

RETAIL  
REFLECTION

NEW  
TECHNOLOGIES,  
BUSINESS  
MODELS AND  
CUSTOMER  
EXPERIENCE –  
THE OXFORD  
RETAIL  
FUTURES  
CONFERENCE  
2012



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The Oxford Institute of Retail Management (OxIRM) is currently working on a research project that focuses on innovation and emerging information technologies in retailing. Sponsored by Intel, the project reflects the need to analyse and discuss the future of traditional ‘bricks and mortar’ retail stores, which are threatened by the growing success of online retailers. The latter’s sales are increasing, with online sales and communication channels replacing traditional retail and services. Many store-based businesses are struggling

to compete with the online environment; their potential failure has wide implications, both for the retail diversity of town and city centres and for employment prospects in local job markets. Changes in the retail environment are particularly visible in the UK, where traditional high street retailers such as HMV and Woolworths have been unable to compete with online rivals. Despite the changing character of retail, it seems unlikely we are witnessing the death of the traditional store.

However, the current period of transition calls for solutions that cross existing boundaries between the online and in-store experience, such as the adaptation of new digital technologies to more traditional ‘bricks and mortar’ shopping environments. This was the theme of the Oxford Retail Futures Conference, a new event organised by OxIRM held at the University of Oxford in December. The conference was primarily for academics, with researchers from Canada, Cyprus, France, Germany, India, Italy, Malaysia,



Norway, Poland, Spain and the UK presenting their findings on the impact emerging in-store technologies are having on retail, both in developed and developing nations.

MONDAY 10TH DECEMBER

The conference began with an informal dinner held at Green Templeton College. The unique role of Colleges within the University of Oxford was explained to participants. There are thirty-eight independent, self-governing colleges at Oxford. Each college has its own Governing Body, comprising the Head of House, known as the Principal in Green Templeton, and a number of Fellows, most of whom also hold University posts. The collegiate system enables academics and students from different subjects and year groups, cultures and countries to come together to share ideas in a smaller, interdisciplinary community, in contrast to their membership of the Business School. During dinner the participants had the opportunity to meet and discuss topics for the following day.

TUESDAY 11TH DECEMBER

The second day was designed to be highly interactive, with moderated panel discussions facilitating the exchange of ideas. Accepted papers were grouped into major themes, each the subject of a panel discussion. The three themes were:

- multichannel and in-store
- mobile technologies in-store
- customer and supplier relationships

Following introductory remarks by Richard Cuthbertson and Wojciech Piotrowicz, Jonathan Reynolds began with an account of the technological innovations and discoveries impacting the retail environment in the 19th and 20th Centuries. This was an excellent opportunity to remind the audience that technological change and process development are not new phenomena, and that retailers have had to respond before, adjusting their business models accordingly.

The first panel, **multichannel and in-store**, discussed the links between various retail sales channels. Presentations covered topics such as cross-channel strategy, key drivers and technology-related issues in

Conference speakers and their research topics

Panel One: Multichannel and In-store
<i>Channel Switching Behaviour and Customer Satisfaction in Multichannel Companies</i> Peder Inge Furseth, BI Norwegian Business School, Norway
<i>Understanding the Key Drivers of and Technology-related Issues Associated with Going Multichannel: Preliminary Findings from an Exploratory Study in the UK Retail Sector</i> Julie Lewis, Carley Foster and Paul Whysall, Nottingham Trent University, UK
<i>Perceived Risk Dimensions and Perceived Barriers in Acceptance of Online Shopping</i> Parikshit Pachorkar, Manjusha Nalavade and Mahwish Khatib Kalyani Ravindra Sapkal, College of Management Studies, India
<i>The Emergence of Relationship-based Retailing – A Perspective from the Fashion Sector</i> Luciano Batista, University of East Anglia and Irene Ng, University of Warwick, UK
<i>Cross-channel Strategy and Retail Business Model Changes: A Case Study on China's Suning Appliance Company</i> Lanlan Cao, Rouen Business School, France

Panel Two: Mobile Technologies In-store
<i>The Use of Mobile Phones by Customers in Retail Stores: A Case of Poland</i> Maja Kiba-Janiak, Wrocław University of Economics, Poland
<i>Mobile Digital Engagement: Creating an Immersive Online Shopping Experience for M-Commerce</i> Patsy Perry, Stefano Padilla, Heriot-Watt University, UK
<i>Mobile Device Behaviours and Shopping Activity: A Case Study of Young Canadians</i> Tony Hernandez, Ryerson University, Canada
<i>Engineering the Value Network of the Future Retail Customer Interface and Marketing</i> Yvonne Hufenbach and Key Pousttchi, Wi-mobile Research Group, University of Augsburg, Germany

Panel Three: Customer and Supplier Relationships
<i>Business Process Modelling for E-Business Development in Small to Medium-sized Enterprises (SMEs)</i> George Papageorgiou and Christos Dimopoulos, European University Cyprus, EUC Research Center, Cyprus
<i>Sharing of Resources within Organisation of Joint Transport Processes in ECR Poland</i> Marcin Hajdul, Institute of Logistics and Warehousing, Poland
<i>The Use of Technology to Enhance the Customer Experience in Fashion Retailing</i> Marta Blazquez, Complutense University, Spain
<i>Retail Shopper Marketing between Individual Customer Information and Digital Channels: The Case of the Promotional Flyer</i> Cristina Ziliani, University of Parma, Italy
<i>Blogs as E-Commerce Sites: Will they Sustain the Online Retail?</i> Erne Kassim, Sri Fatiany Abdul Kadir Jailani and Abdul Kadir Othman, Universiti Teknologi MARA, Malaysia
<i>Multichannel Strategy and Service Innovation: The Importance of Seamless Integration of a Company's Distribution Channels</i> Peder Inge Furseth, BI Norwegian Business School, Norway

Source: ORFC, 10–11 December 2012, Saïd Business School, University of Oxford







multichannel retailing, barriers and risk perceptions among online customers, channel switching behaviour, and customer satisfaction. The consensus was that the online and traditional channels currently may be competing with each other (sometimes within the same company), but are likely to merge in the future, with the physical store potentially serving as a 'hub' where additional services such as post-sales customer support are offered. Various scenarios for future development were discussed, together with the success of 'click and collect' and the continuing expansion of home delivery.

The second panel, **emerging mobile technologies in-store**, included presentations on mobile device behaviour and shopping activity among young Canadians, as well as on the use of mobile devices in-store by Polish customers.



## Main themes and findings from recent studies on innovation and emerging information technologies in retail

Impact of New Technologies
Channels are (or are going to be) merged, requiring an integrated customer experience
Customers and staff expect technologies to interact (not just be an isolated screen in a dark corner): interactive screens, POS, augmented reality, 'magic mirrors', staff tablets, customer smart phones, all working together
Store layout currently is optimised based on product and not experience – as a result there is a lack of physical space for new technological solutions. Redesign of the layout is required.
Barriers to using new technology often derive from store staff, who may be temporary and/or not technically minded
Mobile solutions play an increasingly important role in-store, and so must be considered in new technology developments
Technology can be used as a tool to allow high customisation (customer targeting, later 3D printing), and this is generally accepted by customers when helpful and open, but not accepted when pushy or misleading
Customers accept and increasingly expect links to social portals (customer profile, opinions, preferences) outside the retailer's or product brand's management control

Implications for Business Models
Successful strategies are relevant to and aligned with the customer, retailer and product manufacturer
There is a need to integrate channels (not just merge activities) and avoid competition between channels within one company
The tension between personalisation and knowledge ownership (who knows what?) must be resolved
The whole value chain must be considered, including reverse flows – need to look at the end-to-end process.
Need to create new set of business measures, to link strategy, technology and operations

Implications for Customer Experience
Seamless, consistent and integrated customer experience across all channels
The higher expectations of multichannel customers are rewarded with higher sales and profits
One-to-one relationships are important as they also impact the wider social network associated with them. Customers create and maintain community links (online and by mobile) even in the store
Technology can motivate customers to go to the physical store
Different motivations across different customer groups (hedonic/utilitarian shopping) must be catered for
Privacy issues are becoming increasingly important (who knows what about me?)
A major issue involves who is creating and managing the customer experience (the technology provider or the retailer)?
'Digital natives' are a new generation of shoppers who have a high level of trust in technology
The smart phone is a new tool to integrate the customer experience across channels

Source: ORFC, 10-11 December 2012, Saïd Business School, University of Oxford

Another paper highlighted some of the consequences of pervasive customer data ownership by market-dominating companies. This was followed by an investigation into how mobile devices may be used in the near future to enhance customer experience through immersive technologies. It was felt that this is a rapidly developing area, with both shoppers and retailers still exploring developments within it.

The final panel theme was on **customer and supplier relationships**, with topics such as retail supply chain design, business process modelling, multichannel strategy, and the role of blogs and promotional flyers discussed. The need to better integrate and complement supply chains for both physical and online channels is a major challenge for retail businesses. Increasingly this requires new relationships to be developed, for example Spar's introduction of Amazon collection lockers in-store, in order to provide opportunities for customers to shop and collect products at their convenience.

The research findings and panel discussions were summarised at the end of the day by Wojciech Piotrowicz, who noted that the complexity of modern technological change and its impact on retailing is often underestimated, going beyond retail stores or even sales channels; the entire value chain is affected, including supplier and distribution systems. The impact is felt across the globe, with access to information technologies no longer restricted to developed nations. The table below summarises the key points to emerge.

This was the first event organised by OxIRM focused solely on retail technology. It brought together researchers studying in-store technologies from a variety of disciplinary perspectives, and created a platform for the exchange of ideas regarding how these technologies may impact future store development. For more information about conference topics, or for any other queries relating to the underlying research project, please contact Wojciech Piotrowicz at Saïd Business School: Wojciech.Piotrowicz@sbs.ox.ac.uk. ■

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