

Eleonora Pantano • Charles Dennis

Smart Retailing

Technologies and Strategies

palgrave
macmillan

Foreword

Retailing has continued to change ever since the earliest times in the late nineteenth century of open stalls showing off their wares to sell. Technological advances have run in parallel with store development and ultimately with the advent of the internet, digital marketing and smart retailing. This book is an excellent contribution to contemporary thinking and strategies for smart retailing that brings together detailed theoretical discussion overlaid with practice in a highly changing and dynamic environment. The review of retailing as an innovative sector, the in-store and online presence and experience, and challenges that are addressed by the smart retailing approach make compelling reading. The inclusion of luxury retailing as a smart subsector is an important contribution to the retail environment. The smart store is a here-and-now moment that provides readers, academics and practitioners alike a detailed insight into modern retailing. The subject of future changes and trends is an interesting vision of future smart retailing that makes the book compelling reading.

Chair in Retail Management/Marketing,
University of Gloucestershire,
Editor-in-Chief, International Journal of
Retail & Distribution Management
Cheltenham, UK

Neil Towers

Preface

Retail is a vital sector of marketing that is being increasingly discussed and debated—the final link in distribution channel. And retail has been around for a long time—as we discovered when we investigated the origin of points of sale dating back to about 2500 years, the first known example of a fixed store in European history (Pantano and Dennis 2017). Even 2500 years ago, people went to a specific place surrounded by walls and characterized by opening times to buy their stuff. Thus, it seems that retailing has been with us for a very long time.

Obviously, retailing has considerably evolved since that time: new kinds of stores and layouts, changed formats; modern retail has been further impacted by the availability of a massive amount of different technologies to help consumers in any stage of purchase behavior and to help retailers to manage the process more effectively. Indeed, Internet, interactive technologies, mobile, and virtual and augmented reality can all modify the way we shop and the way retailers sell products. For instance, we can order the food for dinner from the mobile/computer and collect at our earliest convenience, or virtually try sunglasses before ordering. Some online retailers are even testing new methods of home delivery, while others allow you to personalize your item in few simple steps and collect in store; we can receive personalized offers from our favorite retailers on our birthday (special discount or even a free product!).

A large number of technological innovations are patented every day that retailers can exploit to improve consumers' experience!

To understand how to manage this new complexity, retailers need new professionals and talents with expertise in both retail management and technology. Therefore, there is a new challenge in the current competitive scenario: how and to what extent can retailers make the best of these technological advancements?

The answers are difficult to find but exciting, pushing retailers to be innovators—fast movers in the competitive sector, offering something better than competitors. With this in mind, we have written this book to provide support to retailers who want to compete (successfully), and to students and academic staff, by offering a new smart retailing approach, emerging from knowledge gained through years of research in retail, innovation, and technology management. As passionate and experienced researchers in retailing, we have tried to provide a collection of the most relevant scientific results, from 2014 when the concept of smart retailing appeared for the first time in a scientific publication, to the most recent progress with extensions to the concept of the smart store and future directions.

We hope that this book will serve as an inspirational guide to all those who want to explore new technologies for making retail smart: students, academic staff, and researchers, as well as practitioners who can put the best research into practice.

Retailing is now more complex than ever before, and new technologies are not threats but opportunities, as this book demonstrates. We hope that you will enjoy reading this book as much as we enjoyed writing it!

Bristol, UK
London, UK

Eleonora Pantano
Charles Dennis

Reference

Pantano, E., & Dennis, C. (2017). Exploring the origin of retail stores in Europe: Evidence from Southern Italy from the 6th century BCE to the 3rd century CE. *Journal of Retailing and Consumer Services*, 12(4), 355–373.

Acknowledgment

The success of a book always emerges from both authors' efforts and the work of others who spent time and energy in providing constructive suggestions and guidelines. First, we thank Lucy Kidwell from Palgrave Macmillan for her enthusiasm toward the book since the very first moment—this book would never be published without her constant support. We also thank Dr. Gabriele Pizzi from University of Bologna (Italy) for his precious suggestions and Matteo Napolitan for his continuous encouragement. We hope that the book meets or exceeds your expectations!

Contents

| | | |
|----------|--|----|
| 1 | Introduction | 1 |
| 1.1 | Book Aim | 1 |
| 1.2 | Today and Tomorrow | 2 |
| 1.3 | Benefits and Consequences of New Technologies in Retailing | 4 |
| 1.3.1 | Consumer Perspective | 4 |
| 1.3.2 | Retailer Perspective | 5 |
| | References | 6 |
| 2 | Technological Background | 9 |
| 2.1 | In-Store Technology | 9 |
| 2.2 | Outside Technology | 11 |
| 2.3 | Pervasive Technology | 13 |
| 2.4 | Omnichannel Retailing | 17 |
| | References | 18 |
| 3 | Retail As an Innovative Sector | 23 |
| 3.1 | Innovation Around the Corner | 23 |
| 3.2 | Knowledge Push Curve | 27 |
| 3.3 | Innovation Introduction Process in Retailing | 31 |
| | References | 35 |

| | | |
|----------|--|----|
| 4 | A Smart Retailing Model | 37 |
| 4.1 | From Smart City to Smart Retailing | 38 |
| 4.2 | Smart Retailing Building Blocks | 39 |
| 4.2.1 | Organizational Processes | 40 |
| 4.2.2 | Selling Activities | 41 |
| 4.2.3 | Smart Retail Model | 43 |
| 4.3 | Benefits and Challenges of Smart Retail Approach | 45 |
| 4.4 | Smart Retail Strategy | 50 |
| | References | 51 |
| 5 | Luxury Retailing As a Smart (Sub)Sector | 53 |
| 5.1 | Luxury Retailing | 53 |
| 5.2 | Luxury Retailers Approaching Smart Retailing | 56 |
| 5.3 | Smart Retailing Results for Luxury Retailers | 58 |
| | References | 61 |
| 6 | Toward a Smart Store | 65 |
| 6.1 | Smart Store As Part of Smart Retailing | 66 |
| 6.2 | Smart Places | 66 |
| 6.3 | Smart Store Building Blocks | 69 |
| 6.4 | Smart Store Benefits and Challenges | 72 |
| 6.4.1 | Enhancement and Entertaining Environment | 72 |
| 6.4.2 | Interaction and Consumers' Mobility Within the Store | 72 |
| 6.4.3 | Positive Consumer Behavioral Response | 73 |
| | References | 74 |
| 7 | Toward the Future | 79 |
| 7.1 | Pillars of Change | 80 |
| 7.2 | Marketing Intelligence | 80 |
| 7.3 | Customer Assistance | 82 |
| 7.4 | In-Store Social Interactions | 84 |
| | References | 85 |

| | | |
|----------|--|-----|
| 8 | The Case of Tommy Hilfiger | 91 |
| 8.1 | History of the Brand | 91 |
| 8.1.1 | Retail Stores | 92 |
| 8.2 | Digital Innovation | 93 |
| 8.3 | Tommy's Smart Retailing Approach | 95 |
| | References | 97 |
| | | |
| 9 | Conclusion | 99 |
| 9.1 | What Smart Retailing Means | 99 |
| 9.2 | Why Smart Retailing Matters | 101 |
| 9.3 | How to Put Smart Retailing into Practice | 103 |
| | References | 105 |
| | | |
| | Index | 107 |