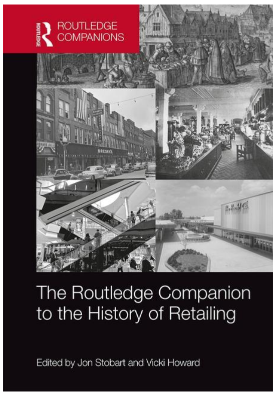

The Routledge Companion to the History of Retailing

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The future of retailing

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THE FUTURE OF RETAILING*

From physical to digital

Fiona Ellis-Chadwick

Introduction

In 1995, few retailers considered the Internet sufficiently important to the future of their businesses to even register a domain name. Between 2000 and 2005, some traditional high street retail businesses were encouraged to experiment with the Internet as a retail channel to market (Doherty & Ellis-Chadwick, 2010). In contrast, by the end of this 5-year period, Amazon, the US online retailer, had not only established that it could operate its business on a large scale, delivering books across the US and entering European markets with country specific domains (e.g. www.amazon.co.uk), but had also developed an innovative and tax efficient business model that provided a solid foundation for future growth. Meanwhile, the rate of adoption by traditional physical high street retailers continued slowly, with few offering consumers the opportunity to spend online. This lack of progress left the door wide open for online retailers to hone their skills, build extensive online trading platforms and find ways to entice new customers to spend online. History may prove this period of experimentation to be pivotal to the future development of our towns and cities because what happened in the next few years changed how we shop, when we buy and importantly who we buy from. Early predictions of the Internet closing the High Street may yet become a reality as more trade moves online and the number of physical retail outlets continues to decline. More optimistically, the resilience of many retail businesses and the desire of humans to congregate and share their experiences in physical places may prevail and lead to a post-digital era of retailing that benefits from the advantages of the integration of digital and physical.

This chapter takes us on a journey through the development of online retailing from the first commercial sales via the Internet, through the growth of online shopping from consumer and retailers perspectives, to the future implications for high streets in towns and cities around the world.

Building a road to the future: the information superhighway

The Internet emerged from the interweaving of computer and telecommunication technologies and in less than four decades has been transformed from an obscure piece of technology of interest to defence scientists and a few academics into a communications and trading network used by businesses and consumers around the globe. However, it is important to note that the Internet was not designed for commerce. Its military origins demanded that it be robust enough to withstand nuclear attack, which meant that it had to be able to operate without central authority, meaning that computers can be added and removed without disrupting the network's performance. Its key strengths were derived from being able to facilitate global communication (using a multiplicity of interactive communication formats: text, graphic, verbal and audio) and access to a global reservoir of information.

These qualities attracted the attention of computer users around the world. The digital medium added new dimensions to the concept of communication (Palmer, 1995) allowing users to interact on a one-to-one (electronic mail), one-to-many (company Websites) or many-to-many (Internet Relay Chat) basis. The facilities offered meant there were calls for the Internet to become more commercial and not just serve academic and research institutes (Coursey, 1992). With the benefit of hindsight, it is important to reflect on the impact of these fundamental qualities of Internet technology and emergent business models and to consider the extent to which these benefits, once unleashed in the commercial arena, have enabled the creation of a global trading environment that is difficult to govern and control.

In 1989, the Internet was commercially liberated (Zakon, 1994) and trading online took on a new dimension, encouraging many newcomers to get connected, especially business users eager to exploit this new communication medium. In 1991, Berners-Lee et al. (1994) and his colleagues at CERN (European Particle Physics Laboratory) developed the World Wide Web (WWW) based on hypertext to simplify and extend access to networked computing around the globe (Nelson, 1991). The WWW was predicted to become the predominant method of accessing the Internet (Krol, 1994) and part of its success is attributed to the graphical browsers that gave WWW users easier access to audio, graphic, video and text documents on computers around the world. For retailing, the graphical user interface of the World Wide Web made it easier for everyone with a computer to get online. Whilst there were still technical requirements involved, once connected users could search for content, join online service provider platforms and begin to engage with a whole new range of online activities.

CompuServe, was the first major commercial online service provider in the USA, pre-dating the WWW; it offered a gateway to get online and provided chat, forums gaming, and other consumer facing services (Wikipedia, 2018). In the UK, CompuServe led the way for major retail brands to get online, including W.H. Smiths (selling books and CDs), Tesco (flowers and wine), Virgin (music videos and computer games). Great Universal Stores started selling sportswear ranges and had a great advantage over other retailers as they had a sophisticated and well-established delivery network through its catalogue home shopping business (Cope, 1995).

In 1993, Bob McCool and Marc Andreessen, wrote the client application Mosaic (the first Web browser), which made the WWW accessible to a range of new users by removing the need for the technical expertise previously required (McGarty & Haywood, 1995; Verity, 1995). The capabilities of Web browsers improved and Mosaic was superseded by the new Netscape browser, which was distributed at no charge to Internet users around the globe at a time when it was relatively unknown for a company to give away its main product. However, whilst Mosaic, Netscape and others have long since been superseded by Google Chrome, the radical new business model of giving product freely arguably paved the way for emerging digital brands to exploit the future potential of digital markets.

The web, web browsers and search engines (all made freely available to anyone with a dial up Internet connection) were fundamental to the growth of online retailing and shopping. By 1995, the information superhighway was starting to attract global attention from businesses and shoppers alike and, as demand grew and the numbers of Internet users expanded exponentially year-on-year (Ovum Reports, 1996), so too did the number of commercial websites offering a range of information-based and interactive services (Pyle, 1996).

More serious attempts to trade online began to emerge towards the end of the 1990s when innovative, technically savvy companies responded to the opportunities and challenges posed by the Internet to develop sophisticated websites to serve customers in their homes. Many multiple retailers developed their own independent websites, selling goods ranging from books and computers to the full range of groceries. Often these sites were grouped together to form electronic malls. Barclay Square was a UK example, which made the claim to be 'a prime site for large multiples, medium sized retail chains and smaller independents and specialist shops, in fact anyone who wants an upmarket and rapidly growing retail location' (Barclay, 1995). These electronic malls attempted to follow the format of physical malls by grouping together an assortment of retailers in one virtual location. This strategy was not particularly successful as real-world advantages to the consumer of single destination shopping were lost in the virtual world (Classe, 1996). Other specialty malls that grouped suppliers offering goods from a single product class began to emerge, but they too failed to achieve significant success, as this time it was the retailers that derived little advantage from making it easy to allow consumers to comparison shop. So, the most successful websites seemed to be those developed by individual retailers. Blackwell's Bookshops was the first UK retailer to announce profitable online trading with their global online bookshop, but this type of evidence was limited and online retail business performance was generally disappointing (Economist, 1997; Poon & Swatman, 1999).

Going into the new millennium, new entrants to the online market place were capturing global attention. Amazon.com, trading exclusively via the Internet with operational support from a large warehouse in Seattle, offered customers continuous access to a wide assortment of books and associated products, and speculation increased about the Internet's ability to rapidly promote such businesses to a position of dominance in global retail markets by using a virtual retail space free from restrictions of time and space (Jones & Biasiotto, 1999).

Retailers in the UK perhaps felt less inclined to be concerned about these new entrants as the cost of access for the average UK consumer adopting the Internet was higher than in the US. However, about this time, British Telecom introduced new pricing tariffs offering discounts to customers based on total expenditure across a range of services. This change altered the charging structure for operators using lo-call numbers, such as 0345. According to the telecommunications regulatory body OFTEL this change gave service providers the opportunity to develop longer-term relationships with their customers through the offer of the new tariff low-cost calls (OFTEL, 1998). Dixons plc seized on this opportunity and began offering free Internet access to their customers and Dixons Freeserve soon claimed to be the UK's largest Internet service provider with over 1.5 million users (Nuttall, 1999). Many other organisations launched similar offers (e.g. Tesco, Barclays Bank, British Telecom, Games Workshop), providing users with free email addresses, Web space and a bundle of other free offers. In this way many retailers diluted their efforts by offering Internet services rather than concentrating on building their capacity to sell online. Many retailers appeared to be attempting to derive competitive advantage by creating Web portals whereby the main aim, according to Watson (1998, p. 14) was to 'get the suckers under the tent and keep them there'. This perhaps suggests that retailers were attempting to emulate off-line business models and more traditional strategic thinking to guide their online activities, developing websites that attempted to keep customers inside their websites in much the same way as they are encouraged to remain within a physical retail store. This inward-looking approach gave free reign to online retailers that enjoyed trading in an environment with very limited competition.

The increased level of activity online grabbed the interest of academics who started to explore the likely impacts that this exciting, new digital technology would have on retailing in the future. For example, Burke (1997) questioned the extent to which the virtual world would change the principles of retailing and asked whether it would ultimately displace existing retail formats or serve as a natural complement to current marketing practices. Similarly, Malone et al. (1987) raised the possibility that manufacturers would target their consumers directly and, in so doing, simply cut the retailer, as the "middle man", out of the equation. It was argued that this form of 'Pirating the Value Chain' (Ghosh, 1998, p. 126) might change the balance of power within electronic channels of retail sectors. Other commentators went beyond raising questions about the Internet's likely impact on retailing to make fairly specific predictions. Many commentators were extremely optimistic about how quickly and enthusiastically the consumer would adopt this new channel. Pavitt (1997) believed that 'by the year 2005 it [the Internet] would capture between 8% and 30% of the UK retail market', whilst, over a similar time frame, 'high street stores face an estimated loss of 20% of their business to electronic shopping' (Angelides, 1997).

The reality was very different. Fast forward 10 years to the mid-2010s and it is possible to assess the extent to which the early predictions have proved to be credible. Although the rate of Internet adoption amongst retailers might not have been as rapid as originally envisaged, as Pentina et al. (2009) note, the key question for both marketing scholars and practitioners is no longer whether but when an incumbent retailer should adopt an online channel. The fact that, with the benefit of hindsight, many of the original predictions have proven to be rather optimistic, has not quenched the enthusiasm of Internet watchers for trying to predict the future trajectory of online shopping. Estimates by the IMRG (Interactive Media Retail Group) indicate that in 2005 online sales were about £12 billion and the equivalent total retail sales £245 billion (Figure 5.1), giving online sales figure of just under 5%; by 2020 they predict that online sales will account for approaching 45% of all retail sales.

By 2005, the information superhighway was firmly established as a new route to market. Online retailers were freely growing their capacity to serve an ever-expanding online market place whilst long-established high street brands were on the one hand experimenting with how they could entice shoppers to use their online services and on the other sitting on their hands and watching the growth of a phenomenon that projections suggested would put them out of business by 2020.

Consumers learn to navigate and shop the web

While retailers were wrestling with how to get online, deciding which services to offer and working out how to get their goods the last mile to the customer, consumers were getting an education that would empower them as future online shoppers. From the academic perspective, there has been a disproportionate amount of the research into the uptake and adoption of retail websites from the customer perspective. This very significant body of research has sought to understand better the behaviour of potential consumers and in particular the likelihood that they will purchase from retail websites. The bulk of these studies have applied variants of models such as the Theory of Reasoned Action (TRA), the Theory of Planned Behaviour (TPB) or the Technology Acceptance Model (TAM) to provide insights into the factors that influence a consumer's intention to shop online (Celik & Yilmaz, 2011; Crespo & del Bosque, 2010; Dennis et al., 2009; Lin, 2008). A wealth of related, customer-oriented studies has now also been conducted that explore the factors that affect a variety of dependent variables other than intention to shop online. For example, such studies have evaluated how a range of independent variables – such as website design, convenience, usability, reliability and security and service quality – impact

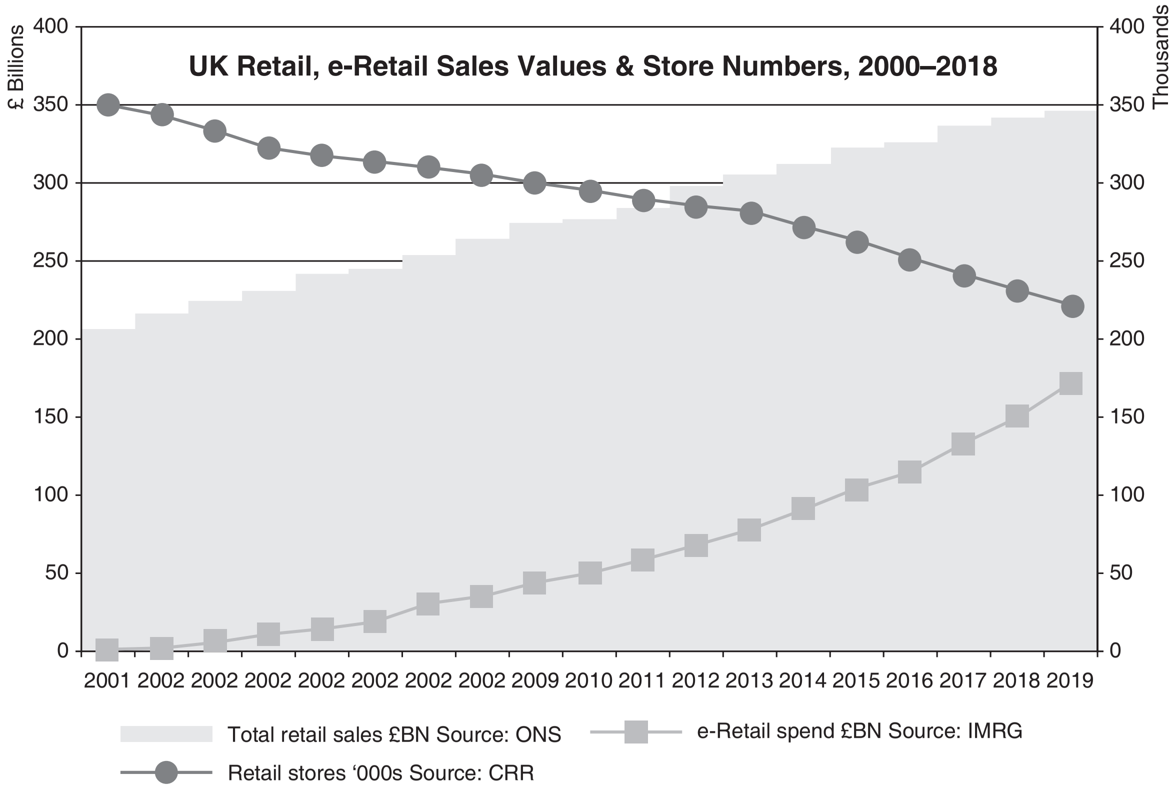

Figure 5.1 Retail profitability: UK retail and e-retail sales values and store numbers, 2000–2018

on an variety of dependent variables, such as customer loyalty, customer retention and overall customer satisfaction (Christodoulides & Michaelidou, 2010; Goode & Harris 2007; Kassim & Asiah Abdullah, 2010; Zhang et al., 2011). From the customer perspective, researchers have also focused on identifying those risk factors that are most likely to deter consumers from shopping online, highlighting issues such as risk of information misuse, distrust of payment systems, need to see product prior to purchase, and risk of failure to gain product benefits (Glover & Benbasat, 2010; Iglesias-Pradas et al., 2013).

Despite the potential barriers, consumer demand for online shopping has been a key factor in driving widespread adoption of the Internet by retailers. Partly due to online retailing offering an experience that is totally different from fixed location retailing (Westland & Au, 1997) shoppers can buy where and when they like because online stores are always open. In the early days, learning how to find the best bargains was part of the set of skills needed to become a competent online shopper. Price and comparison shopping across a number of sites made it easier and more convenient to locate the best deals. Indeed, early experience in the US has shown that more and more consumers used the web for research in the early stages of the buying decision-making process. Rather than buying direct on the web, many subsequently purchased the product in store or by ordering via telephone or fax (Ernst & Young, 1999). Developing this skill set has continued to empower consumers and now the majority of pre-purchase information searching is done online. Typically, 80% of online shoppers will *google* (i.e. use a search engine) to find the products they want to buy, then over half will then read online reviews (product and levels of service) before making their buying decision.

Specific events in the digital shopping calendar leverage advantage by understanding the online shopper's desire to find a bargain. Black Friday, introduced to the UK by Amazon in 2010, grabbed the attention of online shoppers and since then has grown into an event which kick-starts the online Christmas shopping bonanza. This promotional event – the origins of which are attributed to the Philadelphia Police Department in the 1950s, which gave this name to the day after Thanksgiving due to the mayhem that happened as shoppers flocked to the high street sales – is closely followed by another online event: Cyber Monday. These two online promotional events challenge the volume of sales in the physical high street and have begun to affect performance in the highly valuable fourth quarter of the year, which many retailers rely on to secure their positive returns for the whole of the trading year.

During the last two decades, as consumers have been learning how to shop online, their skills have become more sophisticated and as a result their decision-making more complex. This changing consumer behaviour has not gone unnoticed by savvy online retailers, which are becoming increasingly creative with how they use digital media as a continuous communication channel, tapping into every potential purchasing opportunity. In the UK, Germany, the Netherlands, the US and many other countries, a high proportion of customers use multiple channels when making purchase decisions, quite often combining online research with physical store visits (Hart et al., 2017). Research found that, on a typical visit to a town centre, consumers can refer to multiple digital touchpoints before and during their shopping journeys (Hart et al., 2017; Stocchi et al., 2016). Many shoppers are able to encounter multiple digital touchpoints on their journey to making a purchase decision; their path to purchase can mean that they not only encounter all of the traditional (pre-Internet) purchasing cues and search online, but are also able to assimilate a range of new digitally enhanced cues during their shopping journeys (Fulgoni, 2014).

Before we leave the consumers and their learning journey it is important to recognise that not all consumers are the same. We can group variables into two distinct sub-categories: classification variables and character variables. Classification variables are those personal attributes that tend to remain static throughout an individual's lifetime or evolve slowly over time – e.g., age, education, socio-economic groupings. These variables are particularly useful for retailers as they can help to identify particular consumers and target groups. Character variables are less straightforward to understand and identify for marketing purposes as they comprise any attributes of a consumer's perceptions, beliefs and attitudes, which might influence online behaviour – e.g. innovativeness, enjoyment, skills and experience and emotions. Character variables are also more likely to develop, change and be significantly modified over time by online shopping experiences. For example, if a consumer has negative beliefs about, say, privacy and security of online transactions, perhaps due to lack of computer skills, these beliefs are likely to shape negative attitudes towards the Internet and reduce the intention to shop online. Conversely, if a consumer believes the Internet is easy to use, they are more likely to have a positive attitude towards the idea of online shopping and ultimately have an increased intention to shop online. Each stance may be continually reinforced by positive or negative feedback from online shopping experiences (Doherty & Ellis-Chadwick, 2010).

Ultimately, those retail businesses that have ignored or failed to understand how consumers make use of digital channels are at best playing catch up or at worst have gone out of business (Doherty & Ellis-Chadwick, 2009). A very good example of how developing an understanding of consumer needs and wants can boost online performance comes from ASOS. ASOS identified the value of social media and used it to create competitive advantage by pioneering online social shopping, where customers use online social network sites to share product ideas before they buy. ASOS used social media to build a community of "fashionistas" who are prepared to share their views and opinions on what to wear via Facebook, Twitter and Google plus, giving its young shoppers fashion inspiration. With a target audience of over 12 million followers on social media sites, the company has made significant inroads to developing its own community of fashion buyers. ASOS learned how to deploy digital technology in response to online consumer behaviour and used this knowledge to build an online brand that is one of the most successful online fashion retailers the UK. ASOS offers tens of thousands of branded and own-label fashion items to millions of 20-something men and women around the globe; in 2017 its market valuation was greater than Marks & Spencer, the UK's largest seller of clothing. Nick Robertson and Quinten Griffiths created their business idea while watching the US television series Friends. They decided to create a web retail business that would sell items seen by television viewers, hence the name As Seen on Screen (ASOS). They started selling clothing worn by celebrities, but soon the company began developing its own brand. This focus enabled the company to start to build a reputation that was attractive to young fashion buyers. By developing a unique position in the market, which was particularly attractive to generation web (the millennials – eighteen to thirty somethings), and by deploying superior technical capabilities, the brand has grown significantly in the UK and internationally.

During the last 25 years, shoppers have developed new skills that have enabled them to buy in complex trading environments. Whilst there are different shopper profiles and motivations to shop (or not) online, the global spend online is growing and the retailers that are succeeding are those which have spent time developing digital resources and capabilities.

Retailers take tentative steps onto the digital high street

As the story of online retailing unfolds it is becoming more and more apparent that this mode of purchasing is set to continue to grow: consumers are becoming highly adept at shopping online and some retailers very accomplished at meeting and driving consumer demand online. The key questions to consider, therefore, are which retailers are succeeding and what might this mean for the future shape and function of our towns and cities?

Arguably, there have be some significant opportunities missed during that last three decades, which may well have altered the balance of power between off line and online retail brands. Earlier in the chapter, it was suggested that, if retailers missed the opportunity to go online at the first feasible opportunity, then they were likely to go out of business. We can now delve a little deeper into the extent to which being an early adopter of e-commerce increases the likelihood of a physical retailer still being in business in the future and also whether being an early adopter of e-commerce puts a retailer in an advantageous position when it comes to deploying wider range e-commerce functionalities.

Over the last 25 years, the number of high street retail brands in the UK has fallen steadily. Much of this reduction can be explained simply in terms of retailers going out of business, but there has also been some evidence of merger and take-over activity over this period. In terms of their broad levels of Internet activity, the number of retailers that have either done nothing or no more than simply register a domain name has fallen sharply, with the majority of major brands owning their own domains. A longitudinal study by Ellis-Chadwick and Doherty (2018), looking at the uptake of online retailing by leading brands in the UK revealed that the number of retailers actively using the Internet as a sales medium had risen dramatically from just 3% in 1997 to 62% by 2013 (Figure 5.2). This shift in levels of adoption of the Internet as a channel to market has potentially had a profound effect on the growth of online shopping. In 1997, there was a very limited choice of products for an online shopper and limited competition around pricing and service; in other words, the digital retail landscape was quite desolate. However, most well-known high street brands have now developed sophisticated online stores and in doing so significantly increased the opportunity to shop via the Internet. According to Ellis-Chadwick and Doherty (2018), 2013 appears to have been a tipping point in the UK at least: after this year, it became important for retailers to develop a digital presence.

The 'live, but no sales' is an interesting category, as it represents those retailers that had invested in a customer-facing website to provide some combination of product and promotional information and/or direct communication, but had decided not to offer their customers the opportunity to purchase goods and services online. In all three samples this category is prominent and formed the largest single category in 2005, accounting for 27% of the sample. This was just the point in time when Amazon, ASOS and other online retailers were really beginning to grow their online operations and target markets. It is useful, therefore, to dig below the surface and explore the specific types of functionalities that retailers have been offering through their websites and compare these with the provision of online sales. As seen in Figure 5.3, the provision of product information was by far the most commonly adopted piece of functionality to be adopted by retailers on their websites across all three dates, followed fairly closely by the provision of email facilities to allow customers to communicate directly with staff members. It is interesting to note that, whilst the numbers of retailers providing promotional information relating to money offs, discounts, bonus buys, sales etc., rose from 1997 to 2005, it then dropped noticeably by 2013. The most obvious explanation for this is that, because many retailers were by then attempting to target their customers with tailored promotional information, via email or other forms of social media (Ellis-Chadwick & Doherty, 2012), there was less need to post promotional information online. Whilst the facility to order goods and services started from the lowest base, it grew steadily and it now threatens to catch up with the provision of product information in the years to come.

That said, retailers just starting to sell online in 2006 onwards were playing catch up not only with their peers, but also with the online-only retailers. Further analysis revealed that in 1997

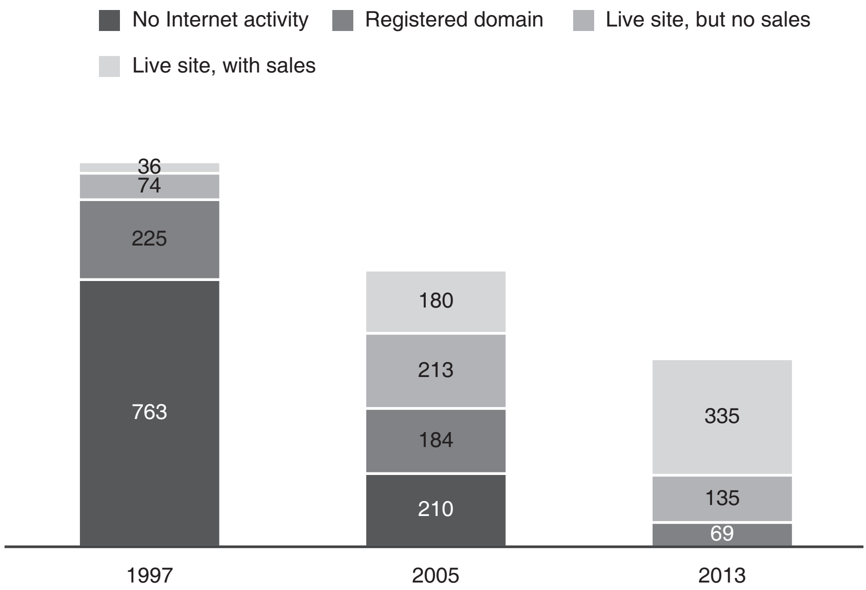

Figure 5.2 The changing face of online retailing

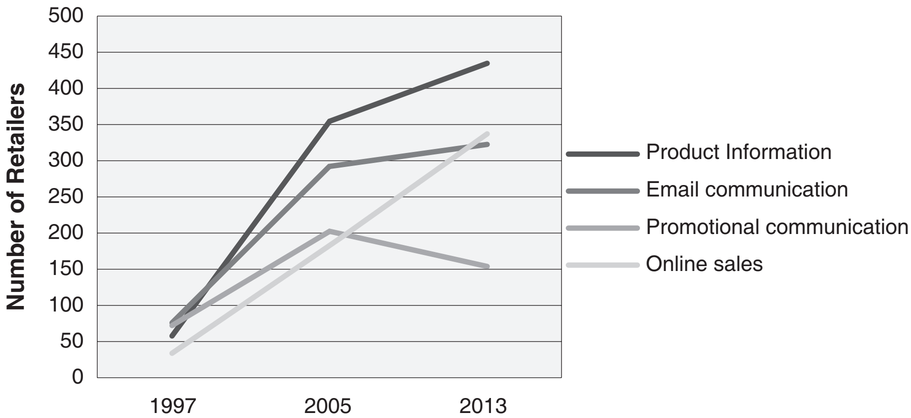

Figure 5.3 The uptake of basic online functionalities

that the vast majority of retailers (763 cases or 69%) had not even registered a domain name, let alone started to develop an active website. Secondly, there was a highly significant association between retail category and the level of Internet activity experienced by the retailers operating in that category. Table 5.1 shows where the actual number of cases in a specific cell (bold number) in the contingency table differs markedly from the number that would be expected (in parentheses) if there had been a uniform uptake across all categories. More specifically, it can be seen that, in 1997, there was a higher than expected chance of a retailer operating in the mail order, home furnishing or leisure and entertainment sectors having already developed an active Internet presence, possibly including sales. In the case of mail order, the reason for this is

Table 5.1 The Adoption of E-commerce by Retail Category (in 1997)

	No Domain		*Not live*		*Live or Sales*		*Totals*
Clothing & Accessories	**161**	(163.3)	**53**	(48.2)	**21**	(23.5)	**235**
Food & Consumables	**54**	(64.6)	**28**	(19.1)	**11**	(9.3)	**93**
Health & Beauty	**80**	(67.4)	**11**	(19.9)	**6**	(9.7)	**97**
Home Furnishings	**92**	(104.9)	**39**	(30.9)	**20**	(15.1)	**151**
Leisure & Entertainment	**102**	(112.6)	**35**	(33.2)	**25**	(16.2)	**162**
Mail Order	**68**	(82.7)	**32**	(24.4)	**19**	(11.9)	**119**
Mixed Offering	**80**	(75.0)	**22**	(22.1)	**6**	(10.8)	**108**
Specialist Retailers	**126**	(92.4)	**5**	(27.3)	**2**	(13.3)	**133**
Grand Total	**763**		**225**		**110**		**1098**

Table 5.2 The Adoption of the Internet by Retail Category (in 2005)

	No Domain		*Not live*		*Live (no sales)*		*Sales*		*Totals*
Clothing & Accessories	**43**	(46.2)	**43**	(40.4)	**43**	(46.8)	**44**	(39.6)	173
Food & Consumables	**24**	(17.3)	**9**	(15.2)	**24**	(17.6)	**8**	(14.9)	65
Health & Beauty	**23**	(20.8)	**27**	(18.2)	**21**	(21.1)	**7**	(17.8)	78
Home Furnishings	**16**	(25.9)	**20**	(22.7)	**39**	(26.3)	**22**	(22.2)	97
Leisure & Entertainment	**22**	(29.6)	**32**	(25.7)	**21**	(29.8)	**35**	(25.2)	110
Mail Order	**21**	(28.0)	**11**	(24.5)	**29**	(28.4)	**44**	(24.0)	105
Mixed Offering	**18**	(19.2)	**15**	(16.8)	**24**	(19.5)	**15**	(16.5)	72
Specialist Retailers	**43**	(23.2)	**27**	(20.3)	**12**	(23.5)	**5**	(19.9)	87
Grand Total	210		184		213		180		787

the operational advantages of existing logistics systems that could handle both distribution and return of goods delivered to the end consumer.

By 2005, the number of retailers without a registered domain had reduced very markedly, whilst the number hosting a live website, either with or without full sales capabilities, had risen very significantly (Table 5.2). Again, the data suggest that it was retailers operating in the mail order or leisure & entertainment sectors that were most likely to have developed a full web presence, whilst specialist retailers and those organisations operating in the health and beauty sector were least likely to have taken the plunge to sell online. Eight years later, in 2013, the vast majority of those retailers still in business (62.2%) were by then offering their customers the opportunity to purchase products directly online, although it was still retailers operating in the mail order or leisure and entertainment sectors that were most likely to have developed a full web presence (Table 5.3).

One of the most significant elements of this study was that it allowed analysis of the relationship between the level of online activity in which retailers were engaged at a particular point in time and their trading status at later times. Unsurprisingly, those retailers that had no discernible activity in 1997 were the least likely to still be trading in 2005, whilst those organisations that had developed an active website, with or without sales, were most likely to still be trading in 2005. Similar trends continued into the following period. There are at least two plausible interpretations to these patterns. First, it could be that retailers who were already struggling to survive did not want the distraction of engaging in a completely new strategy. Alternatively, it could be that

Table 5.3 The Adoption of the Internet by Retail Category (in 2013)

	Domain or Live (no sales)		*Sales*		*Totals*
Clothing & Accessories	**26**	(48.61)	**99**	(79.83)	**125**
Food & Consumables	**24**	(12.59)	**10**	(20.67)	**34**
Health & Beauty	**30**	(20.40)	**22**	(33.50)	**52**
Home Furnishings	**24**	(27.78)	**45**	(45.62)	**69**
Leisure & Entertainment	**15**	(27.34)	**55**	(44.90)	**70**
Mail Order	**20**	(32.12)	**60**	(52.74)	**80**
Mixed Offering	**18**	(16.49)	**27**	(27.09)	**45**
Specialist Retailers	**47**	(18.66)	**17**	(30.65)	**64**
Grand Total	**204**		**335**		**539**

those organisations that were active and early adopters of the Internet either got some direct benefits that helped them survive or saw Internet use as a catalyst for rethinking their strategy, which indirectly helped them survive (Bordonaba-Juste et al., 2012; Lee & Grewal, 2004).

The future of the high street

In 1994, shoppers took the first tentative steps to buy online; since then tens of thousands of physical shops have disappeared from retail centres across the UK and other parts of the world. In response, towns and city planners have worked hard to reconfigure places in order to provide the kind of experiences that shoppers want. But where is all this heading? Will in-store and consumer technology transform retailing forever? Will voice-enabled assistants execute our every wish, with absolute precision removing the need for physical shops altogether? Or will retailers take a turn back in history, going for the total physical experience with high levels of customer service and quality products, enabling them to head the vanguard into the future? Realistically, predictions of the future can be exaggerations of past events, extrapolated into a distance point in time or little more than "finger in the air" musings of an idealist vision of the world we might inhabit. What will happen is probably somewhere in between. This chapter has looked at the growth and impact of online retailing from different perspectives, including consumers and retailers, and sought to address some of the key questions of the digital age.

Is the physical high street about to disappear? This is unlikely. However, retailing is going through significant change, and the places that thrive in the future are going to be those that have attracted and retained the most digitally capable retail brands, which in turn have developed the capacity to trade through multiple channels. Fulgoni (2014) identified priorities for retail businesses wanting to trade online: eliminate silos and create seamless experiences for consumers all the way along the path to purchase; increase opportunities to digitally interact; analyse and measure consumer behaviour at all touchpoints in order to develop deep and insightful understanding in what is driving shoppers' choices and purchase decisions. But these are priorities that may require significant changes to the way a business operates and, in some cases, it is too late to make the necessary changes to be able to compete effectively with those businesses that have spent the last 20 years learning how to operate online. Research suggests that, in the next 5 years, the retailers that survive are going to be those that have developed digital capabilities and resources, that understand their customers in much greater detail than in the past, and are able to provide products and services that are highly differentiated.

Note

* This chapter is dedicated to Professor Neil F. Doherty.

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