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E-business Adoption as a Form of Management Strategy: An e-Retailing Perspective

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Abstract
This research focuses on the increasing importance of e-retailing as a major mode of retailing, which retailers must integrate into their management strategy, if they are to maintain or gain competitive advantage in the industry. The study examines the benefits and challenges that accompany e-retail adoption or non-adoption by retail organisations. To this end, a survey was conducted to determine the views and preferences of customers and retailers in the researchers’ community regarding the adoption or non-adoption of e-retailing. The results of the research are positioned as a frame of reference for designing organisational management strategies.

Keywords: e-retailing, management strategy, e-business

1.0 Introduction

E-business, as it is known today, arose through the widespread use of the internet as a platform for inter-organisational systems (IOS) in the late 1990s. Zwass (1997) observes that in recent years, the use of the internet has increased the sharing of business information and built business relationships. It has also enhanced business transactions by means of telecommunications networks and has been particularly significant for developments in the operation and strategic management of supply chains and global networks. In support of this widely held view, Evans and Wurster (2000) observe that the rise of the internet as a communication channel (and its supporting systems and software) has changed the economics of information. It has given rise to new opportunities and new forms of affiliation and transaction amongst organisations.

E-business has therefore radically transformed virtually all aspects of organisational life, including commerce (international, national, and local), procurement, manufacturing, customer service, and business alliances.

One of the most notable areas of retailing transformed by e-business is supply chain management, which includes processes such as customer relationship management, customer service, demand management, order management, production and material flows, and purchasing (Caglialano et al. (2003). E-business internet tools can be classified as follows: e-commerce, which provides support to sales, distribution, and customer service processes; e-procurement provides support to sourcing, procurement, tendering, and order-fulfilment processes; and e-manufacturing, which provides support for demand and capacity planning, forecasting, and internal supply chain integration. Lee and Whang (2001; cited in Caglialano et al., 2003:23) identifies a fourth category, e-collaboration., which refers to the use of the internet as a means of strengthening relationships along the supply chain through the exchange of data and collaborative decision making.

Frohlich and Westbrook (2002) point to the additional phenomena of low integration and demand integration (which is typical of e-commerce); supply integration (which is typical of e-procurement); and demand chain management integration (which is the joint application of the previous two strategies).

E-business deployment means different things to different parties. For instance, in the view of industrial marketers, e-business has triggered a growth in interest in network (rather than dyadic) levels of activity, which concentrates decision making on issues of supply chain optimisation (Simon R. Croom, 2005). In this context, management consultants Accenture conducted an e-fulfilment survey in 2001. E-fulfilment refers to the ability to completely satisfy customer needs across the supply chain—in either the business-to-business (B2B) or the
structure, changes in organisational culture, a different support structure for information systems, different procedures for managing employees and networked processing functions and perhaps a different business strategy.”

2) Finding a successful internet business model: As the dot.com era arose, companies all over the world raced to put up websites in the hope of reaping mega profits through e-commerce. However, many of these e-commerce websites have yet to turn a profit or to make any difference in the business’s sales and marketing efforts. The promises of instant profits and new markets have failed to materialise. In a nutshell, internet technology alone is not a substitute for an effective business strategy; businesses need to do a careful evaluation of what they want, how e-business relates to their overall business strategy, and how they can create a genuinely workable business model using e-business applications.

4.0 The e-(re)tailing perspective

Short for “electronic retailing,” e-retailing, or e-tailing is the selling of retail goods on the internet. Coming into use as early as 1995, the term—an addendum to terms such as e-mail, e-business, and e-commerce—applies to business-to-consumer (B2C) transactions (Schappell, 2000; Jones et al., 2002). As early as 1997, the practice began to work for some major corporations and smaller entrepreneurs. In that year, Dell Computer reported multimillion-dollar orders taken at its website. The success of Amazon.com and eBay hastened the emergence of other e-retailing websites. Concerns about secure order-taking, previously a serious a topic of debate, rapidly receded. Also in 1997, the website Auto-by-Tel reported the sale of its millionth car, and CommerceNet/Nielsen Media reported that 10 million people had made purchases on the web and suggests that e-tailing would grow to $37 billion in revenues by 2002.

E-tailing has resulted in the development of e-retailware—that is, software tools for creating online catalogues and managing e-tailing-related business. A new trend is the price comparison site, which can quickly compare prices from a number of different e-retailers and link you to them. Varying views exist on the future of e-retailing. While some analysts (e.g., Verdict, 2000; Foresight, 2000) have predicted substantial growth in e-retailing, others (such as Barsh et al., 2000; Edgecliffe-Johnson, 2000) have taken a much more measured, if not pessimistic, position.

The opportunities and challenges offered by the “electronic retail marketplace” are generating both excitement and concern within the business community. On the one hand, e-retailing offers companies the opportunity to communicate with existing and new markets in a sophisticated manner and to expand their business horizons to satisfy customer demand in global markets. On the other hand, there are concerns about the fundamental financial viability of e-retailing. In addition, developing brand awareness and value; designing attractive and effective websites; establishing reliable systems to handle and process orders; managing the mechanics of payment and delivery; and the security of financial transactions are potential problems for online traders. Peter Jones et al. (2002) delineate these challenges as follows:

1) Will traditional retailers with substantial capital investment in often expensive sites and properties see e-retailing as posing a major threat to their operations and profitability? If so, how can they respond quickly and effectively?
2) What of customers themselves? Will they take quickly, loyally, and in large numbers to electronic shopping, and how will they access e-retail sites?
3) How can e-retailers manage customers’ expectations that e-retail prices should be cheaper than those of conventional shops?
4) What consumer protections and guarantees will there be in these virtual markets, which seem to transcend conventional international boundaries and nation-state jurisdictions?

These crucial questions are being addressed by various researches on e-retailing. This field is still new and the likely rapid development of increasingly sophisticated interactive, multimedia communication technologies linked to the internet may continue to bring rapid and perhaps unforeseeable change to the retail marketplace and to shopping behaviour in general. This
business-to-consumer (B2C) channel—with emerging web-based technologies in the most cost efficient manner possible. Accenture’s white paper showed that over 72% of the respondents—which included over 100 logistics firms from over seven European countries, including UK—saw e-business adoption as vital to their continued existence, (Accenture, 2001).

2.0 Mitigating factors governing e-business adoption

Notwithstanding its enormous popularity and growth, several factors govern the adoption of e-business as a management strategy. As with every strategy, e-business entails attendant risks, such as security, dehumanisation of the transaction process, and customer dissatisfaction. Bocij et al. (2003) includes some of the following as vital factors governing adoption:

1) Cost of access: The cost of accessing e-business can be a barrier for those who do not own a personal computer, which is indeed a major expenditure for many households. Computer ownership also entails attendant expenses, such as an ISP connection, telephone, and cable charges. In view of these costs, free access would certainly increase adoption and usage.

2) Value proposition: Before an individual or an organisation can be persuaded to invest or participate in any form of e-business, the question of what they are to gain must first be addressed. Customers need to perceive a need to be online: What can the internet offer that other media cannot? Would-be adopters must be offered incentives—for example, access to more supplier information and lower prices when conducting business online.

3) Ease of use: Chaffey et al. (2003) describe this factor as the ease of connection to the internet and the ease of use when connected. In this context, human-computer interaction (HCI) and web navigation are vital; consumers must be able to navigate a website and locate required information easily. In addition, the aesthetics of the site must be appealing.

4) Security: This is a widespread concern amongst online shoppers, many of whom view themselves as being at risk of having their personal details, such as credit card details, stolen by internet bandits (Chaffey et al. 2003).

5) Fear of the unknown: Many would-be adopters have a general fear of new technology. This is compounded by negative press about potential risks such as identity theft, hacking, fraud, and privacy infringements.

3.0 Challenges to e-business adoption

Many companies are starting to use the internet to communicate with both their customers and suppliers, thus creating new digital electronic commerce networks that bypass traditional distribution channels. The use of internet (or e-business) applications extends far beyond just the creation of digital networks; a lot of companies are using these applications to streamline their internal business processes as well. Laudon and Laudon (2003) observe that digitally enabling business processes and relationships with other organisations can help companies achieve new levels of competitiveness and efficiency, but they identify the following as possible challenges that management will face:

1) Digitally enabling the enterprise requires a complete change of mindset: As one of their most crucial challenges, digital firms will need to acquire new organisational designs and management processes. Companies must examine and perhaps redesign entire business processes rather than try to graft new technologies on existing business practices, if they are to effectively use e-business applications for organisational coordination, collaboration, and electronic commerce successfully. In the words of Laudon and Laudon (2003), “companies must consider a different organisational
research will seek to analyse the prospects of companies wishing to adopt e-business and make relevant recommendations.

Companies with an interest in e-retailing can be split into three groups:

1) New companies established to trade specifically and exclusively online; examples are Amazon and eBay, the world’s biggest e-retailers.
2) Existing retailers that were established as traditional stores or mail order operations; examples include Tesco, Marks & Spencer, and Littlewoods.
3) Manufacturers who are attracted by the possibility of dealing directly with the ultimate consumers of their products. Dell is a notable example of this trend.

Amazon.com is perhaps the best known dedicated e-retailer in the UK. The company opened its virtual doors in 1995 with a mission to use the internet to transform book buying into the fastest, easiest and, most enjoyable shopping experience possible. Five years later the company had some 23 million customers in over 160 countries. Annual sales were running at $2.3 billion, and its product range had been expanded to include over 18 million items in categories including CDs, DVDs, toys, videogames, electronic equipment, software, garden and patio, tools and hardware, kitchen, health and beauty, and home living. Through Amazon.com ZShops any business or individual can sell virtually anything to Amazon’s 23 million registered customers (Jones et al., 2002)

5.0 Expected benefits to be derived from e-retail adoption

The opportunities and challenges offered by e-retailing have attracted considerable attention from the business community, government, and consumer groups. The business media and the general media have both identified a wide range of benefits to be gained by establishing e-retail formats. Jones et al. (2002) and Burgess (2006), enumerate these advantages as follows:

For e-retailers:
1) accessibility to a potentially global market 24 hours a day
2) reduced costs: advertising, support, and transaction expenses are less for electronic stores, making them cheaper to establish and maintain than traditional shops
3) the ability to make rapid changes in product specifications and prices
4) greater customer involvement in product and service innovation
5) perhaps most important of all, increased profitability.

For online shoppers:
1) ease and speed of purchase
2) the convenience of comparison shopping from, and delivery to, the customer's home
3) good quality and topical information on products and services
4) the availability of products or services that may not be obtainable from local conventional shops and businesses
5) potentially cheaper prices
6) online support for after-sales service

6.0 Challenges of e-retailing adoption

Notwithstanding all of its potential benefits, most companies that have adopted e-retailing have encountered some obstacles. These challenges range from high initial implementation and maintenance costs to overestimating the benefits of the adoption.

Several researchers have developed theoretical frameworks for the adoption of e-retailing; however; putting these theories into practice has not always been easy. Amazon.com is currently listed as the forty-eighth most valuable brand in the world and acknowledged as a
leading global e-retailer. However, in the summer of 2000, the company admitted that sales growth had not been as strong as expected. Amazon’s annual operating losses were running high; its long-term debt commitments and liabilities were $2 billion; its share value was about 66 percent below its late 1999 peak; and many US analysts had ceased to recommend the company to its clients. In 2000, a number of high profile UK e-retailers faced collapse. Among these were Clickmango.com (health and beauty specialists) and Boo.com (specialising in fashion sportswear), which lost some $100 million of venture capital in less than two years. These examples serve as pointed reminders of the fragility of the e-retail marketplace (Newbery, 2006; Jiang and Talaga, 2006).

A major challenge to creating trading profitability and removing debt burdens in the e-retailing industry is the ability of businesses to develop the marketplace and establish a large customer base quickly. To this end, Lastminute.com, for example, initiated a management strategy that stresses the importance of building brand loyalty and awareness, growing supplier relationships, developing its value proposition to customers, extending its marketing channels to embrace a wide range of electronic media and platforms, and early investment in leading technologies. At the same time, the company has been keen to impose stringent controls on its operating costs. In the first six months following its flotation on the stock market in March 2000, Lastminute.com did report operating losses but investment analysts were of the opinion that it would begin to deliver net profits by the end of 2002. More generally, e-retailers also need to address a number of business fundamentals if they are to grow in the e-retailing industry. In this context, some researchers (Trabold et al., 2006; Joia and Sanz, 2005; Merrilees and Miller, 2005; Maltz et al., 2004) have identified the following challenges:

1) Ensuring customer retention and transaction profitability
2) Establishing easily accessible and user friendly websites
3) Offering a range of high-quality products and services at competitive prices
4) Establishing speedy and reliable delivery systems
5) Providing information on quality assurance and after-sales service, as well as guarantees about the security of online financial transactions and the privacy of personal information
6) Creating a pleasurable shopping experience. Many people view the act of hands-on shopping as a socially valuable and personally relaxing experience (described by some as “retail therapy”); the virtual creation of such experiences may prove an elusive challenge.
7) Enabling logistics; search and inventory management; and physical delivery
8) Establishing customer loyalty and satisfaction

A recent research survey by the Taylor Nelson Sofres (TNS), one of the world’s leading market information companies, identified some of the most common customers’ complaints about their online e-retail patronage (see Table 1).
Among its principal findings, the report concluded that:

7.1 *E-retail is redefining how people select their retailers.* This trend means that e-retail enables consumers to choose products that precisely meet their requirements and to shop at a time convenient to them. This makes online retailers formidable competitors to high street retailers.

7.2 *One in four consumers now purchases goods over the Internet.* As their confidence in their online operations gains momentum, traditional retailers must take steps to establish or develop e-business operations in order to cater to heightened consumer expectations.

7.3 *Traditional retailers need to leverage the strengths in their offline operations and transfer them to the online arena.* Further development of an online presence is crucial to maintain competitive advantage in the marketplace.

7.4 *Price comparison sites are becoming an increasingly important tool for consumers seeking to compare online retailers.* To possess gain further market share, these sites must develop appropriate attributes.

The argument that businesses should include e-retailing as part of their management strategy is supported by recent developments in the area of internet usage and online shopping. The Internet Statistics Compendium (updated in November 2006 and published by the E-Consultancy) delineates the global reach and penetration of internet services as follows (see figure 3):

- Total internet users in Europe and in the world:
  - Europe: 290,121,957
  - World: 1,018,057,389
- Total internet users by country and share of world users:
7.0 E-retailing facts and figures

According to the “e-Retail 2006” report released by Verdict, one of the most reputable survey and statistics firms in UK, the online market is the fastest growing sector of UK retail, accounting for almost half the cash growth in retail spending. Whilst its share of the retail market is still small, e-retail’s meteoric growth is sending shockwaves throughout the wider business sector. The report observes that consumer confidence and expectations are increasing: one in four consumers now purchase goods over the internet, meaning that continual development of an online presence is essential for maintaining and increasing market share. The major drivers of e-retail identified in the Verdict report are listed in figure 2.

Adapted from www.emarketing.com.
Predicted number internet users worldwide: 1.07 billion by 2005, 1.21 billion by 2006, and 1.35 billion by 2007

Approximate percentage of UK broadband users who make online purchases: 72%

8.0 Data collection and analysis

This analysis is divided into two sections. The first section is concerned with results of the online survey designed to obtain opinions on a number of issues relevant to this research. Factors assessed include the age groups of the respondents, access to the internet, level of involvement in online product/service search and/or purchase, category of product/service purchased, applicable retail options, shopper’s category, e-retailing acceptance or non-acceptance, and respondents’ opinions of various retail options.

The second section analyses the survey results in relation to the research objectives. The total number of participants for this survey was 43. Questions 1 and 2, which contain personal details of the participants, have been withheld for ethical reasons.

8.1 Survey results

8.1.1 Age group of participants

Out of the 44 participants in this survey, nine (20%) were in the 16–21 years category; 19 (42.2%) were in the 22–30 years category; 12 (26.7%) were in the 31–45 years category; five (11.1%) were in the 46–60 years category; and there were no respondents from the 60 years and above category.

8.1.2 Level of access to the internet

As the vehicle for e-retailing implementation, there is a foundational need to determine the participants’ level of access to internet facilities. An overwhelming majority of the respondents—88.4%—indicated that they had constant access to the internet; 7% indicated that they did not always have constant access to the internet; and 4.7% indicated that they had no internet access.
8.1.3 Use of internet search facilities to locate products/services

Participants were questioned about their level of reliance on internet search facilities for locating products or services, as well as the methods they used to carry out their searches. The results show that 77.3% of the participants used online search facilities to locate products or services; 13.6% indicated that they do not; and 9.0% gave other responses, such as “sometimes” and “not always”.

When questioned about their preferred ways to carry out internet searches, 31% of the participants indicated that they used search engines (e.g., Google.co.uk, Live.com, AskJeeves.com); 24.1%, used price comparison websites (e.g., Pricerunner.co.uk, moneysupermarket.com); 16.4% used hyperlinks from other websites; 21.6% went directly to the company's website; and 6.9% utilised intranets or other means that they could not remember. A majority of the respondents indicated that they used more than one search method.

8.1.4 Participation in e-retailing

When questioned, 75% of the respondents indicated that they had participated in e-retailing and had made an online purchase; 24.5% had never purchased online, but may have used internet search facilities; 4.5% could not remember if they had made an online purchase in the past.

A second set of questions revealed that electronics and electrical items (e.g., phones and computers) accounted for 16.2% of the respondents’ e-retail purchases; consumables, 5.9%; clothing, 15.4%; literature, 9.6%; financial products (e.g., insurance, loans, and credit cards), 13.2%; recreation packages (e.g., holidays, hotel bookings, and tickets), and 12.5%; “do-it-yourself” (DIY) products, 11.8%. The remainder of the purchases—15.4%—were comprised of the following categories: shoes and accessories, cosmetics, an exercise kit, antiques, collector items, a motor scooter on eBay, furniture and ornaments, pleasure toys, academic materials, “none,” “cannot remember,” and “virtually everything”.

8.1.5 Frequency of e-retail purchases

The frequency with which the respondents made e-retail purchases is as follows: 5–10 times a month, 22.7%; 31.8%, 1–4 times a month; 11.4%, 1–5 times in the last six months; 9.1%, 1–5 times in last year; and 25% had never made an online purchase.

8.1.6 Participants’ opinion of e-retailing adoption by their high street shops

Participants were asked if they made frequent purchases from a high street store; if that high street shop has an e-retailing component; if they had any advice for high street brands regarding e-retailing; and finally about their views of e-retailing as a management strategy. The results show that 79.5% purchased regularly from a high street shop; 15.9% did not; and 4.5% chose “other”.

When asked whether their favoured high street shops have e-retailing capabilities, 29.5% of the respondents said yes; 36.4% said no; and 34.1% indicated that they were not certain.

Respondents were also asked whether they thought that their favoured high street brands should implement an e-retailing strategy for the convenience of their customers. The results—which are quite important for this survey—showed that 75% said yes; 11.3% said it would be okay; 6.8% were indifferent; and 6.8% said definitely no.

Finally, when queried about their views of e-retailing as a business strategy, 59.1% saw it as a marvellous innovation; 22.7% regarded it as okay; 9.1% were indifferent; and 9.1% saw it as a nuisance.
constant access to the internet. Most had internet access at home, some at school, and others at their places of work. The majority had access to the internet at some point daily (see Figure 4).

**Figure 4.** UK households with access to the internet (Adapted from National Statistics Omnibus Survey, January–April 2006).

8.2.3 Internet search facilities enabling e-retailing

E-retailing strategy is facilitated by well-developed internet search facilities. 70% of our survey respondents indicated that they had used such tools to locate and compare products and services (see Figure 4 above). Internet search tools are becoming increasingly popular because they enable buyers to browse amongst available items without visiting an offline shop; compare prices; locate the closest to retail outlet for an offline purchase; and take advantage of special online offers or discounts.

8.2.4 Buyers’ acceptance of and participation in e-retailing

Backed up by the findings of the “e-Retail 2006” report (Verdict, 2006), this section analyses the level of buyers’ acceptance of and participation in e-retailing (see Figure 5 above). That the online retail market is growing rapidly is a fact that organisations and retailers cannot afford to overlook.

An important aim of the survey was to determine which part of the retail industry the respondents patronised most frequently when shopping online (see Figure 6 above). Our results suggest that more and more consumers are finding online shopping to be an attractive avenue for making purchases.

The findings of Verdict’s “e-retail 2006” report show that the e-retail market is currently the fastest growing retail sector in the UK (see Figure 5). In 2005, it accounted for almost half the cash growth in retail spending. Indeed, one in four consumers now purchases goods over the internet, meaning that continual development of an online presence is essential if retailers are to maintain and increase market share.
8.1.7 Shoppers’ categories
Our survey found that 22.7% of the respondents indicated that they are mainly online shoppers; 45.5%—the majority—indicated that they shop both on the high street and online; 15.9% said that they browse for products and services online, but shop on the high street; 13.6% shop exclusively on the high street; and 2.3% chose “other”.

8.1.8 Quantitative and qualitative assessment of respondents’ views of e-retailing adoption
Our survey found that 59.1% of respondents were strongly in favour of e-retailing adoption; 27.3% were moderately in favour; 6.8% were against it; 4.5% were strongly against.

Finally, our qualitative analysis of the responses indicates a wide range of opinions about e-retailing strategy, ranging from the resoundingly affirmative to the strongly negative. The reasons given varied widely, depending upon personal experience and direct and indirect observations. A significant majority of the respondents supported the adoption of e-retailing, but also suggested a number of measures that they would like to see implemented to enhance the strategy and make it a safe and more attractive retail option for consumers.

8.2 Survey analysis
Our survey was designed to determine the level of customer acceptance of the e-retailing concept, and to serve as an advisory framework for organisations and business considering its adoption or non-adoption.

In the opinion of many researchers, it is not a matter of “if” non-adopters should implement an e-retailing strategy, but rather “when” they should do so. Adoption is a matter of urgency, they argue, due to the paradigm shift from high street retailing to online retailing, which is rapidly redefining the retail landscape (Verdict, 2006). Our study is likewise premised on the conviction that e-retailing strategy adoption is of paramount importance to organisations hoping to gain competitive advantage or remain relevant in the retail industry. We also argue that the e-retailing strategy should be implemented alongside other existing retail strategies, thereby affording organisations various ways to cash in.

8.2.1 Significance of age groups
A largest share of the respondents to our survey (42.2%) fell into the 22–30 years cohort. The second largest group (26.7%) was comprised of those aged 31–45 years, followed by those in the 46–60 years category (11.1%). There were in no respondents in the 60 years and above cohort, due mainly to the researchers’ limited number of contacts in that age group. Our survey indicated that across all age group, respondents were widely involved in e-retail-related activities. A vast majority indicated that they have had some form of internet-enabled retail experience, ranging from browsing to online shopping as a main form of retail experience.

A more in-depth survey was carried out by Verdict, a noted retail research company. According to its “e-Retail 2006” report, the fastest growing age cohort in the UK to embrace the e-retailing concept is comprised of those over age 55: “In 2005, it is the over 55s that offer online retailers the most potential. Unsurprisingly this age group has been the slowest to embrace the Internet, but is now realising its potential. The number of shoppers in this age group rose by 88.5% in the last year to 2.7m—equalling the number of shoppers in the 15–24 age groups” (Verdict, 2006: 3).

This underscores the fact that an increasing number of people are becoming convinced of the benefits of online shopping and are rapidly adopting it. Indeed, whilst there are some people who remain opposed, indifferent, or unaware of the e-retailing concept, the majority now recognise that it is here to stay and are joining the bandwagon.

8.2.2 Access to the internet
A crucial determinant of e-retailing usage is the presence and consistency of internet access for the target user. In our survey, over 80% of the respondents indicated that they had
"The number of online shoppers, here defined as those who had bought ‘retail goods’ over the Internet in the 12 months to October 2005 (that is excluding the likes of air fares, event tickets and insurance) rose by 24.5% to 14.6m [in the UK alone]. The rise was the result both of increased broadband access and increased customer recognition of the benefits of shopping online, in terms of convenience of having goods delivered to the home and access to low price retailers" (Verdict, 2006).

8.2.5 E-retailing versus the high street

The frequency with which our survey respondents made online purchases is outlined in 8.1.5 above. The results indicate that a significant percentage (22.5%) are frequent online shoppers. They also showed that a majority of the respondents utilised both conventional high street shopping and online shopping. This suggests that there is a considerable degree of mutual dependence between offline and online retail channels. Whilst both have their respective costs and benefits, high street retailers need to craft a sound multichannel strategy if they are to successfully broaden their reach beyond the confines of their offline estates (Verdict, 2006).

8.2.6 How consumers view e-retailing and their advice to organisations considering adopting it as a strategy

Our survey respondents gave various reasons for being pro- or anti-e-retailing. Their opinions can be summarised as follows:

**Pro:**
- It is a great idea and an important innovation.
- It is easier to purchase an item online and then pick it up at the shop.
- It is much more convenient than shopping on the high street. And it really saves money.
- Facilitates the purchase of goods from places to which that the buyer is unable to go.
- Definitely good for business and very convenient for customers.
- It is good for the cyber-shopper, but a high street presence should still be available for those who need it.
- It is really good to have my shopping come to me rather than the other way round.
- A most essential retail strategy; guaranteed to make high street shopping obsolete in the near future.
• Provides resources that are beyond capabilities of the high street stores.
• It is a welcome, convenient, and less stressful alternative to high street shopping.
• The best deals are online and you can view the full specifications before purchasing.
• E-retailing strips away the power of monopolies like Tesco and ASDA. It provides a level playing field, where virtually anyone can sell anything and the best bargains can be found.
• Adopt it or go out of business.

Anti:
• As with other ill-thought-out concepts, this “online shopping thing” will soon go away and take a lot of people down with it. What is wrong with going to the shops to buy your stuff? This is just plain lazy!
• As far as I know, it’s just another marketing thing.
• All one needs to do is read about the rapid rise of identity theft and internet payment fraud. This is one of the worst marketing strategies a retailer could come up with. It is just not worth the hassle. Better safe than sorry.
• I prefer to buy my stuff from shops where I can see and feel what I am buying and feel secure about my purchases. I guess I am too scared to give out my details on the internet.
• What is the big deal, really? This is an American thing; they want everything yesterday. What about the tradition of going shopping and the attendant social benefits that make the high street such an important part of our culture? I think this “online shopping” thing is grossly overblown.

Our survey respondents offered a number of recommendations to e-retailers, including:

• Provide reasonable after-sales service to customers
• Offer better security against fraudulent activities by sellers and buyers
• Retain the high street as an option for those who prefer to search the bargain tables
• Eliminate or minimise drastically postage costs and increase the speed of delivery

8.3 Conclusions and recommendations

Our survey took the form of an online questionnaire that was distributed to respondents living in the UK. Its aim was to determine consumers’ opinions about e-retailing and e-retailing adoption. The results suggest that e-retailing has an important place in the retail strategies of businesses. It is hoped that organisations will find this research useful as a frame of reference for designing or redesigning their retail strategies. In what follows, we offer some recommendations along these lines.

8.3.1 Generate an e-retailing programme

The first step is to determine which market is being targeted and to generate an appropriate marketing programme. In the past, retailers have based their buying decisions and marketing programmes on their knowledge of their customers’ purchasing preferences. With e-retailing, customers have to be assessed and marketed to on an individual basis (Anderson et al., 2003). For example, Dell.com allows prospective customers to design and configure their computers themselves, while also offering them the option of prefabricated systems available at a wide range of prices.

We recommend that e-retailers implement a system for data capture and construction of user profiles, which would allow them to automatically generate a marketing programme tailored to each individual visiting their website.

8.3.2 Implement cost-reducing marketing strategies

Cost-reduction strategies should be considered hand-in-hand with e-retailing adoption. The organisation will have to decide upfront what its retail model should be. It will need to
implement strategies such as disintermediation, whereby intermediaries such as regional distributors and high street retailers are eliminated from the chain of exchange between producers and consumers. In order to expose their websites to more eyes, a process of re-intermediation might be needed, whereby e-retailers pay content aggregators like Yahoo.com to steer customers to their websites (Bakos, 2001). Most of the respondents to our survey indicated that they locate products and services by using price comparison websites, links from associated websites, or going directly to the website. This suggests that strategies such as disintermediation and re-intermediation are a must for e-retailers.

8.3.3 Design an optimum delivery channel strategy

In online retailing, the final stage of the consumer purchase process—the point of delivery—is the most important, yet the most undeveloped, of retailers’ internet operations. Retailers need to ensure that they perfect this vital stage in the process. Failing to do so can result in adverse customer perceptions of online as a reliable and efficient purchasing channel; it can also impact their perceptions of the e-retailers’ integrity (Verdict, 2006). There is thus a need to offer more delivery options for consumers and to liaise closely with logistics operators. This delivery strategy needs to be prioritised to ensure long-term credibility.

Figure 6 outlines a number of recommended strategies aimed at assuring the success of e-retailing operations.

![Figure 6. Points for strategy development](image)

9.0 Future research

This research was designed to consider buyer opinions of e-retailing strategy adoption by organisations. There is need for further research to address questions such as, what is the cost-to-profit ratio of e-retailing strategy adoption? How will mainline high street brands prevent channel conflict if e-retailing strategy is adopted? And what are the long-term prospects for the e-retailing strategy?
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