A CONCEPTUAL MODEL BASED ON PARETO PRINCIPLE AND LONG TAIL FOR ONLINE AND OFFLINE MARKETS

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ABSTRACT

Now a day's market can be divided as online market like Amazon and Flipkart.com while other store as offline market, both kind of market have their own benefits and limitations attach to them. Offline market is considered as the oldest platform for buying and selling the products with having a presence of physical retailer, while the online market in much newer concept which involve online store without the presence of physical retailer. As both markets have different orientation for consumer as well as for retailers, therefore different strategies need to be ascertained based on accessibility and comfort of consumer as well as sellers. The concept of Pareto principle had its own significance in every aspect of business function either investment or selling, however, the new concept of long tail analysis has its own significance in terms of gaining the status of niche sellers and market as a whole. Therefore, the present study develops a conceptual model for both kinds of markets which could be beneficial for the upcoming entrepreneurs to choose the best market available for their products.

Keywords: Online Market, Offline Market, Pareto Principle, Long Tail Analysis.

INTRODUCTION

Modern market can be divided into several forms and in every form of market, a marketing manager has to develop different marketing strategies to gain the competitive advantage or to attract the consumer or for creating a value. A marketing strategy which works in one form of market may not work in the same way in some other form. Therefore, it becomes essential for the marketing manager to properly and thoroughly understand the kind of market in which they are operating along with its characteristics before developing any particular marketing strategy. There are many forms of market, however in the present attempt only the following types of classification on different forms of market- selling and buying platform (offline market and online market), consumer involvement while purchasing a good (high involvement market and low involvement market), division on the basis of popularity of the goods (branded good market and unbranded good market) and on the number of seller present in the market (individual niche seller market and the overall of market) have been considered.

Classification as Online and Offline Selling Platform

In terms of selling and buying platform for the products, sellers and buyers have two kinds of platforms- online market and offline market. An "*offline market*" is considered to be the traditional market which involves the presence of physical retailer- from where a consumer can buy the products. The other market is much newer i.e., online market, it is considered to be the

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modern platform for selling and buying the goods which doesn't require the presence of physical retailers; however, a consumer can buy the product with the help of e-platform whereby the product pictures uploaded by the online retailers along with the description of product characteristics and features. As these two selling and buying platforms are different from each other, therefore, the operational marketing strategies in both of these markets are totally different from each other. Offline selling platform market is characterized as an oldest platform for selling products to the consumer with high concentration of a small number of variety products from the established brands. On the other side, online market is characterized by the high concentration of large number of variety of products from highly to less popular products (Brynjolfsson et al., 2003). Though online retailers have dependency in relation to the availability of internet for selling their product to the end consumer but offline retailers don't have any such dependencies but they have their own limitation like restriction of limited stock, limited shelf space, fewer varieties of goods etc. However, today the world economy is characterized as digital economy, having a high level of internet penetration which increases many folds from 2000 to 2017 as reported by Internet World Stats, 2017. The internet penetration is not limited to urban area but also stretching its roots in the rural sector as well. With this kind of penetration in the world's economy, it gives wings to the online retailers and also strengthens their stake in the market. Growing popularity of internet across the globe makes shoulders of online retailers much more broaden.

Classification as High and Low Consumer Involvement Product Market

Marketers also divided the market on the basis of involvement shown by the consumer while making their purchasing decision for different types of goods. A high involvement good market can be defined as that market where a consumer made their purchasing decision only after considering the various variables involved in purchasing that product example car, laptop, house etc. While a low involvement good market can be defined as that market in which the consumer made their purchasing decision more easily and quickly by sparing less amount on considering the various variables involved in purchasing the product, as the product which consumer wants to buy is cheap example- matchbox, sugar, coffee etc. As both of these markets are different in terms of consumer behavior, therefore the operating marketing strategies in both of these markets has to be different.

Classification of Market on the Basis of Individual Niche Seller Market and Online Market as a Whole of a Particular Product

Market can also be divided on the basis of number of seller's present in the market and offering similar kind of a product to the consumer (Brynjolfsson et al., 2011). The supply and demand curve took a shape of long tail, if numbers of niche sellers are more and if there are limited number of seller than the shape of supply and demand curve will be of short tail (Lee et al., 2011 & Brynjolfsson et al., 2011) further noted that short tail specify that there are limited amount of variety available for the consumer from which they have to purchased but in case of long tail, as the number of niche seller are more therefore can offer more variety of similar products. Therefore, in short tail consumer are exposed to less number of varieties of products and in long tail they can avail more number of choices. As the shape of demand curve in both the market is different, on the basis of number of seller present in the market, therefore the marketing strategy also needs to be separated in both of these forms of markets. Hence this

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differentiation is also important for determining and implementing the effective marketing strategies in both of these markets.

Classification on the Basis of Branded and Non-Branded Product Market

Market can further be classified into branded (popular or known) and non-branded (not popular or less known) products. Now days, consumer become brand conscious at a very early stage of their life and their choices of purchasing product is being highly influenced by these brands choices. Consumer tends to buy the brands because they trust them and also reflect their social status. However, in online market consumers do purchase the non-branded good from the niche seller on the basis of ratings and reviews posted by the other consumers of that product. Therefore, the choice for purchasing non-branded goods is highly affected by the secondary factors such as reviews and ratings provided by the other consumers for the specific products. As the consumer purchase behavior in both of these markets is different therefore both of them needs right kind of strategy to make a product successful in these two markets.

Introduction to Pareto Principle and Long Tail

Large percentage of effect was caused by a small fraction of causes- this is the basic guideline under the Pareto rule. This rule was developed by Vilfredo Pareto who was an Italian economist and sociologist (1848-1923), who illustrated that 80% of the wealth of nation was distributed to only 20% of the population and the remaining 20% of the wealth was distributed to the 80% of the population in 1964, later this phenomenon was named as Pareto principal by Juran, who further apply this rule in other activities which results in higher impact with having few contributors (Juran, 1975). Some other studies applied Pareto principal in various other fields like- quality control in a production process (Juran, 1954), for developing an economic models, many researchers used the Pareto rule in reducing the uncertainty during decision making of organization. Soon the Pareto principle (or 80/20 rule) become a minimum acceptable standard for many practical problems. It becomes the rule of thumb nearly for every phenomenon in any field. This method is equally important in the field of the marketing with an argument that 20% of consumers are responsible for the 80% of the sales. In practical marketing decision making the Pareto principle can be apply in many contexts, in terms of marketing and selling of goods, the Pareto rule or 80/20 rule being used for decades to determine the efficiency of salesmen (20% of salesmen are responsible for 80% of sales) or in knowing the highly valuable consumers i.e. who spends more on the goods and providing large amount of profit to the company (20% of the customers are responsible for 80% of the sales) etc.

Introduction of Long Tail

In modern selling platform, there is an recent emerged phenomenon (along with the growing popularity and mass acceptance of the internet) known as online retailers or "*infinite inventory store*" which provides marketer a totally new concept- termed as "*Long Tail Phenomenon*". According to this new concept the emergence of online retailers has suppressed the, so called, 80/20 rule (Brynjolfsson et al., 2011), because in the online market the number of sellers (specially niche sellers) increases for a specific product category and these product targets more specific need of the audience which are having very less ratio to sales i.e. the niche sellers have low concentration in terms of number of consumers and high concentration in case of

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number of sellers in an online market and therefore in this market the demand curve take a much bigger shape (Anderson, 2004) towards the X-axis but never touches the X-axis as shown in the Figure 1.

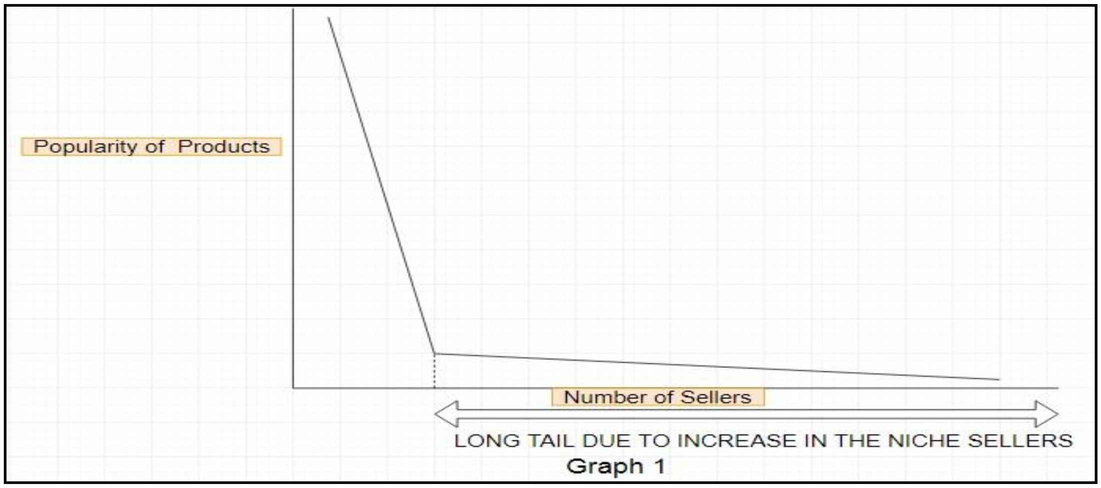

FIGURE 1
LONG TAIL PHENOMENON

This results into the Long tail phenomenon. The upper part of the graph shows the high concentration of consumers as compared to few numbers of branded goods in a specific product category while the lower half of the graph shows high concentration of niche sellers as compare to the smaller number of consumers in a specific product category. Based on these details, Anderson (2004), observe the phenomenon of "*sell less of more*" and coined this as long tail concept. The long tail concept states that niche products can grow to capture the large market share of the total sales. Since the time online retailers came into existence and being accepted among the consumer, it has been proven to be a boon for niche sellers. It is the online market because of which niche seller got the opportunity to sell their product across the globe and converts small -small group of niche markets from different regions into one massive group on a global market (Brynjolfsson et al., 2006). Based on the concept of long tail, some of the research studies challenges (Brynjolfsson et al., 2011) the famous and much pervasive Pareto principle (80/20 rule) which state that for 80% result of occurrence of one factor is due to the 20% effort of the other factor.

Research Objectives

The objectives of the present study is to synthesize the representative existing literature on Pareto principle and long tail analysis for understanding the implementation of these two concepts in the various forms of market based on the available literature in the field. During our course of literature review on these two concepts it is found that both of these concepts have their own unique characteristics and features and therefore operational marketing strategy to be applied in these two markets must also be different. Though many studies were conducted on individual basis but none of the research studies have described the effect of these two concepts individually on the stated different forms of markets. Therefore, the present study synthesizes the

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findings of related researches and applies them in different forms of market for determining the appropriate marketing strategy in case of Pareto principle and long tail phenomenon. In doing so, this study attempts to provide a comprehensive picture of the status of this issue in question and point out the limitations and areas for future research.

RESEARCH METHOD

As the Pareto rule is much pervasive and can be apply to several aspects of business or in real life. Therefore, many researches were conducted by the various researchers by considering the 80/20 aspects like in quality assurance or in the field of computer science or in the field of organizational decision making or in dealing with the practical problems of life. For present work, it is restricted to the search of studies in the field of marketing and sales. On the other hand, long tail concept is much newer but still we have found many research studies which contributed for developing the concept of long tail. In addition to the above, two more criteria have been opted for selecting the research papers which are-1 (That the articles are empirical in nature and 2) the articles measure at least one of the identified factors. Thus, the present attempt, make systematic search of journal including: Decision Support System, Journal of Marketing, Science direct, Cross-Mark, International Journal of Retail and Distribution Management, Journal of Indian Business Research, Management Decision, Management Science, Quantitative Marketing economics, Journal of Interactive Marketing and Journal of Consumer research. In addition to these journals, the research also found the two conference proceedings including-Americas Conference on Information System (AMCIS) and Very Large Data Bases (VLDB)

LITERATURE REVIEW

A total of 19 empirical studies have been analyzed in the study. Out of these 19 empirical studies, 9 of them were related to the Pareto rule and 10 were related to the "*long tail concept*".

Research Articles on Pareto Principle

The Pareto principle is, more or less, much pervasive in nature and can be apply in every practical context. When this rule applied on selling of goods, various research article suggested that out of the many goods in a specific product category only 20% of the goods are responsible for the 80% of sales in that specific product category. Moreover, Kim et al. (2017) also proved empirically the extent to which the Pareto principle holds true for the consumer-packaged goods by using the Pareto ratio. Further, the research study also concluded that niche sellers were had a high Pareto ratio, as the niche products deals in satisfying a specific consumer need which results into the generation more loyal consumers for niche market which don't migrate or switch the brands quickly and likewise this rule can be applied on several marketing activity like- 20% of salesperson are responsible for the 80% of sales or 20% of consumers are responsible for 80% of the sales etc. Most of the empirical research studies attempted to show the relevance of Pareto rule in terms of defining the relationship between sales and those products which are having high consumer concentration (Twedt, 1964) more empirical evidences on consumer concentration were provided in the study of (Schmittlein et al., 1993), which proved empirically the study of Twedt (1964) about the marketing strategies focusing on "*heavy users*". Schmittlein et al. (1993) by using NBD model identifies the true level of concentration of consumers. Based on Pareto principle, a marketer can develop different market strategies focusing around heavy users

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(Twedt, 1964), as revolving around the light users doesn't affect much of the sales and focusing on heavy users also helps in reducing the cost of production as compared to light user (Twedt, 1964). However, many research studies also highlighted, that application of the Pareto rule can be harmful for the organization, if they focus only on the 20% of the consumer and missed out the rest 80% of the consumer, as Pareto principle is just a guideline and not the law. The 80-20 rule has a changeable dimension i.e. the people who belong to large contributors in a specific year or month or day may come in the category of lesser contributors in the corresponding year or month or day. Therefore, a marketer cannot neglect those 80% of the consumers who are in the category of lesser contributor presently. Further, Twedt (1964) also established a relationship with the amount of purchase done by the users and their importance to the marketer in decision making and making marketing strategies. Example if one household purchases a good 30 times in a month, then for a marketer this household is 30 times more important as compare to that households which consumes that good only once in a month. This research also shown that the ratio of less users with that of heavy users followed the Pareto principle i.e. 80% goods were purchased by heavy users and light users purchased 20% goods approx. Research studies related to Pareto principle used empirical method for research based on the receipts a store generates after selling the goods. Pareto principle was much more focused on the identification of heavy users or the area where concentration of consumers is more. As the chances of having higher sales are more in those areas where there is a high concentration of consumers are present as compared to that market which is having low concentration of consumers (Schmittlein et al., 1993).

Research Articles Focused on Long Tail Concept

The long tail concept prevails when there is a shift in the society from high hit (branded good/popular good) market to the less hit market (non-branded good or less popular good). With the growing popularity of the internet there is a shift in the consumer purchasing behavior (Anderson, 2004), which has changed the whole market scenario and convert the niche market into a mass market which becomes eventually more profitable as compared to the whole sales compared with the mass market products. The long tail concept based studies compares the brick and mortar retailers with the online retailers, based on this comparison "*long tail curve*" was derived which identified that consumer preference have great depth in the online market as compared to the brick and mortar retailers, as they don't have varieties of goods available in high number like online retailers are having, thus the consumer can find much specific goods only at the online retailers as not with the case of brick and mortar market. The long tail concept was further taken off by the (Brynjolfsson et al., 2006) who suggested various reason for the growing popularity of the niche market among the consumer, which comprises under the three heads- Supply side (Manufacturer side), Demand Side (Consumer side) and Secondary factors. (Other factors positively affecting the online niche market). The supply side includes, in case of brick and mortar market that they have a limited shelf space with them. Therefore, only popular product will find place in these shelve spaces and the less popular product will not find any space. But in case of online market there is no need for shelve space and every product whether they belong to a mass market or falls under niche market will find a space. Moreover, products which are falling in the niche category may not be available in the brick and mortar store, because in a particular geographic area the demand may be minimal (say 2%) but in case of online market, the market is operated on a global scale so that 2% become huge (Brynjolfsson et

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al., 2003). On the demand side, it becomes easy for the consumer to find the good for their specific needs more easily and at a less cost in terms of price, energy and time, these results in incremental status of demand of niche products, as compared with that of brick and mortar retailers, it is very difficult to find the product for the specific need because it required lots of effort to reach deep to find specific product when the most popular products are placed on the shelves. As a last impact determinant, secondary factors play an important role in making the purchase decision for niche product market, it includes various reviews and rating done by the authenticated other consumers providing ease for consumers who is looking for that specific product as compared to a brick and mortar retailer, where a consumer can only find a salesman who may provide biased opinion for products. These entire factors make a niche market a more competitive market in comparison with popular products. Since, studies related to the long tail generally base their empirical studies on the data provided by the Amazon (World biggest online retailer). Moreover, research studies related to long tail are more focused on the concept of "*selling less of more*". It means that increase in the number of sellers in a particular product category made that market more competitive and thus seller in these markets provides more specific product for satisfying more specific need of consumers i.e., creating a "*Niche Market*". The marginal profits in these markets are high, as it is generally accepted in the economics that the profit opportunity in the competitive market is always less (Robert, 1992).

Based on these facts the present endeavor investigates the application of long tail and Pareto principle into the different forms of above stated market.

Application of Long Tail and Pareto Rule in Different Kinds of Market

Applicability of long tail concept and pareto principle in case of high and low consumer involvement goods: Based on the previous studies, it is found that every customer has their own way of evaluating the products which may be totally different from the other consumers. The evaluation of the goods by the consumer depends upon the attributes of the products (Hong & Wyer, 1989; Venkatesh & Agarwal, 2006).Those attributes on which the consumer evaluates the goods can be classified into two types- Subjective attributes and Objective attributes (Lee et al., 2011). These attributes define the involvement of the consumer in purchasing the goods. Subjective attributes are those which are not used by the consumer for differentiating among the products like color but objective attributes are those by which consumer is able to differentiate the products from each other. By analyzing above statements, it can be stated that,

"*Products in which consumer involvement is high, follows the Pareto rule i.e., high concentration of consumers on few sellers and the goods, in which the consumer involvement is low, follow the long tail concept.*"

When the customer involvement is high at the time of purchasing a product, then it restricts consumer search only on those products which are known to them i.e., search for the product lasts up to few sellers only. The reason for this concentration was explained in the empirical study conducted by Bloemer & De Ruyter (1999), which stated that high involvement goods are sold because of consumer loyalty and trust factors which are associated with these goods. Moreover, the percentage of loyal consumer as discussed in the literature of Twedt (1964), is limited only up-to 20% of the consumers. While in case of low consumer involvement product, a consumer may purchase good for chaining their current experience and not because of any loyalty towards the product, which means that the consumer in case of low involvement

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goods have low degree of loyalty (Bloemer & Ruyter, 1999). Therefore, as a marketing strategy, niche sellers have much scope in case of those products where the consumer involvement is low and they are looking for a different and innovative kind of products. Moreover, the long tail phenomenon which was explained by the Anderson (2004), only involved the examples of low involvement goods like Specific Books and Music.

Applicability of Long Tail and Pareto Rule in case of Online Market and Offline Market

All studies related to the long tail concept were based on online market. Moreover, the concept of long tail evolved along with the emergence of the online market (which correspondingly increases the reach of online retailers). With the penetration and mass acceptance of the online retailers the niche market grown into masses (Anderson, 2004). However, the studies related to the offline market stated and proved that offline market is having lots of inequality in purchasing i.e. the sales of the goods is not equally related to the number of footfall in the store. Mizuno et al. (2008) noted that inequality in purchasing follows Pareto principle. Therefore, on the basis of these studies it can be stated that:

"*Online market is characterized by the long tail concept while the offline market is characterized by the Pareto principle*"

Brynjolfsson et al. (2006) stated various reasons for the increase popularity of niche sellers which includes-ease for both the parties- sellers and consumers- to sell and purchase the goods more conveniently. For the sellers, it becomes easy to find a platform for selling their specific targeted products. On the other hand, for consumer it becomes more convenient to find the goods for their specific need with just one click. Moreover, in continuation of these two factors- there is one more factor as specified in the research article that impact niche sellers, is the recommendation system i.e., the technical support-based advice, which depends upon the type of product searched by the consumer. Moreover, Lee (2011) proved empirically that rating and reviews provided by the consumer highly affect the purchasing decision of the niche products. Thus, the shape of curve in case of online market took a long tail. However, when it comes to the offline market than the curve shape is short tail as the retailers will only include those products which are in high demand in that particular region and also, they have the limited space for storing and keeping n number of products with them. Moreover, various studies focused on the retail stores have the similar findings that approx 20% of the consumer is responsible for the approx 80% of the sales. Mizuno (2008) empirically explains that how much inequality is present in the consumer purchasing receipts from the stores. This inequality signifies that the 80% of stores sales is coming from the 20% of consumers. Thus, our second statement find the empirical proofs from the previous studies that online store is more characterized by the long tail effect while the offline market.

Applicability of Long Tail Concept and Pareto Principle in Case of Online Market as a Whole and Individual Niche Seller

All studies related to long tail concept were focused on the overall market i.e., the overall market for that particular product category. As per available literature reviews, it is found that the concept of long tail is applicable to the market consider as a whole for that particular product category but not applicable in the case of individual sellers whether they come in niche or popular category. Therefore, it leads to the third statement of this endeavor (Wallace, 2000).

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"*Long tail concept can be applied to a whole online market for a particular product category but in a case of examining the sales for a particular individual niche seller, Pareto rule can be applicable*."

The long tail is a result of increase in the number of niche sellers who are providing similar products in a specific product category targeting specific need of consumer (Anderson, 2004), various examples was quoted in the study by Anderson (2004) and in similar kind of studies Brynjolfsson et al. (2006, 2011), which were related to the overall market for a product specific category. The concept of long tail is based on overall online market of that particular product category and cannot be applied to a single niche seller. Like in the books category as mentioned by Anderson (2004) and further explained by the Brynjolfsson et al. (2011), that how the increase in the tail with even zero sales can turned down the 80/20 rule i.e. even if there is no sales done by the niche sellers, but there increase number can weaken the Pareto principle. Therefore, long tail concept was totally based upon the number of niche sellers present in the overall market for a product specific category. However, when it comes to examine the sales ratio in case of a single niche seller it was found that the Pareto principle omnipresent there. Moreover, Kim (2017), empirically found that individual niche sellers followed Pareto principle, as a reason this study stated that in a case of niche seller maximum number of sales is coming from the loyal consumer who wants to satisfy their specific need moreover, it used Pareto ratio to identify the percentage of sales for that particular product category, for an individual niche seller, comes out to be more than 7 which means that approx. 80% sales is guided by the 20% of the consumers (Yin et al., 2012).

Applicability of Long Tail Concept and Pareto Principle in Case of Branded and Non-Branded Goods-Branded goods

Specified not only the status and reputation of the consumer, moreover they emphasise that consumer have a bigger amount of trust and preference attitude towards these products (Iazzi & Santovito, 2016). But in case of non-branded goods the consumer is much more focus on the attributes and characteristics of the goods rather than trust and status factor and price becomes one of the important factors based on which other attributes of the goods are being measured. Based on these facts the fourth statement can be made as follows:

"*Branded goods are being followed the Pareto rule while the case of non-branded goods is being followed by the Long tail concepts*."

As per the literature survey of the long tail concept, every study focused on the niche sellers (Anderson 2004; Brynjolfsson et al., 2006, 2011) moreover the research study focusing on the critical evaluation of the long tail concept also emphasis on the exploration of the tail sellers (Yin, 2012). In fact, the birth of long tail concept was because of the niche sellers who are less branded but provide the product for the specific need. Thus, it is clear from above studies that long tail concept is much more related with the non-branded goods or niche sellers. However, when it comes to the branded goods (popular goods), than the consumer has to choose from the smaller number of sellers means that they have limited choice as brands. It is like 3 to 4 brand names are there only in any product category moreover the branded goods always being regularly purchased by the loyal consumers (Kim et al., 2017). Thus, it can be concluded on the basis of the above research studies that the branded goods followed the Pareto principle and non-branded or the unpopular products or niche seller's products are being followed by the long tail concept (Craft & Leake, 2002).

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Conceptual Model for Long Tail and Pareto Principle Based on the Research Studies

Based on the findings of present endeavour, following model is developed for better understanding of various available buying and selling platforms based on high and low concentration of consumer and products. It also helps in better understanding and decision making related to market.

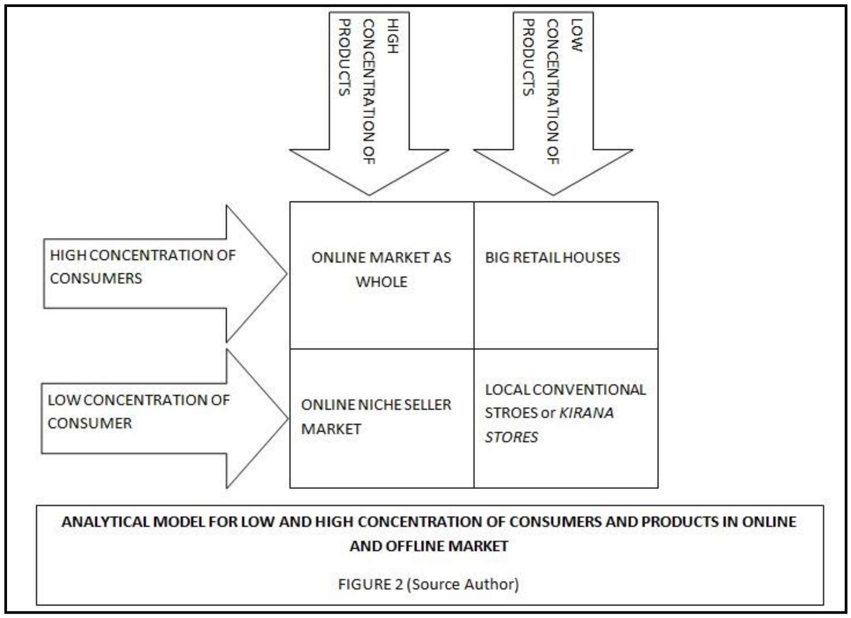

FIGURE 2
ANALYTICAL MODEL FOR LOW AND HIGH CONCENTRATION OF CONSUMERS AND PRODUCTS IN ONLINE AND OFFLINE MARKET

The above Figure depicts the various buying and selling platform available for different market, on the basis of high and low concentration of consumers and products on these platforms. The left top corner shows online market as whole, which characterized as having high concentration of both consumers and products. It also signifies that online market has a massive reach in terms of consumers and also in providing varieties of products.

The other right top corner specifies big retail houses, which are having high concentration of consumers but low concentration in terms of varieties of goods, especially when compared to online market. At this corner, products having good name or well known to the masses are highly impactful and convert more products to sales. However, these markets have less scope for the niche sellers as consumers generally purchase those goods which are known to them and pay less attention towards niche products.

The lower left corner specifies the individual niche seller in an online market, which is characterized as having low concentration of consumers on every individual niche seller as they are providing similar kind of a product but targeting to a specific need of consumers. However, these markets have high concentration of products targeting different specific needs of consumer. The reason for high concentration of products is the increases in the number of niche sellers in an online market because this market has own advantages for niche sellers.

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The last corner on the lower right specifies the local conventional stores or kirana stores, which are characterized as having low concentration of both consumers as well as in terms of offering products. The reason for this low concentration on both sides can be explained as- they are targeting a specific small region or area where the numbers of consumers are least as compared to other platforms. Moreover, the stock only well-known and demanded products with them because of several constraints they have to face like least shelf space, least area to operate etc. Therefore, niche sellers have least scope on this platform. However, branded or massive products can enjoy various benefits associated with this market, like- easy accessibility for consumer, less time consuming for consumer to purchase, may result in immediate purchase, can used retailers as influencer etc.

Therefore, this conceptual model helps the marketing manager in developing appropriate marketing strategy based on which platform is being used for buying and selling the products.

Research Limitations and Recommendation for Future Research

As this research article focuses on identifying the applicability of the long tail concept and Pareto principle in the various forms of market- this will help marketer in determining their marketing strategies and also helps in better understanding of these two concepts. Based on the understanding, it helps in the better decision making related to which buying and selling platform will be better for above stated forms of market. The strategy in both of these markets has to be totally different because when the products fall in the long tail concept it involves unique characteristic and targeting specific need of consumer, which creates a small market as compared to mass products which have their sell online as well as offline. The cost of transferring the product to consumer for niche seller is minimum when they use online platform for buying and selling their products and other advantage to niche seller of online platform is that it helps in reducing their cost of production as compared to the offline market. The reason for this can be understood as offline stores provide limited scope for selling thus resulted in high cost of production but in case of online platform, the scope of selling products widen dramatically which helps in reducing their cost of production. Another advantage of online platform for the niche sellers is less inventory cost. As online platform provides a concept of infinity inventory i.e., the niche sellers don’t have to worry about the cost of inventory associated with the storage of goods. Thus, it will not only help in reducing the cost of the goods but also helps in managing their distribution up to the consumer. The better understanding of long tail concept is a boon to the niche sellers as it is having own advantages to them which they cannot find in the brick and mortar stores.

The findings of this study help in targeting the consumer according to the marketing strategy in which that particular good belong too. This helps in identifying the appropriate tool for reaching to the specific consumer in that region. The findings also have a positive influence on the consumer attitudes and behavior as in the niche sellers’ market they can find the goods for satisfying their specific needs which they cannot find in the brick and mortar shops. However, if they want to purchase some branded or popular product that can be available near at their place.

CONCLUSION

The findings can also help in measuring the potential of the market. The potential of the market means that how many consumers are there in the market to purchase that particular product. The online market provides a huge platform for the niche sellers, as they particular deals

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in those goods which are demanded by the smaller number of people therefore have less scope for sells in a brick and mortar shops. Thus, the online market generates very high potential customer base to the niche sellers which brick and mortar shops cannot able to provide. Thus, the online market helps in increasing the scope of potential market for the niche sellers.

Some of the limitation of the study includes that the research is based on the literature and much more dependent on the theoretical framework provided by the other studies. Moreover, there is a restriction related to the time because of which it may leave some important study out and consider only limited number of journals and conference proceedings.

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