Retail: Online Stores

Unit: Fashion Merchandising

Problem Area: Fashion Retail

Lesson: Retail: Online Stores

■ **Student Learning Objectives.** Instruction in this lesson should result in students achieving the following objectives:

1 **Summarize online retail stores.**

2 **Identify online retail store trends.**

■ **Resources.** The following resources may be useful in teaching this lesson:

E-unit(s) corresponding to this lesson plan. CAERT, Inc. http://www.mycaert.com.

"Demographics of Mobile Device Ownership and Adoption in the United States." *Pew Research Center: Internet, Science & Tech*, Pew Research Center, Accessed Dec 18, 2019. https://www.pewresearch.org/internet/fact-sheet/mobile/.

"How Many Online Retailers Are in the US?" *How Many Online Retailers Are in the US?*, Accessed Dec 18, 2019. https://www.etailinsights.com/online-retailer-market-size.

Hufford, Jillian. "Why Brands Are Going Direct-to-Consumers (DTC) and Winning: NChannel Blog." *Why Brands Are Going Directtoconsumers DTC and Winning Comments*, Accessed Dec 18, 2019. https://www.nchannel.com/blog/direct-to-consumer-dtc/.

Orendorff, Aaron. "The State of the Ecommerce Fashion Industry: Statistics, Trends & Strategy." *Enterprise Ecommerce Blog - Enterprise Business Marketing, News, Tips & More*, Accessed Dec 18, 2019. https://www.shopify.com/enterprise/ecommerce-fashion-industry.

Siders, Scott. "Top Ecommerce Fashion Websites in 2019 [18 Beautiful Examples]." *The BigCommerce Blog*, Accessed Dec 18, 2019. https://www.bigcommerce.com/blog/fashion-apparel-ecommerce-design/.

"U.S. Online Apparel and Fashion Market Size 2022." *Statista*, Accessed Dec 18, 2019. https://www.statista.com/statistics/278890/us-apparel-and-accessories-retail-e-commerce-revenue/.

Walker, Tommy. "Omni-Channel Retailing: What Is Omni-Channel Commerce, Really?" *Shopify*, Shopify, Accessed Dec 18, 2019.https://www.shopify.com/enterprise/omni-channel-retailing-commerce-what.

■ Equipment, Tools, Supplies, and Facilities

- ✓ Overhead or PowerPoint projector
- ✓ Visual(s) from accompanying master(s)
- ✓ Copies of sample test, lab sheet(s), and/or other items designed for duplication
- ✓ Materials listed on duplicated items
- ✓ Computers with printers and Internet access
- ✓ Classroom resource and reference materials

■ Key Terms. The following terms are presented in this lesson (shown in bold italics):

- ➤ accessory
- ➤ apparel
- ➤ brick and mortar store
- ➤ consumer
- ➤ department store
- ➤ direct-to-consumer business
- ➤ e-commerce
- ➤ etailer
- ➤ omnichannel
- ➤ online retail store
- ➤ private brand
- ➤ retail business
- ➤ revenue
- ➤ social media
- ➤ user-generated content (UGC)

■ Interest Approach. Use an interest approach that will prepare the students for the lesson. Teachers often develop approaches for their unique class and student situations. A possible approach is included here.

Share the following statistic from Aaron Orendorff's Shopify article with students: "Cumulative data compiled within The Fashion and Apparel Industry Report paints a bright portrait with worldwide revenue expected to rise from $481.2 billion in 2018 to $712.9 billion by 2022" (Orendorff, 2019)

CONTENT SUMMARY AND TEACHING STRATEGIES

Objective 1: Summarize online retail stores.

Anticipated Problem: What are online retail stores?

I. There is significant growth in online retail stores. *A retail business* is a company that sells products directly to consumers. A *consumer* is a person who makes purchases.

An *online retail store* is a company that sells products through the internet. Today there are over a million online retail stores in the United States and 5.6 million in the world. There is even a new term to describe these types of stores; etailer. An *etailer* is an e-commerce retailer. *E-commerce* is business that is done on the internet. E-commerce retail revenue is projected to be more than 700 billion dollars by 2022; that is an increase of more than $200 billion since 2018. *Revenue* is the income of a business. Amazon is by far the most prominent online retailer with 54.5 billion dollars in sales in 2017 in the United States. And the apparel and accessories category of retail was over $100 billion in 2018 with projections to be at least $145 billion by 2023. *Apparel* is clothing. An *accessory* is an item added to another item to increase appeal or worth. Examples of accessories are scarves, belts and handbags.

A. Why is there such a big increase of online stores and the revenue created from online sales? It is in part due to increased access, and ease of use, of the internet. According to Pew Research Center, 96% of people in the United States have a cell phone which is a 61% increase since 2011. That means that almost everyone in the U.S. has access to online shopping at their fingertips. And with so many online stores to choose from, to stay competitive, retailers need to meet customer's needs.

B. Consumers expect an effortless, personalized shopping experience. Which means to be successful, stores must ensure their Omnichannel experience is exceptional. *Omnichannel* is the integration of all online and offline purchasing experiences. In the Shopify article, Omni-Channel Retailing: What Is Omni-Channel Commerce, it is stated that 72% of customers use multiple channels to purchase products. This means that companies must ensure that no matter where a customer shops, they can navigate easily to another avenue. It also means that companies need to have a thriving online store in order to capture customer's attention and dollars.

Teaching Strategy: *Many techniques can be used to help students master this objective. Use VM–A to introduce lesson. Assign LS–A.*

Anticipated Problem: What are the trends in online retail stores?

II. Online stores cannot become stagnant if they want to remain successful. With the boom in online retail stores, brick and mortar stores have worked to stay competitive. A **brick and mortar store** is a business housed in a building rather than online.

A. All online retailers need to be aware of a type of online retail store; direct-to-consumer. A **direct-to-consumer business** is a retail company that sells directly to customers. Direct-to-consumer is often referred to as DTC or D2C. These types of online stores bypass a third-party retailer eliminating costs, having full control over their brand, and being able to track their own data.

B. Private brands are another trend. A **private brand** is a product that is produced for a specific retail store. Although this is not a new concept, it is a prominent trend that has changed over time. Stores such as Target have sold their own products as off-brand for years, but are now labeling them with their own brand name. Cat & Jack is just one example. The children's wear line had more than $2 billion in sales in the first year alone.

C. A continuing, and growing trend, is user generated content influencing consumers and must be thoughtful addressed by online retailers. **User-generated content (UGC)** is any content created and shared by a consumer. One method an online retailer can use to interact with UGC is social media such as *Instagram*. **Social media** are online communities used to share information, opinions, experiences, and other content as well as for networking. A company can use UGC on *Instagram* by liking and sharing the posts of customers who post about their products. They should also respond to any UGC that is posted on the company's social media sites. By addressing UGC online retailers will make the connection clear between their products and the consumer.

D. Even with new trends, providing outstanding customer service still remains the top trend in online retail stores. Customers have become less loyal as more options of products, stores and ways to shop, have become available. Online retailers have recognized that customer service is the foundation of a successful business.

1. Long gone are the days that customers in small towns had to shop at the one department store in town. A **department store** is a business in a large brick and mortar building which sells many different products. Customers have demanded, and online stores have responded, to reduce or eliminate custom-ers paying for shipping and returns making online shopping even more enticing.

2. It should be noted however, that even though there are trends for meeting online customer needs, with so many different types of online retailers and consumers, best practice for determining customer needs and expectations is to ask them directly. Not only will the consumer feel valued, the information will be up-to-date and relevant.

■ **Review/Summary.** Use the student learning objectives to summarize the lesson. Have students explain the content associated with each objective. Student responses can be used in determining which objectives need to be reviewed or taught from a different angle. If a textbook is being used, questions at the ends of chapters may also be included in the Review/Summary.

■ **Application.** Use the included visual master(s) and lab sheet(s) to apply the information presented in the lesson.

■ **Evaluation.** Evaluation should focus on student achievement of the objectives for the lesson. Various techniques can be used, such as student performance on the application activities. A sample written test is provided.

■ **Answers to Sample Test:**

Part One: Matching

1. d
2. e
3. a
4. f
5. b
6. c

Part Two: Completion

1. integration
2. building
3. directly
4. specific
5. consumer
6. online
7. business

Part Three: Short Answer

Answers may vary, but should be similar to: an etailer is an e-commerce retailer. E-commerce is business that is done on the internet.

Name _____

Retail: Online Stores

▶ **Part One: Matching**

Instructions: **Match the term with the correct definition.**

a. online retail store
b. apparel
c. accessory

d. retail business
e. consumer
f. e-commerce

_____1. A company that sells products directly to consumers.

_____2. A person who makes purchases.

_____3. A company that sells products through the internet.

_____4. Business that is done on the internet.

_____5. Is clothing.

_____6. An item added to another item to increase appeal or worth.

▶ **Part Two: Completion**

Instructions: **Provide the word or words to complete the following statements.**

1. Omnichannel is the _____ of all online and offline purchasing experiences.

2. A brick and mortar store is a business housed in a _____ rather than online.

3. A direct-to-consumer business is a retail company that sells _____ to customers.

4. A private brand is a product that is produced for a _____ retail store.

5. User-generated content (UGC) is any content created and shared by a
   _____.

6. Social media are _____ communities used to share information,
   opinions, experiences, and other content as well as for networking.

7. A department store is a _____ in a large brick and mortar building
   which sells many different products.

▶ **Part Thee: Short Answer**

Instructions: **Answer the following.**

What does the term etailer mean?

THERE IS SIGNIFICANT GROWTH IN ONLINE RETAIL STORES

♦ A retail business is a company that sells products directly to consumers. A consumer is a person who makes purchases.

♦ An online retail store is a company that sells products through the internet. Today there are over a million online retail stores in the United States and 5.6 million in the world.

TRENDS IN ONLINE RETAIL STORES

Even with new trends, providing outstanding customer service still remains the top trend in online retail stores.

Name _____

Examining
Online Retailer's Websites

Purpose

The purpose of this activity is to investigate an online retailer's website.

Objectives

1. Access an online retail store's website.

2. Investigate the store's website.

Materials

♦ Internet access
♦ pencil or pan
♦ lab sheet

Procedure

1. Access the online article "The 76 Best Online Clothing Stores in the US" at https://www.independent.co.uk/extras/indybest/us/best-online-clothes-shops-women-fashion-asos-workout-designer-a8705896.html.

2. Browse the different online retailers described in the article.

3. Choose one to investigate further.

4. Answer the following questions.

    a. What is the name of the online retailer?

b. What is their web address?

c. Why did you choose that online retailer to investigate further?

d. What are three features of their website that could entice a customer to buy from them?

5. Turn in your completed lab sheet to your teacher.