

CASELET 1

A Case on Traditional vs. Online Book Retailing

Traditional book stores are remaking and rethinking their strategy to tackle the competitive environment created by the online book retailers who are offering lucrative discounts which are highly attractive points for the book lovers.

Easy availability of internet and flexible and easy shopping techniques on e-commerce book sites are highly influencing the book lovers to purchase online as well as there are huge varieties of books available. This in turn is creating huge challenges for the traditional book shops where storage space and profit margin are very low.

The management of Crossword, too, is unhappy about the high discounts offered by e-commerce websites. "Slashing prices to more than 50% entices a customer to buy the book online.

The book stores, nevertheless, are trying to beat this competition.

Om Book stores is trying to revive sales through activities such as book launches, introduction of special stationery and special discounts on both its offline and online stores, according to Mago.

Book stores keep a 60–40 mix of books and other categories to sustain profitability. They do various promotions during the year at which they provide some great offers and discounts, organise 10–15 events a month for customers to meet their favourite authors, provide special offers to customers on their special occasions like birthdays and arrange workshops and competitions for children. They also do promos focussed on certain age groups also during the year such as Children's Fest (April and May).

The book category in Flipkart is a high-volume driver for the online store. They have been witnessing a healthy month-on-month growth in terms of sales and

management

traffic. They have over 30 different categories and thousands of interesting titles. They believe that physical and online book stores will continue to coexist and grow. The unique book browsing and navigation experience offered by a book store is what appeals to a reader/shopper. The success of a book store is defined by quality of experience and the variety of books that a customer can choose from.

Questions

1. How has online book sales made an impact over the traditional process?
2. What strategies do book sellers maintain to increase their business?
3. Do you think slashing prices is a right strategy specifically for "book sales"?