery options. Later, they can revisit the site to track the progress of their order and estimated delivery time.

Another benefit of e-tailing is that retailers are able to fulfill orders by accessing inventory across their full distribution network. Instead of relying on the allocation of product to individual outlets, e-tailers can pull from reserve inventory to fulfill orders. This is especially helpful in product categories that have multiple size or color offerings. Consider how home goods like towels are managed on-shelf. An individual store receives a shipment of multiple sizes, across an assortment of colors. If a given size or color sells-out, the retailer waits for a replenishment order, potentially missing a selling opportunity due to “out of stock” issues. However, in e-tailing, the retailer is able to pull inventory from a centralized location, or perhaps from a better stocked store location, to fulfill the customer order.

Further, retailers are able to gather a tremendous amount of information about their customers through e-tailing. They can monitor how many visits their site receives, even determining which visitors are new and which are returning. They can track what pages are viewed most frequently and how much time shoppers spend on them. They can identify what products are purchased most and what items are frequently purchased together. They can assess how changes to price or positioning affect product sales. They collect shopper information, including shopping frequency, items shopped, size of purchase, e-mail addresses, physical addresses, and payment information.

True, the collection and use of this information could feel like an over-reach and an invasion of privacy. But, some consumers freely enroll in customer relationship management (CRM) programs, inviting the retailer to continue marketing to them. In turn, retailers develop better understanding of the customer’s preference, making better recommendations about complementary items or providing guidance on product usage. This is potentially value-added and expands the customer relationship.

In all, e-tailing can be a tremendous benefit for retailers, making them more accessible to customers and providing enhanced service, during the shopping process and beyond through CRM programs.

#### Practice Questions

<https://assessments.lumenlearning.co...sessments/9158>

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