


Chapter 6

Where Is Digital Retailing Evolving?

An Evaluation From the Perspective of Digital Retailing Technologies

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ABSTRACT

This study delves into the intricacies of digitalization in the retail industry and how it has evolved with the onset of the industrial revolution. It explores the dynamics of this process and proposes several frameworks for categorizing digital retailing technologies. Additionally, the study highlights the core technologies that are integral to this transformation. Moreover, it examines the shift from conventional retail practices to metaverse retailing, showcasing the distinctive attributes of this model. Lastly, the research delves into the factors that are set to shape the future of retailing and offers recommendations for further exploration in this area.

INTRODUCTION

The introduction of technology has brought about a new era of digitalization, making communication possible through telephones, computer networks, the Internet, and mobile phones. One of the most significant outcomes of this shift has been the emergence of e-commerce in the mid-1990s, which transformed essential business activities like purchasing, selling, communicating, and inventory management

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(Bourlakis et al., 2009; Grewal et al., 2004). As a result, shopping has undergone a paradigm shift, transforming the retail environment, the actors involved in retailing, and the critical issues surrounding it (Hagberg et al., 2016). Moreover, consumers have taken on a more active role in the consumption process, with the power to engage in online activities such as product selection, research, and purchasing (Labrecque et al., 2013). However, retailers have also faced these developments, including changing economic conditions, globalization, and evolving business practices (Dawson, 2000). In this competitive and ever-changing market, retailers must quickly adapt to digitalization to stay competitive and minimize losses. Responding to these challenges, traditional retailers have started adopting digital retail strategies through digital technology, enabling them to use new channels and shopper touch points (Hagberg, et al., 2016; Hokkanen et al., 2020).

In retail, physical stores let customers try products, while digital stores offer ease of use, customization (Baker et al., 1992; Bitner, 1992). Srinivasan et al., (2002), website design (Grewal et al., 2004; Wolfinbarger & Gilly, 2003; Yoo & Donthu, 2001), security (Wolfinbarger & Gilly, 2003; Yoo & Donthu, 2001), and speed (Dabholkar, 1996; Yoo & Donthu, 2001). Traditional retailing is suitable for all types of shoppers, including social ones. Electronic retailing is popular with those who seek convenience and embrace technology (Bourlakis et al., 2009). However, this situation has changed with the pandemic process (OECD, 2020). While research shows that 46% of consumers shopped online for the first time during the pandemic period and 71% will continue to shop due to the uncertain course of the epidemic (Retail customer experience, 2020), they predict that sales will reach 6.5 trillion (Blake, 2020; Kazancoglu and Demir, 2021).

Undoubtedly, the compulsory and troublesome pandemic process has catalyzed the digitalization process. Especially during this period, the problems faced by retailers who had to slow down or even stop their sales in stores and even their production processes due to the virus ranged from focusing on the management of fixed assets to concerns about planning regarding traditional logistics and store locations to the management of information technologies, the creation of information infrastructure and the storage of consumer data and its practical use. It has given way to concerns about its proper use and management (Pantano et al., 2020). Traditional retailers compete to offer their services in the right store design, store location, and ideal location while dealing with issues related to stock, communication, and interaction with consumers and the problems arising from these processes (Nanda et al., 2021). On the other hand, electronic retailers focus on security and privacy issues, which are one of the most important handicaps of developing communication technologies, on the realization of timely delivery, and most importantly, on accelerating the focus on the adaptation process by catching the latest technological trends and constantly developing new ideas (OECD, 2020; Shankar et al., 2021). To succeed in today's

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