

Retail in the Digital City

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ABSTRACT

Conventional high street retailers face a multitude of challenges if they are to survive and thrive. Some of these difficulties arise from structural and economic issues; others may be sociological and demographic. However, to thrive, retailers must be perceived as being competitive, and must adopt innovative and invigorating strategies to maximise the potential of their situations while offsetting the limitations. In this paper, it is proposed that a judicious combination of low-cost Information and Communication Technologies (ICTs) could enable small retailers to harness the benefits of the information society and provide services congruent with the digital city concept. As an illustration of the issues involved, pertinent results from a systematic end-user evaluation of EasiShop are discussed.

Keywords: Digital Cities, M-Commerce, Mobile Computing, Pervasive Retail, Retail

INTRODUCTION

For many years, independent retailers have been the mainstay of commercial activities in cities, towns and villages. Yet today, their existence is under threat. Though no two situations are exactly alike in the challenges they have to overcome, certain commonalities exist, and these have emerged for the most part within the last thirty years. In the former instance, the growth of out-of-town shopping and of corporate retailers has radically altered the traditional shopping experience (Griffiths et al., 2008). Likewise, increased car ownership, changes in lifestyles and the arrival of internet-based e-commerce have altered consumer behaviour. In practice, this means consumers can and are

willing to travel further to shop. Deregulated shopping hours means that they can shop when it is convenient, resulting in a slack trade in the early days of the week, and a dramatic increase in retail activity at the weekends (Baker & Wood, 2010). For independent retailers, these developments pose significant difficulties, and many are fighting a rearguard action to stay in business. However, while there has been an undoubted decline, there is no reason to assume that this is inevitable or indeed universal (Ben-nison et al., 2010).

It is instructive to remind ourselves of the role independent retailers play in society, and what the implications of their demise might be. Clarke and Banga (2010) explored the social and economic role of small shops in the UK, an area with a strong tradition of independent retailing. From a social perspective, the following observations were made:

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- Small stores are a hub for communities: As well as being a commercial concern, stores are frequently a place for social interaction due to their proximity to local residents.
- Small stores are vital for the disadvantaged and socially excluded: Small stores, particularly grocery stores, help address the needs of disadvantaged groups including the elderly, the socially excluded and those with limited mobility. While it may be conjectured that the internet offers a solution for some members of those groups, it is interesting to note that, in the case of low-income Americans at least, such people are less likely to trust e-commerce environments, and thus not use them (Corrigan, 2008).
- Small stores enhance consumer choice and access: While choice and access has improved for car owners, other groups have not been so fortunate. Thus a variety of local stores increases choice and access at a local level.
- Small stores create consumer value: Though small stores cannot hope to compete directly with the many national and international companies, nevertheless, they can provide a service and product range more tailored to the needs of the local population.

Thus a thriving small retail sector may be perceived as fundamental to maintaining a healthy social fabric, as well as fostering a degree of innovation and enterprise (Paddison & Calderwood, 2007; Smith & Sparks, 2000). Yet small independent retailers face many challenges, including meeting the continuously changing expectations of local consumers (Lee et al., 2008).

Challenges for Independent Retailers

Ultimately, the key challenge for small scale independent retailers is to identify strategies for obtaining new business while all the time maintaining their existing customer bases. In the UK,

many independent retailers have failed in this task for a variety of reasons, resulting in some high streets being dominated by popular chain stores, and characterised by an extraordinary level of uniformity and poor consumer choice. The term Clone Towns has been used to describe areas where this has occurred (Conisbee et al., 2004). Indeed, it has been forecast that some kinds of retailers including groceries and newsagents amongst others may not survive beyond 2015 (APPSSG, 2005). To compete, retailers must build competitive advantages based on their close relationship with their customers, and develop a capacity to adapt quickly and flexibly in response to changing circumstances (Megicks & Warnaby, 2008). Furthermore, it is important that retailers are conscious at all times of what motivates shoppers. Such motivations include (Wagner, 2007):

- Shopping pleasure;
- Frictionless shopping;
- Value seeking;
- Quality seeking.

Shopping may be perceived as a multi-dimensional construct. The term hedonic shopping is occasionally used to encapsulate additional concepts including window shopping, social interaction, aesthetic architecture and so on (Clulow & Reimers, 2009). Some discerning retailers will of course be acutely aware of this, and may have factored such issues into their retail strategy in so far as their situations allow. Nevertheless, retailers should not be immune to developments in Information and Communication Technologies (ICTS), including mobile technologies, in their various facets. However, the opportunities that mobile and other pervasive technologies offer have not been harnessed for reasons that may be speculated on. In parallel, developments on so called Digital Cities continue unabated.

Digital cities (Calabrese et al., 2008; Van den Besselaar & Koizumi, 2005) represent a fusing of the physical and virtual cityscapes into a single seamless information space. The digital or smart city seeks to integrate the vari-

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