UNIVERSITÀ DEGLI STUDI DI PADOVA

DIPARTIMENTO DI SCIENZE ECONOMICHE ED AZIENDALI "M. FANNO"

CORSO DI LAUREA TRIENNALE IN ECONOMIA

PROVA FINALE

"THE EVOLUTION OF LARGE RETAIL CHAINS"

RELATORE:

CH.MA PROF.SSA FIORENZA BELUSSI

LAUREANDO: TIZIANO GALIAZZO

MATRICOLA N. 1135995

ANNO ACCADEMICO 2018 – 2019

TABLE OF CONTENTS:

ABSTRACT (IN ITALIANO)

Negli ultimi anni, sempre più imprese hanno esteso e intensificato la loro presenza sulla rete, iniziando a interagire con i potenziali clienti mediante nuovi mezzi, come i social network e il commercio elettronico.

In questo elaborato, facendo riferimento alla letteratura accademica rilevante, viene definito e contestualizzato questo nuovo canale di vendita, richiamando anche alle diverse forme che esso può assumere. In particolare, vengono investigati i motivi che portano le aziende a introdurlo, evidenziando gli effetti positivi e negativi che questa scelta può comportare sulle imprese e sui clienti finali.

Dopodiché, viene analizzato un campione di 85 imprese retail operanti nel settore della moda. Nel dettaglio, vengono esaminate le variazioni del fatturato correlate all'implementazione di strategie e soluzioni multicanale, comparandole con le prestazioni delle imprese che non sfruttano il commercio elettronico. In seguito, l'analisi si concentra sulla ricerca di collegamenti tra l'andamento del fatturato delle imprese e la loro presenza sulle maggiori piattaforme sociali, come Facebook e Instagram. I risultati di questa ricerca empirica evidenziano la presenza di una correlazione positiva tra l'adozione di canali online da parte delle imprese del nostro campione e il loro tasso di crescita. Di conseguenza, questi esiti supportano le opinioni della maggioranza degli accademici e dei ricercatori.

INTRODUCTION

In the past years the role of e-commerce and generally e-Business has become always more predominant, particularly in the retail industry. Consequently, increasingly more enterprises are focusing on the possibility of introducing an online channel, in order to exploit its huge potentialities and expand their businesses or resist against the rising competition.

This dissertation will examine how a sample of 85 firms of the fashion and apparel retail industry reacted against the internet evolution, in the period from 2008 to 2017. The organisations examined in this paper are private and founded or headquartered in 3 specific European countries: Germany, Spain and United Kingdom. The intention of this work is to provide some evidence about the consequences of the adoption of online channels, such as e-commerce, m-commerce and social media networks, by fashion retail firms.

Initially, in the first chapter, the theoretical framework of the research will be defined. The Literature Review will draw upon online channels in general, describing the positive and negative consequences of their adoption on organisations and customers. Afterwards, business model innovation's theories will be presented and illustrated. Then, the chapter will thoroughly explore the literature on multichannel and omnichannel strategies.

In the second chapter, the methodology used in the research will be explained. Afterwards, we will introduce and elaborate the collected data, which include a wide set of information ranging from financial and economic indicators to the volume of engagement in the most famous social media platforms (such as Facebook and Instagram). Thereafter, the information will be analysed, using statistical models.

In the third chapter of the dissertation, the results obtained from the previous elaboration will be examined and discussed.

Finally, a brief conclusion will draw upon the main findings of the overall research.

LITERATURE REVIEW

INTRODUCTION TO LITERATURE

Over the last decade, the online retailing market has been growing constantly and vigorously. Nevertheless, experts widely believe that this growth will continue steadily also in the years to come (Suel and Polak, 2017). Broadly speaking, electronic commerce (e-commerce) includes any economic activity conducted via electronic connections. It encompasses the processes of buying, selling, transferring and exchanging products, services and information via online platforms. Thus, e-commerce is extremely versatile and nowadays has many different fields of application, for example in services within tourism, finance, insurances, product distribution and customer services (Wigand, 1997). By now, the "electronic commerce" technology has been adopted by many traditional retailing fashion firms. Moreover, over the last 30 years, new entirely internet-based fashion firms started online retail businesses: Zalando, Asos and Veepee are well-known examples.

The large use of ICT (Information and Communication Technologies) allows firms to increment their brand awareness and customer loyalty, thanks to the increased closeness with customers (Sorescu et al., 2011; Verhoef, Kannan and Inman, 2015). Moreover, with this technology firms can provide a better service to their clients, improve their experiences and, ultimately, gain competitive advantage (Luo, Fan and Zhang, 2015). So, it is easy to understand why many firms working in retailing are pledged to adopt innovations spurred from the internet. The success of an online-and-offline (so called "hybrid") business model lies in the fact that consumers benefit very much from online sales, somehow even more than firms themselves (Bernstein, Song and Zheng, 2008). The rationale behind this acknowledgment is that "hybrid" consumers are able to switch among channels to maximize their utility, exploiting their distinctive characteristics (Van Birgelen, De Jong and De Ruyter, 2006). In agreement with this, the work of Huang, Lu and Ba (2016) highlights the importance of offering the possibility to complete the shopping process through any channel, enabling users to switch between them at any moment, while keeping some of their features distinct. This is possible if the retailer adopts a so called omnichannel strategy, which will be introduced and discussed in detail further in this dissertation.

BUSINESS MODEL INNOVATION LITERATURE

This massive technological shift from offline to online interested vigorously the retail industry. Therefore, researchers witnessed and continue to observe the emergence of new business models among all the participants in the retailing business. According to several authors (Sorescu et al., 2011; Verhoef, Kannan and Inman, 2015), business model innovation is critical for building sustainable competitive advantage, particularly in an industry defined by relentless change, escalating customer expectations and intense competition. In agreement with this, the works of Velu (2015) and George and Bock (2011) emphasize the importance of business model innovation as it influences organisations' ability to achieve superior performance and, consequently, organisations' chances of survival in the long term.

Amit and Zott (2001, p. 511) define the business model as "the content, structure, and governance of transactions designed so as to create value through the exploitation of business opportunities". Such system of interdependent activities can be viewed as the template of how the firm conducts its business and delivers value to stakeholders (Zott and Amit, 2010). Hence, business model innovation encompasses the discovery and adoption of different modes of value proposition, value capture and value creation to an existing business (Markides, 2006; Teece, 2010).

Overall business model innovativeness comprehends two typologies of innovation: disruptive and incremental. The former, like the adoption of electronic commerce or e-business in general, has the potential to disrupt the market, while the latter can sustain the competitive position of incumbent firms (Hang, Garnsey and Ruan, 2015). Markides (2012) reports that disruptive innovations challenge the established value propositions and business models of incumbent firms. Disruptive or radical innovation theory has long been studied in the innovation management literature (e.g. Adner, 2002; Christensen, 2006; Christensen and Raynor, 2003; Hall, Matos and Martin, 2014). According to Velu (2015), radical innovation is based on significant departures from an existing design and potentially opens entirely new markets; on the other hand, incremental innovation is the introduction of relatively marginal and less substantial changes to an existing product or process, which exploit the potential of existing designs. In addition, Lewrick et al. (2015) contribute to this distinction, suggesting that incremental

innovations refer to improvements or expansions of existing products, services, processes, technical or administrative conditions that do not cause significant departure from the status-quo. On the contrary, radical innovations concern breakthrough transformations which fundamentally change a product or service or process. Therefore, incremental innovation can be perceived as something that is relatively easy to implement and that reinforces established firms' dominance, whereas radical innovation requires significant changes to organisational routines and processes of established firms. By implication, a firm's culture has a critical role in the emergence and success of disruptive innovations (Wan, Williamson and Yin, 2015). Organisational culture refers to a core set of attitudes, practices and values which are shared by the members of the firm (Detert, Schroeder and Mauriel, 2000). Consequently, organisations which are more flexible, adaptive, entrepreneurial, quick, forward-looking and efficient are more likely to carry out effective radical innovations.

Firms often fail to embrace disruptive innovations because of resource dependence or because they only listen to their current customers, not perceiving the need for modernisation (Christensen, 2006). Moreover, incumbents tend to invest more in established and somehow "safe" businesses, that already have scale and perceived advantage (Yu and Hang, 2010). This is the reason why some big apparel and fashion firms exploited the online channel later than smaller competitors (De Figueiredo, 2000). In the first years, e-commerce was perceived as something which was not suitable for fashion and apparel products for many reasons (see the next paragraph). Besides, the main players in this industry were focused on their ongoing physical businesses and related revenues. Some scholars suggest that a strong customer orientation has a negative impact on innovations' success (e.g. Christensen and Bower, 1996), whilst others argue that a strong customer and market orientation leads to more innovations (Von Hippel, 2005). Tidd and Bessant (2013) comment that both approaches might be essential for a firm to be successfully innovative.

The impact of the degree of innovation on organisations' survival is varied. Some studies have shown that radical innovation reduces the chances of firm's survival as a result of the increased risk and uncertainty (e.g. Christensen, 1997; Narver and Slater, 1990). On the other hand, other studies have shown that firms which adopt radical innovation are more likely to survive because of higher returns from the investment (e.g. Langerak, Rijsdijk and Dittrich, 2009; Sinha and Noble, 2008).

ONLINE CHANNELS: SUPPORTING AND OPPOSING ARGUMENTS

SUPPORTING ARGUMENTS

The study of Chen and Chen (2004) proves that many firms report closer customer relationships and improved operational efficiency after the introduction of electronic channels. The reason is that these new routes offer valuable supplementary self-services which are appreciated by the customers, while offering opportunities for the firm to potentially save many costs, such as customer service expenses and inventory, retail space and labour costs (Day and Hubbard, 2003; Dinlersoz and Pereira, 2007). The range of customers' self-services encompasses:

- information search cost reduction: online users can search more widely (typically through the entire offer of the retailer) and compare distinct features of different items more quickly and precisely than in physical stores;
- order tracking and on-time delivery;
- the possibility to dialogue with the firm and personalise communications: as organisations become acquainted with customers, they are able to differentiate the communications on the basis of buyers' interests. Firms make these judgements thanks to the information they collect through transactions, customer service dialogs, customer feedback questionnaires, user registrations and cookie data collection (Rowley, 2004).

Moreover, since these services are online, they usually are available everywhere and every time, even when physical stores are closed. These activities tighten customer relationship with the organisation.

Furthermore, well organised online channels allow organisations to provide better services to their clients, due to the increase of communications' quality and the exploitation of information and communication technologies (ICT) to plan processes more efficiently and effectively. As a result, overall customers' experience is enhanced, and clients' loyalty is strengthened. Furthermore, firms with online presence (especially in social media networks) may benefit also in brand awareness. All these elements are likely to secure a competitive

advantage to the organisation (Sorescu et al., 2011; Verhoef, Kannan and Inman, 2015). Lewrick et al. (2015) comment that other services which have a major impact on customer loyalty, sales, growth and interaction are simple return policy (i.e. the product can be returned in physical stores), pre-shopping promotions and others customer oriented utilities (e.g. the possibility to do alterations in a physical store). Besides, Wamba et al. (2008) argued that it is necessary that firms' online engagement with purchasers is not just a top-down process, but rather a combination of bottom-up and top-down strategies, where online buyers evolve into sources of information and powerful insights, becoming co-creators of value. By doing this, retail firms can exploit all their online assets (e-commerce, m-commerce, social media) as exchange means. An utmost example of the penetration of internet and information accessibility into the shopping process, and its usage, is provided by Amazon, which uses a wide set of customer data metrics to foresee which products will be popular in specific areas (Lewrick et al., 2015). By doing this, Amazon can stock in advance the products which are going to be requested soon in strategic fulfilment and distribution centres, ensuring fast shipping times and better service to its clients.

OPPOSING ARGUMENTS

On the other hand, it has been showed that buyers have a lesser consumption value for an online purchase, in comparison with the identical traditional offline purchase (Balasubramanian, 1998; Chiang, Chhajed and Hess, 2003). In agreement with this, Dinlersoz and Pereira (2007) argued that, for some goods, the purchase in a virtual market may lead to consumers' utility loss. The main highlighted negative aspects are delayed consumption, the charge of shipping and handling fees and the inability to inspect the good physically. Most negative aspects are related to the presence of information asymmetries or failures. Information asymmetry refers to situations in which buyer and seller possess different information about a transaction, so that the more knowledgeable party is advantaged. With particular reference to the fashion and apparel industry, online purchasers experience less transparency than offline ones, because many of the product's attributes are hidden in the virtual market (Yan and Bhatnagar, 2008; Chen, Hu and Li, 2017). Very basic examples of this are the inability to test the comfort of a pair of shoes or the fit of a pair of sunglasses, and view how all these items match your overall look or make-up. Although consumers can check the products in brick-and-mortar stores before purchasing, product

uncertainty cannot be fully eliminated (Hess, Chu and Gerstner, 1996). Furthermore, post-purchase services may be reduced because the online seller may not be as near as the offline store.

In addition to this, Chen, Hu and Li (2017) suggest that online markets tend to drive away firms with high quality products, accommodating instead those who offer inferior quality. They follow the literature stream on "voluntary disclosure" (Grossman and Hart, 1980; Jovanovic, 1982): only higher-quality firms accept to pay the additional cost of owning a brick-and-mortar store, thus disclosing their qualities via physical consumer inspection; whereas, lower-quality firms pool themselves in the online market, a result called "pooling effect" (Chen, Hu and Li, 2017). Notwithstanding, nowadays both online and offline markets offer a wide range of products, from low-end to high-end.

MULTICHANNEL AND OMNICHANNEL LITERATURE

The rapid development of e-commerce has prompted retailers to strategically decide on whether to be a pure online retailer, a pure offline retailer, or a dual-channel retailer (P. Zhang, He and Shi, 2017). The fashion and apparel industry provides an insightful case, since it was initially very slow to adopt the electronic commerce (De Figueiredo, 2000). Despite this, now apparel is one of the leading products purchased online in the EU (Eurostat, 2018). The outcome of this strategic decision differs, also on whether the retailer is a small brick-and-mortar store or a large retail chain. A share of large retail companies, in fact, is divided on this choice, because some still believe that the new online channel may likely compete with the physical stores, cannibalizing the offline business. This phenomenon is known as "cannibalization" and will be examined in detail in the next paragraph. Nevertheless, Wallace, Giese and Johnson (2004) pointed out that small retailers do not face the same problem: for them, becoming a well-designed dual-channel retailer may only enhance customer satisfaction and loyalty. Anyway, nowadays, almost the entire fashion industry started using the online channel, either exclusively or adopting multichannel or, in more recent years, omnichannel strategies (Belussi and Rakic, 2019). According to Rigby (2011), an omnichannel strategy consists of an integrated and complete sales experience, which combines the advantages and characteristics of physical stores with the information-

rich experience of online shopping. This definition was then further extended including not only the simultaneous use of channels, but the whole experience that stems from the combination of them. Hence, an omnichannel strategy means that customers for example can use the app, then move to the e-commerce and, later, go to the stores, thus ensuring the ability to switch channels whilst maximizing their experiences. Omnichannel retailing means that the firm communicates and engages with customers via many channels (e.g. stores, website, social media, app, e-mail, call-centres). Those who are successful are the organisations which manage to harmonize and coordinate virtual and physical channels, guiding each user's interaction into the most suitable route (Demko-Rihter and Ter Halle, 2015; Legner, 2008). These "hybrid" consumers benefit very much and maximize their utility, because they are able to exploit the whole set of channels' distinctive characteristics (Van Birgelen, De Jong and De Ruyter, 2006). By implication, channels must not be identical, otherwise users would have no incentive in using one instead of another.

Many scholars assert that multichannel buyers are more likely to be exposed to retailers' marketing efforts, and typically purchase more frequently and spend more than single-channel customers (Neslin et al., 2006; Kumar and Venkatesan, 2005). Moreover, multiple channels allow retailers to improve customer acquisition and retention, as well as increase their availability (Venkatesan, Kumar and Ravishanker, 2007).

Currently, in the retailing industry, technology is breaking down the barriers between different channels and is making omnichannel retailing inevitable and critical for retailers' success in the future, as well as increasing the competition in the retail landscape (Luo, Fan and Zhang, 2015; Rigby, 2011; Kumar and Venkatesan, 2005). As a result, many consumers now take for granted the unified shopping experience that allows them to carry out transactions wherever they are and in which way they want. Nowadays, researchers agree that the future of retail lies in the capability to implement omnichannel strategies (Demko-Rihter and Ter Halle, 2015). Nonetheless, this integration requires sophisticated planning and coordination among a firm's many tools and functional departments, including and particularly with logistics, which play a fundamental role in terms of delivering products to purchasers (Luo, Fan and Zhang, 2015).

CANNIBALIZATION LITERATURE

As we recognised earlier, particularly in the early years of e-commerce, some academics (e.g. Alba et al., 1997) supported the idea that when a new online channel is added, the offline business is likely to be cannibalized. Hence, cannibalization has been used as a deterrent for the adoption of electronic commerce (Dinlersoz and Pereira, 2007). The cannibalization literature assumes that if a firm sells only to some of its existing customers through the new virtual shop, at a lower profit per product than physical stores, the net effect is a loss. In other words, cannibalization is the sales loss caused by the introduction of new products (or channels) which displace other older products (or channels), rather than increasing the company overall market share (Kenton, 2019). However, this assumption does not consider the market expansion effect: by providing new consumers, also beyond the local physical market, sales and profitability increase (Dinlersoz and Pereira, 2007). Huang, Lu and Ba (2016) illustrated that adding an additional electronic channel stimulates incremental total sales, even though a fraction of pre-existing sales is cannibalized. Furthermore, many researchers agreed that adding an online channel does not cannibalize offline ones (e.g. Belussi and Rakic, 2019; Biyalogorsky and Naik, 2003). This is possible thanks to the synergy effect, which overrides negative consequences. Nevertheless, it is imperative that newly introduced channels do not closely mimic the other ones, while it must be granted the possibility to switch among the different routes at any time during the shopping process. In different circumstances, cannibalization is likely to occur.

Scholars have argued that to successfully add an online channel and avoid cannibalization, there should be specific conditions: for example, if customers lack an outside alternative, or if the degree of product differentiation is high, the retailer should introduce an electronic commerce, which is likely to lead to overall higher profits (Bernstein, Song and Zheng, 2008; Ofek, Katona and Sarvary, 2011); otherwise, it should adopt a single offline channel. Further essential pre-conditions to avoid cannibalization, suggested by several authors, are the ownership of channel integration capability by retailers, and their ability to carefully plan the channels mix, coordination and complementarity (Day and Hubbard, 2003; Payne and Frow, 2004). Besides, Raju and Zhang (2005) emphasize the importance of the pricing mechanism. For example, many retailers set their online prices to be equal to the offline ones, to eliminate the issue of channels conflict (X. Zhang, 2009).

Finally, Demko-Rihter and Ter Halle (2015) indicated the importance of social media as channels of communication with consumers before the act of purchase, as they help the retailer to predict and manage its business, as well as engage with users and build brand identity.

Thus, the adoption of alternative new virtual routes to engage with clients can have different and sometimes opposite consequences. However, if the new channels are designed smartly, interactively and integrated with the other channels, they may stimulate market demand, avoiding cannibalization, and further improve customer satisfaction and customer relationship management (Yan, Pei and Myers, 2016).

MOBILE COMMERCE: POTENTIALITIES AND WEAKNESSES

Earlier in this paper we cited mobile commerce (m-commerce), i.e. an extension of e-commerce on mobile platforms, such as smartphones and tablets. Tarasewich (2003) describes it as all the activities related to a potential commercial transaction conducted through communication networks that interface with wireless or mobile devices. M-commerce emerged recently and rapidly demonstrated its importance: Huang, Lu and Ba (2016) assert that m-commerce nowadays has grown into an equally and maybe more important channel compared to the traditional ones. Many e-retailers are adopting this new technology, thus providing multichannel or omnichannel shopping services. The literature stream on mobile commerce is abundant. The mobile shopping channel is different from traditional (e.g. stores, catalogues) and computer-based shopping channels. Tsalgatidou and Pitoura (2001) suggested that mobile commerce has specific attributes: location awareness, adaptability, ubiquity, personalization, and broadcasting. These features were reduced to four by Clarke (2001), who proposed ubiquity, convenience, localization and personalization as characteristics which may favour the newest channel over the others. Following, Shankar and Balasubramanian (2009) suggested that the key characteristics of the mobile media and mobile devices are local specificity, portability and wireless features. Afterwards, Wu et al. (2010) argued that mobility and its real-time nature were the most significant attributes of mobile services. Broadly speaking, with m-commerce potential customers are always online, hence they are easier to reach and engage. They potentially can

receive information and purchase at any time, everywhere and more frequently. Notwithstanding, researchers have highlighted that mobile platforms have numerous usability limitations: Chae and Kim (2004) negatively emphasized small screens, which reduce the amount of information which can be displayed without scrolling down. This feature determines other negative aspects: mobile is less effective for multitasking and has higher information search costs. The latter influences particularly the type of product that customers purchase through this channel: if a product requires higher information search efforts, the majority will switch to computers (Ghose, Goldfarb and Han, 2012; Chae and Kim, 2004). Hence, web channel works better for information searches, whereas the strengths of mobile channel are ubiquity and convenience. Thanks to their combination, retailers' ability to reach existing and new consumers is enhanced, resulting in the so called "availability effect" (Neslin et al., 2006). The work of Huang, Lu and Ba (2016) illustrates that after the introduction of a new mobile channel, the overall purchase amount enlarges thanks to the increased frequency of purchases, both on web and mobile channels, despite the smaller shopping orders sizes and amounts.

Nowadays, mobile shopping has the potential to assist in making purchases across channels, and to enhance the shopping experience. M-commerce promotes consumers' empowerment, because it gives them more opportunities and motivations to co-create value (Khansa, Zobel and Goicochea, 2012). So, in the short term, the strategic role of m-commerce will become always more predominant, even more than it already is now.

METHODOLOGY

OBJECTIVE OF THE ANALYSIS

The empirical analysis of this dissertation has a simple, yet interesting purpose: to verify the existence of any relation between online behaviours of firms and their economic performances.

Over the years, many academics and researchers addressed specific topics which were associated with this general subject. For instance, Belussi and Rakic (2019) analysed a representative sample of 19 large fashion retail firms, which adopt both online and brick-and-mortar strategies. They addressed the potential conflict arising from the implementation of these different strategies, focusing particularly on the cannibalization risk. Their conclusion was that leading firms were able to face and absorb the technology of e-commerce, thus creating sustainable conditions for the co-existence of online and brick-and-mortar strategies. Another example is the work of Huang, Lu and Ba (2016), which concentrated on the introduction of mobile shopping services by retail firms, and their effects on sales. Their results indicated that, although the adoption of a mobile channel occasioned a slight cannibalization effect on the purchases on the web channel, consumers' purchases increased overall, thus suggesting that the synergy effect of new channels overrides the cannibalization effect. On the other hand, Chou, Chuang and Shao (2016) examined how firms adopt the emerging mobile commerce, and they found that some characteristics of the e-retailer have a major impact on firm's migration to mobile sales channels. For instance, organisations with online service competencies, economies of scale, and physical stores are more likely to exploit m-commerce's opportunities.

The following analysis examines a sample of 85 firms. In the first section, the methodology will be explained, and the sample will be introduced and generally described. Afterwards, the research will articulate into two lines. The first one will investigate the economic impact of online sales channels adoption (e-commerce and/or app), whereas the second one will focus on the economic impact of social media adoption. For these purposes, the sample will be repeatedly segmented into relevant subgroups, and we will analyse how these groups of similar retailers performed over the years.

DATA DESCRIPTION

In this analysis, we considered a sample of 85 retail firms belonging to the fashion and apparel industry. The observed organisations were established or are currently based in three specific European countries: United Kingdom (UK), Spain and Germany, according to these proportions:

COUNTRY	No. of FIRMS	% of TOTAL
United Kingdom	38	44.71%
Spain	28	32.94%
Germany	19	22.35%
Total Sample	85	100%

Moreover, these organisations are not listed in any major stock market.

At first, the firms were randomly selected from a list obtained from the FDI Markets database, which is provided by the Financial Times Group. We considered only British, Spanish and German organisations. The retail chains selected and examined in this research are the following:

New Yorker	White Stuff	Deichmann Schuhe	Desigual
El Ganso	Camper	Pepe Jeans	Hackett London
Mulberry	All saints	Barbour	Mustang
Hallhuber	Pronovias	Bimba y Lola	Cortefiel
Snipes	MANGO	Golfino	L.K. Bennett
Office	Regatta	Fred Perry	Kurt Geiger
Rimowa	s.Oliver	Bugatti	Church's
Leineweber	Lottusse	Mountain Warehouse	NKD

Rebeca Sanver	Agatha Ruiz de la Prada	Scalpers	UNISA
Castaner	Chester Barrie	Coast	Dr. Martens
Falke	FatFace	Florentino	Hobbs
Joules	Manolo Blahnik	Nanos	Neck and Neck
Shoezone	Skunkfunk	Vialis	Vivienne Westwood
Amichi	Ann Summers	Aquascutum	Ben Sherman
Brownie	Cath Kidston	Closed	Eskandar
Harvey Nichols	House of Fraser	Iris Von Arnim	Jack Wills
Munich	Punto Blanco	Pura Lopez	Vivobarefoot
Peek & Cloppenburg	Karen Millen	Reiss	River Island
Loewe	Phase Eight	Henri Lloyd	Pili Carrera
Birkenstock	Escada	Inside	Seidensticker
Clarks	Betty Barclay	Etxart&Panno	Javier Simorra
The Edinburgh Woollen Mill			

Afterwards, we examined if the retailers in the sample had an e-commerce and/or a proprietary app. To do this, we searched on the internet the official website of every firm, looking for an e-commerce or any link to an app store, where users can download the retailers' official app. In more detail, we considered as e-commerce only the platforms where users can buy goods, and transfer money and data to execute these transactions. This clarification is necessary, because some firms of our sample do not offer a proper e-commerce, instead they just give the possibility to add products to a wish list, or they provide information about the nearest physical stores, where clients can find the desired products. Besides, we considered in our analysis only the retailers offering a proprietary app. So, the presence of the organisation's products in apps which aggregate fashion goods of different brands (e.g. Amazon and Zalando) is not relevant in this dissertation. Consequently, we added two columns ("e-commerce" and "app") to our database, and we filled them with this new information. We typed "1" or "0", which indicated respectively that the relevant retailer owned the specific channel or not.

Then, we searched each firm on the most popular social media platforms. We considered Facebook, Instagram, Twitter, Youtube, Linkedin and Pinterest. Subsequently, we filled in

our database with the number of likes, followers and posts, and with the creation date of Facebook and Twitter pages, when available.

Finally, we collected a portion of the information available in the Orbis database, which is provided by Bureau van Dijk, whose parent company is the Moody's Corporation. The collected data encompasses:

- NUMBER OF EMPLOYEES;

- REVENUE (in million USD);

- TOTAL ASSETS (in million USD);

- EBIT (in million USD);

- EBIT MARGIN (which is also known as Return on Sales or Operating Profit, and it is the ratio of EBIT to REVENUE).

These data were collected for each available year in the Orbis database. The entire amount of information used in our analysis was extracted in three months, from May to July, 2019, and was organised in a panel.

The revenues of the considered organisations oscillate between 6,134 million USD and 420,000 USD. The total assets, instead, range from 370,000 USD to 4,265 million USD. The EBIT Margin oscillates considerably: it varies between -121.67% and +54.22%. This analysis takes into consideration a group of very different organisations. They offer diverse types of products (e.g. shoes, clothes, underwear), always within the fashion and apparel industry, and their target clientele is very variable. Most of these firms have a substantially distinct positioning, in terms of prices and quality of outputs. In our sample, some retailers focus on offering low-end and cheaper products, others sell very qualitative and technical clothes, others again produce and sell high-end goods. Hence, the sample represents heterogenous retailers, which engage with diverse segments of the market. Therefore, the results of the following analysis may have some general significance.

In the following analyses, we considered a period of 10 years, from 2008 to 2017, because the data related to these years were the most available in the Orbis database. The years before and after (2018) were not enough represented in the sample, because many firms'

information was missing. Moreover, we had to not consider the revenues related to some years, because the numbers were missing or were not available in the database.

The indicator chosen to represent the economic performance is the STANDARDIZED REVENUE. In statistics, standardized variables are variables that have been standardized to have a mean of 0 and a standard deviation of 1. Therefore, economic performances are easier to compare. To find the standardized revenue of each firm, it was necessary to calculate the mean (μ) and the standard deviation (σ) of the revenues of the sample. The computed values were:

- $\mu = 360.15$ million USD
- $\sigma = 760.14$ million USD

Afterwards, each standardized revenue was calculated as follows:

$$STANDARDIZED\ REVENUE = \frac{REVENUE\ (in\ million\ USD) - \mu}{\sigma}$$

DATA ANALYSIS

ECONOMIC IMPACT OF ONLINE SALES CHANNELS ADOPTION

DEFINITION OF RELEVANT CLUSTERS

In order to explore the economic impact of the adoption of online sales channels, the sample was divided in three groups, described below:

- CLUSTER 1: it includes the firms which do not have an online presence, in terms of e-commerce and app;

- CLUSTER 2: it includes the firms which own an electronic commerce;

- CLUSTER 3: it includes the firms which own an electronic commerce and a proprietary app.
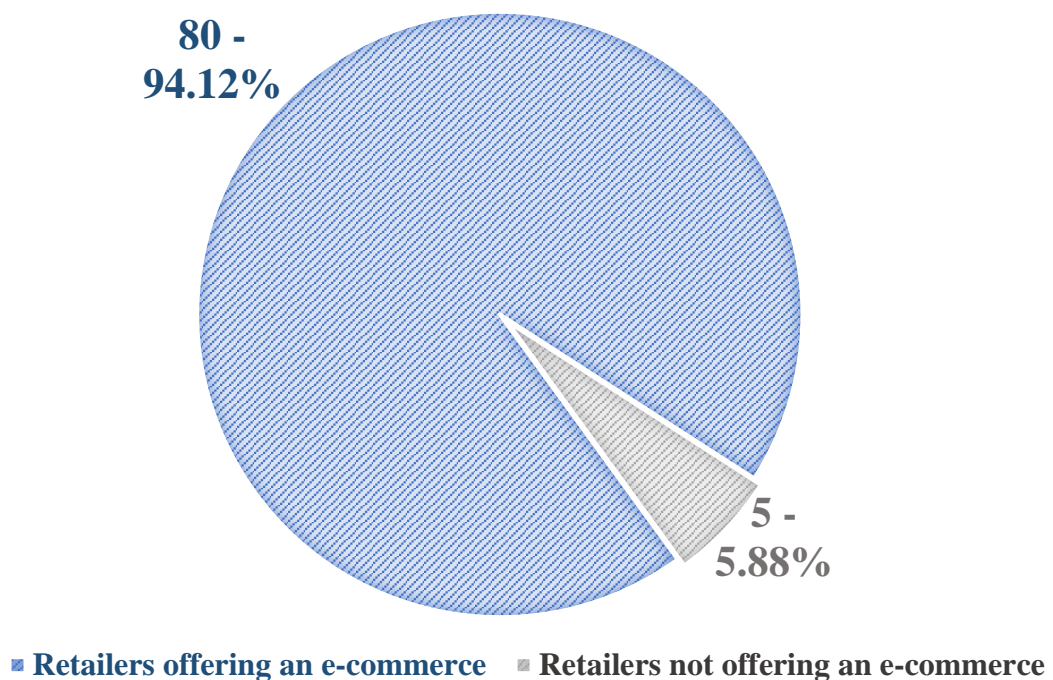
Cluster 1: firms without an e-commerce.

CLUSTER 1 includes all the firms which do not have an online commerce. Among the groups considered, this cluster is the least numerous: only 5.88% of our sample (5 retailers). A generally shared opinion may be that the retailers without an e-commerce are only the smaller ones, but in our analysis, this is not true: the sales of three firms in this cluster are greater than 225 million USD. Notwithstanding, one firm of this cluster was dissolved in 2017. Anyway, nowadays, apparel retail chains which still do not have an online commerce are quite uncommon. This fact is supported by a recent Eurostat report (2018), which asserts that fashion products are among the most purchased online goods in the European Union.

Cluster 2: firms with an e-commerce.

CLUSTER 2 encompasses all the retail chains which adopt online channels and offer the possibility to complete the shopping process electronically, in their websites. As suggested earlier in the Literature Review, this technology has already been adopted by the majority of retail firms. Our study confirms this fact: 94.12% of the firms in our sample (80 retailers) have an online presence, with an electronic commerce.

CLUSTER 1 and CLUSTER 2 are summarised in the pie chart below:

80 - 94.12%

5 - 5.88%

■ **Retailers offering an e-commerce**   ■ **Retailers not offering an e-commerce**

Cluster 3: firms with an e-commerce and a proprietary app.

CLUSTER 3 includes the retail chains which have widely adopted online channels, and thus implement multichannel or omnichannel strategies. In our analysis, this group is contained in the cluster defined immediately above, because all the firms of our sample which provide a mobile channel, already offer an e-commerce in their website.

In our analysis, this share is significantly represented by 21 retailers, and weights 26.25% of CLUSTER 2 (firms offering an e-commerce), and 24.71% of the total sample.
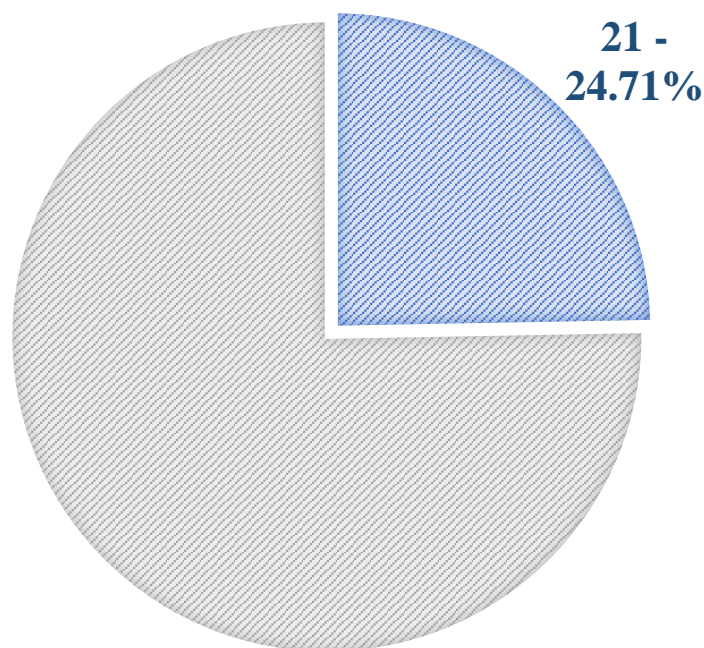

Share of the sample offering both e-commerce and app

REVENUE'S VARIATION, YEAR BY YEAR, BY CLUSTER

In this section, we examined if the different online behaviours of retailers are correlated with their economic performances. The analysis on the clusters introduced and described previously led to different results.

Cluster 1: firms without an e-commerce.

CLUSTER 1 - STANDARDIZED REVENUE
PERFORMANCE, YEAR BY YEAR
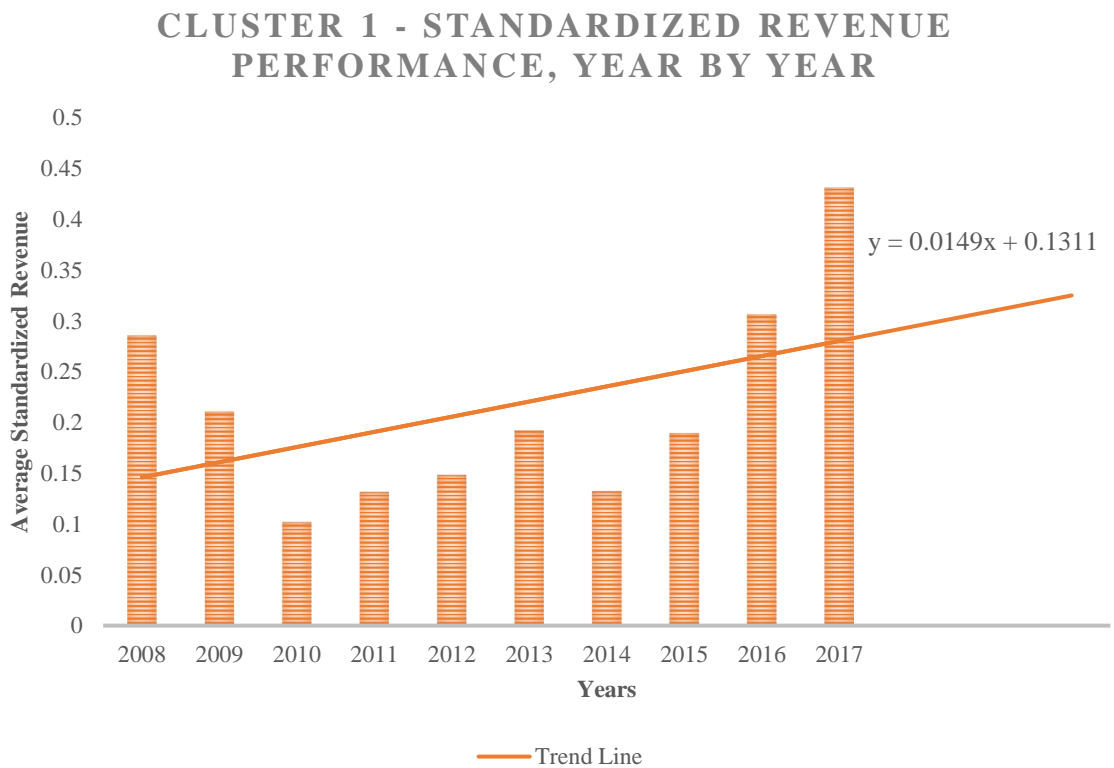
In the period in exam, CLUSTER 1's average revenues were characterised by a decrease in the 2008-2010 span, and by an increase (despite a temporary fall in 2014) in the years from 2010 to 2017. As it was introduced earlier, this cluster encompasses also big retailers, including one which generated revenues for a total amount greater than 2 billion USD, in 2017. The presence of this large organisation is the reason why the columns, which represent CLUSTER 1's yearly average standardized revenue, are much higher than level 0 (that represents the average revenue of the firms in the sample). Without this retailer, the columns would reverse and position below the 0.

The overall performance of retailers without e-commerce is summarized by the slope of the trend line, whose equation is reported below:

$$CLUSTER\ 1 - TREND\ LINE:$$
$$y = 0.0149x + 0.1311$$

Cluster 2: firms with an e-commerce.

CLUSTER 2 - STANDARDIZED REVENUE PERFORMANCE, YEAR BY YEAR

y = 0.0215x - 0.1507
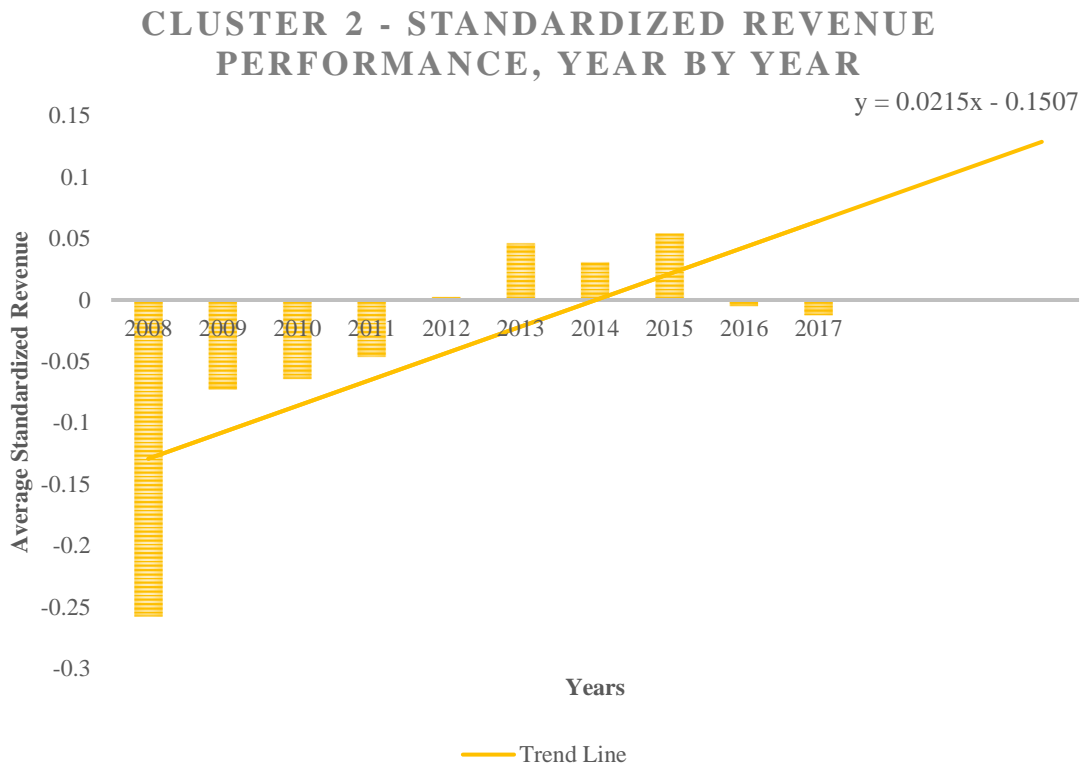
In the analysed years, the average revenues of the firms which offer an e-commerce were characterised by an overall increase, despite the decreases in 2016 and 2017. The trend line describes the comprehensive growth of CLUSTER 2's average revenues.

The equation of the line is provided below:

$$CLUSTER\ 2 - TREND\ LINE:$$
$$y = 0.0215x - 0.1507$$

Cluster 3: firms with an e-commerce and a proprietary app.

CLUSTER 3 - STANDARDIZED REVENUE PERFORMANCE, YEAR BY YEAR

The graph summarizes the performance of the most digitalised large retail chains. In these 10 years, this cluster experienced an overall increase in the revenues of the firms included, despite some temporary falls (2010, 2014, 2016). Moreover, since the columns are all above the 0, we can deduce that, on average, the revenues of the firms in this cluster are greater than the revenues of the total sample.
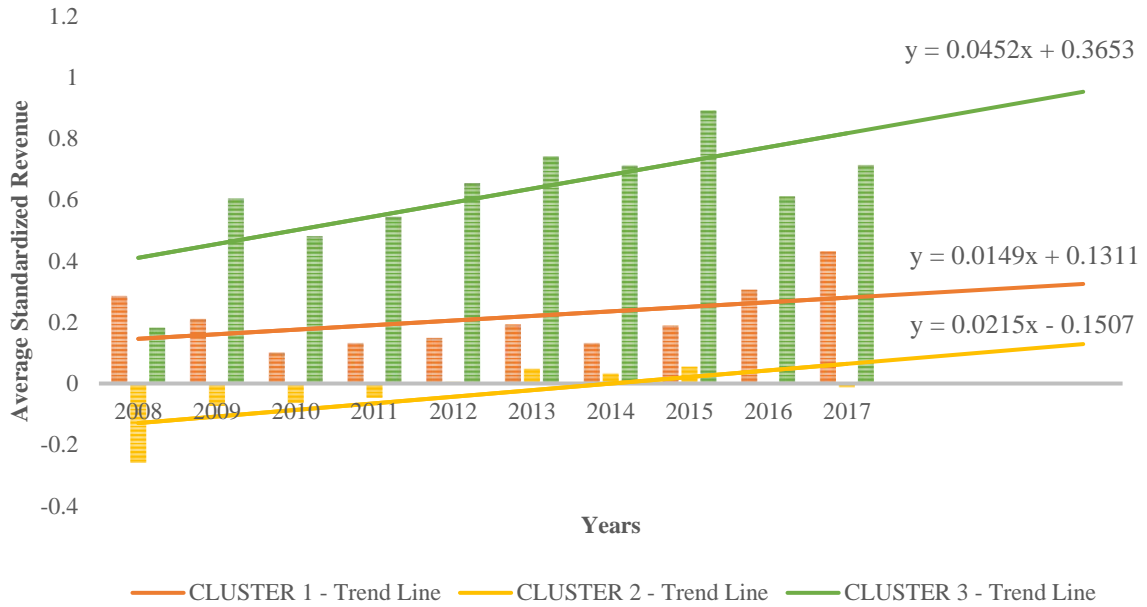
The overall performance of these organisations is summarized by the trend line and its equation, provided below:

$$CLUSTER\ 3 - TREND\ LINE:$$
$$y = 0.0452x + 0.3653$$

Comparison of clusters' standardized revenue performances.

COMPARISON OF CLUSTERS' STANDARDIZED REVENUE PERFORMANCES, YEAR BY YEAR

$y = 0.0452x + 0.3653$

$y = 0.0149x + 0.1311$

$y = 0.0215x - 0.1507$

The above chart compares the performances of the three clusters. The slopes of each trend line are very significant, because they represent the growth of each cluster's average revenues, year by year. The trend lines, and therefore the clusters, can be ranked according to the inclination of each equation. The slope coefficient refers to the coefficient of the independent variable, x, in the equations. Consequently, that rank is:

CLUSTER	RANK	ONLINE SALES CHANNEL	SLOPE COEFFICIENT
CLUSTER 3	1	e-commerce and app	0.0452
CLUSTER 2	2	e-commerce	0.0215
CLUSTER 1	3	none	0.0149

So, in our sample, companies which offer both an e-commerce and an app grew more robustly than companies which offer only an e-commerce or do not have online sales channels at all. Moreover, it can be deduced that, on average, "offline" retailers increase their revenues at a lower rate than the others. Nevertheless, they experienced anyway a positive trend.

ECONOMIC IMPACT OF SOCIAL MEDIA ADOPTION

DEFINITION OF RELEVANT CLUSTERS

In this section, we investigated the economic impact of the adoption of social media by large retail chains. In this analysis, we note the abundance of social media sites available, but we identify Facebook and Instagram as the most popular ones for selling merchandise. Social media refers to any kind of online media which stimulates participation, open conversation and sense of community (Saravanakumar and SuganthaLakshmi, 2012).

With 2.41 billion monthly active users as of June 2019, Facebook is the main social media and is the market leader among its competitors. Moreover, marketers report that this media is critical or important to their businesses (Zephoria, 2019). On the other hand, Instagram has 1 billion monthly active users, and more than 500 million access the app every day. Furthermore, 71% of Instagram users around the globe are under the age of 35. In addition, 60% of users (i.e. approximately 600 million people) seek out and discover new products on Instagram, and 75% of them take action (Clarke, 2019). These reasons explain why many retailers strive to get on the platform.

To explore the economic impact of the presence of firms on Facebook, we analysed the economic performance of three different slots of number of likes. The three ranges of likes considered were:
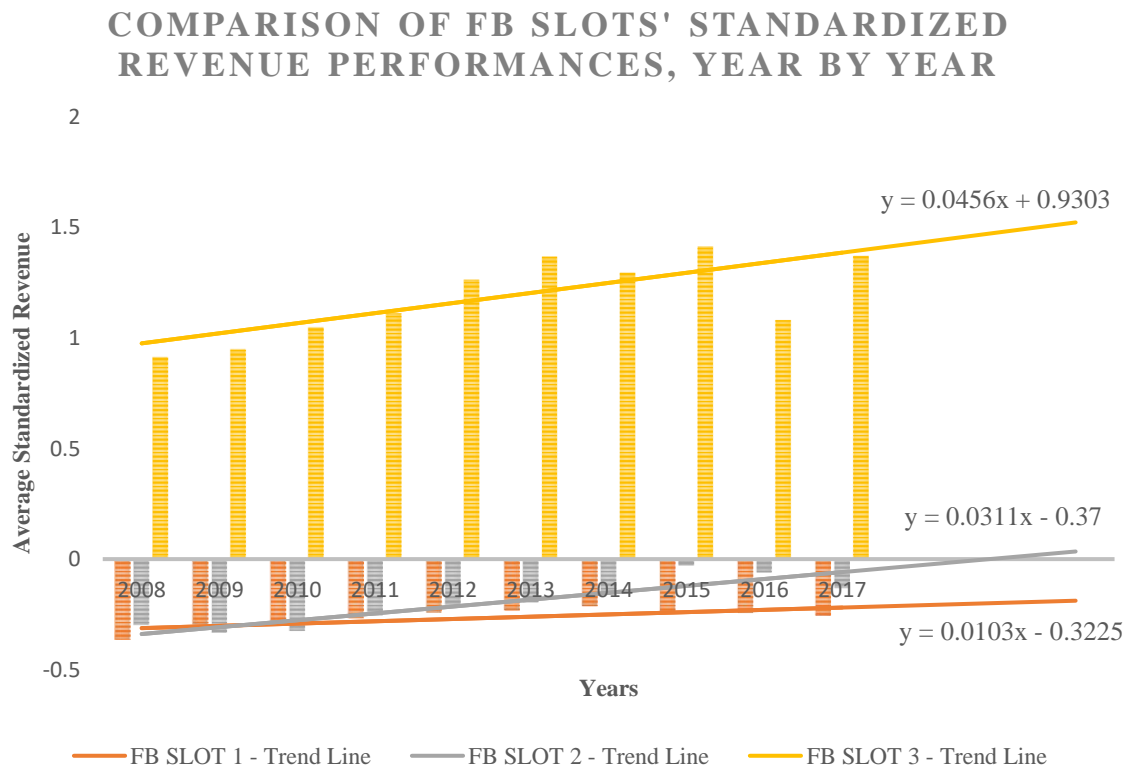
- FB SLOT 1: 0 < no. of likes ≤ 100,000. This slot represents 22.35% of the sample;
- FB SLOT 2: 100,000 < no. of likes ≤ 1,000,000. This slot represents 40.00% of the sample;
- FB SLOT 3: no. of likes > 1,000,000. This slot represents 15.29% of the sample.

Likewise, we investigated the economic performance of retailers which have a presence on Instagram. So, we divided the firms into two different slots, according to the number of followers:

- IG SLOT 1: 0 < no. of followers ≤ 50,000. This slot represents 25.53% of the sample;
- IG SLOT 2: no. of followers > 50,000. This slot represents 49.41% of the sample.

REVENUE'S VARIATION, YEAR BY YEAR, BY SLOT

Comparison of Facebook slots' standardized revenue performances.

COMPARISON OF FB SLOTS' STANDARDIZED
REVENUE PERFORMANCES, YEAR BY YEAR

$y = 0.0456x + 0.9303$

$y = 0.0311x - 0.37$

$y = 0.0103x - 0.3225$

FB SLOT 1 - Trend Line   FB SLOT 2 - Trend Line   FB SLOT 3 - Trend Line

The above graph compares the performances of the three subgroups considered. As for the previous analysis, the slopes of each trend line are important, because they symbolize the performance of each slot's average revenues, year by year. The performances of each slot
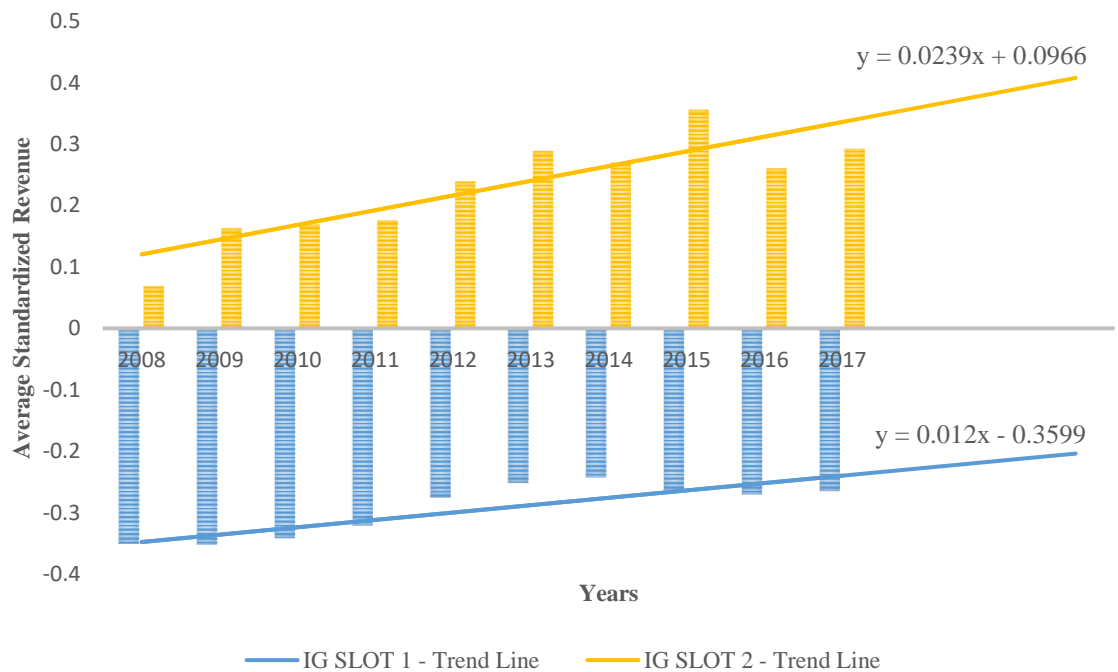
can be ranked according to the slope coefficient of each line (which is the coefficient of the independent variable).

Consequently, the rank is:

FB SLOT	RANK	No. OF LIKES	SLOPE COEFFICIENT
FB SLOT 3	1	likes > 1,000,000	0.0456
FB SLOT 2	2	100,000 < likes ≤ 1,000,000	0.0311
FB SLOT 1	3	0 < likes ≤ 100,000	0.0103

Comparison of Instagram slots' standardized revenue performances.

COMPARISON OF IG SLOTS' STANDARDIZED REVENUE PERFORMANCES, YEAR BY YEAR

$y = 0.0239x + 0.0966$

$y = 0.012x - 0.3599$

IG SLOT 1 - Trend Line   IG SLOT 2 - Trend Line

Accordingly, the above chart displays the performances of the two Instagram slots investigated.

According to the slope coefficients, we can infer which slot performed better:

IG SLOT	RANK	No. OF FOLLOWERS	SLOPE COEFFICIENT
IG SLOT 2	1	followers > 50,000	0.0239
IG SLOT 1	2	0 < followers ≤ 50,000	0.012

The results indicate that, in the sample examined, there is a positive correlation between the number of likes on retailers' Facebook pages, and their economic performances. Moreover, in the sample examined, there is also a positive correlation between the number of followers on retailers' Instagram pages, and their economic performances.

DISCUSSION

The analyses on the sample led to two main findings, which support the most shared opinions and suggestions of academics and researchers.

In the sample examined, retailers which offer both an e-commerce and an app grew more robustly than retailers offering only an e-commerce or not adopting online channels at all. This result implies that multichannel and omnichannel strategies have, on average, very positive outcomes, that justify the high associated costs. This successful performance is presumably linked to the enhancement of customers' satisfaction and loyalty (Wallace, Giese and Johnson, 2004), which is, in its turn, related to several elements associated with the implementation of these strategies. For instance, Rigby (2011) emphasizes the importance and the value of being able to offer a complete and integrated sales experience to customers, which stems from the combination of the whole set of different available channels. By combining and exploiting channels' distinctive characteristics, hybrid clients considerably benefit and maximize their shopping experiences (Van Birgelen, De Jong and De Ruyter, 2006). Besides, other reasons which may have supported the performance of this cluster of retailers are related to the "availability effect": with more channels, potential buyers' exposition to marketing efforts is augmented, while retailers increase their availability (Neslin et al., 2006). As a result, hybrid customers purchase more frequently than single-channel ones (Kumar and Venkatesan, 2005). Particularly with m-commerce, potential clients are always online and are easier to engage, and they can easily purchase whenever and wherever they want. Hence, the outcomes of this research support the idea that, currently, technology is making omnichannel retailing inevitable and critical for organisations' survival. Thus, we support the claim of many researchers (e.g. Demko-Rihter and Ter Halle, 2015), which assert that the future of retail lies in the capability to implement omnichannel strategies, therefore guaranteeing an integrated sales experience to customers. Additionally, it is interesting to note that, on average, the analysed multichannel and omnichannel retailers did not experience a noticeable cannibalization effect caused by the introduction of new sales channels, since gross revenues increased almost year by year.

On the other hand, the analysis on the economic impact of social media adoption shows that, on average, retailers with high levels of engagement on social platforms experienced a robust

growth in sales. In more detail, in the sample examined, organisations with greater amounts of likes and followers accomplished more prosperous performances, with respect to less popular retailers. In order to obtain higher levels of online engagement, retailers must carefully plan social media strategies and social media marketing activities. According to Saravanakumar and SuganthaLakshmi (2012), social media marketing is currently a hot topic for companies, because it allows retailers to establish a two-way communication channel with customers. Therefore, with social media, retailers intensify their relationship with buyers. Moreover, to a certain extent, retailers can shape customers' discussions to ensure they are aligned to the organisation's goals. As a result, the bigger and more engaged your audience is, the easier it will be to achieve marketing' objectives. Furthermore, these websites and apps reinforce retailers' ability to market their products, build brand equity and boost clientele faithfulness. Thus, we can deduce that companies which implement social media strategies and exploit social media marketing tools are more likely to achieve superior performances, also in terms of revenues. Nevertheless, these channels require effort and careful planning, to anticipate consumer responses and avoiding unanticipated and viral buyers' backlashes, which may easily damage the brand's image. Hence, this investigation and its outcomes support marketers' idea that social media must be considered as great opportunities to boost revenues, increase market share and gain competitive advantage.

CONCLUSION

The objective of this dissertation was to empirically analyse how European retailing fashion and apparel firms have reacted against the internet evolution, with the intention of providing some evidence about the effects of the adoption of online channels. In order to do this, we examined a sample of 85 retail organisations belonging to the abovementioned industry, based in three specific countries: United Kingdom, Spain and Germany.

Our results show that, in the sample examined, multichannel and omnichannel retailers grew more robustly than dual-channel and single-channel retailers. Moreover, in our sample, organisations with higher degrees of social media engagement with current or potential customers performed better than competitors, in terms of revenues.

Therefore, we conclude that online channels represent an exciting opportunity for fashion and apparel retailers, as long as the introduction of each channel is carefully planned, to guarantee an integrated and complete sales experience to customers. Furthermore, we highlight the importance of social media platforms as useful means to communicate with clients, build relationships and help to manage the coordination of sales channels.

This dissertation has various limitations that could be addressed in future research. Primarily, we experienced some data availability issues, which may have occasioned not completely comprehensive results. In addition, the sample examined is not perfectly representative of the industry, because it does not include luxury and listed firms. Besides, future studies may address the topic with more meticulous and sophisticated analysis methods.

This dissertation may be useful for scholars and practitioners, because it provides interesting and straightforward insights related to the adoption of online channels by retailing firms, extracted from empirical research.

REFERENCE LIST

ADNER, R., 2002. When are technologies disruptive? A demand-based view of the emergence of competition. *Strategic Management Journal*, 23 (8), 667-688.

ALBA, J., LYNCH, J., WEITZ, B., JANISZEWSKI, C., LUTZ, R., SAWYER, A., and WOOD, S., 1997. Interactive home shopping: consumer, retailer, and manufacturer incentives to participate in electronic marketplaces. *Journal of marketing*, 61 (3), 38-53.

AMIT, R., and ZOTT, C., 2001. Value creation in e-business. *Strategic Management Journal*, 22 (6-7), 493-520.

BALASUBRAMANIAN, S., 1998. Mail versus mall: A strategic analysis of competition between direct marketers and conventional retailers. *Marketing Science*, 17 (3), 181-195.

BELUSSI, F., and RAKIC, K., 2019. Online and Brick-and-Mortar Strategy in Fashion Industry: Co-Existence or Cannibalization?. *Latest Trends in Textile & Fashion Designing*, 3 (2), 1-5.

BERNSTEIN, F., SONG, J. S., and ZHENG, X., 2008. "Bricks-and-mortar" vs."clicks-and-mortar": An equilibrium analysis. *European Journal of Operational Research*, 187 (3), 671-690.

BIYALOGORSKY, E., and NAIK, P., 2003. Clicks and mortar: the effect of on-line activities on off-line sales. *Marketing Letters*, 14 (1), 21-32.

CHAE, M., and KIM, J., 2004. Do size and structure matter to mobile users? An empirical study of the effects of screen size, information structure, and task complexity on user activities with standard web phones. *Behaviour & information technology*, 23 (3), 165-181.

CHEN, Q., and CHEN, H. M., 2004. Exploring the success factors of eCRM strategies in practice. *Journal of Database Marketing & Customer Strategy Management*, 11 (4), 333-343.

CHEN, Y., HU, X., and LI, S., 2017. Quality differentiation and firms' choices between online and physical markets. *International Journal of Industrial Organization*, 52 (2017), 96-132.

CHIANG, W. Y. K., CHHAJED, D., and HESS, J. D., 2003. Direct marketing, indirect profits: A strategic analysis of dual-channel supply-chain design. *Management science*, 49 (1), 1-20.

CHRISTENSEN, C. M., 1997. *The Innovator's Dilemma: When New Technologies Cause Great Firms to Fail*. 1st ed. Boston: Harvard Business School Press.

CHRISTENSEN, C. M., 2006. The ongoing process of building a theory of disruption. *Journal of Product innovation management*, 23 (1), 39-55.

CHRISTENSEN, C. M., and BOWER, J. L., 1996. Customer power, strategic investment, and the failure of leading firms. *Strategic management journal*, 17 (3), 197-218.

CHRISTENSEN, C. M., and RAYNOR, M., 2003. *The Innovator's Solution: Creating and Sustaining Successful Growth*. 1st ed. Boston: Harvard Business School Press.

CHOU, Y. C., CHUANG, H. H. C., and SHAO, B. B., 2016. The impact of e-retail characteristics on initiating mobile retail services: A modular innovation perspective. *Information & Management*, 53 (4), 481-492.

CLARKE, I., 2001. Emerging value propositions for m-commerce. *Journal of business strategies*, 18 (2), 133.

CLARKE, T., 2019. *22+ Instagram Stats That Marketers Can't Ignore This Year* [online]. Available at: <https://blog.hootsuite.com/instagram-statistics/> [Accessed 03/08/2019].

DAY, G. S., and HUBBARD, K. J., 2003. Customer relationships go digital. *Business Strategy Review*, 14 (1), 17-26.

DE FIGUEIREDO, J., 2000. Finding sustainable profitability in electronic commerce. *Sloan Management Review*, 41 (4), 41-52.

DEMKO-RIHTER, J., and TER HALLE, I., 2015. Revival of high street retailing–the added value of shopping apps. *Amfiteatru Economic Journal*, 17 (39), 632-645.

DETERT, J. R., SCHROEDER, R. G., and MAURIEL, J. J., 2000. A framework for linking culture and improvement initiatives in organizations. *Academy of management Review*, 25 (4), 850-863.

DINLERSOZ, E. M., and PEREIRA, P., 2007. On the diffusion of electronic commerce. *International Journal of Industrial Organization*, 25 (3), 541-574.

EUROSTAT, 2018. *E-commerce statistics for individuals* [online]. Available at: <https://ec.europa.eu/eurostat/statistics-explained/pdfscache/46776.pdf> [Accessed 10/06/2019].

GEORGE, G., and BOCK, A. J., 2011. The business model in practice and its implications for entrepreneurship research. *Entrepreneurship theory and practice*, 35 (1), 83-111.

GHOSE, A., GOLDFARB, A., and HAN, S. P., 2012. How is the mobile Internet different? Search costs and local activities. *Information Systems Research*, 24 (3), 613-631.

GROSSMAN, S. J., and HART, O. D., 1980. Disclosure laws and takeover bids. *The Journal of Finance*, 35 (2), 323-334.

HALL, J., MATOS, S. V., and MARTIN, M. J., 2014. Innovation pathways at the Base of the Pyramid: Establishing technological legitimacy through social attributes. *Technovation*, 34 (5-6), 284-294.

HANG, C. C., GARNSEY, E., and RUAN, Y., 2015. Opportunities for disruption. *Technovation*, 39 (2015), 83-93.

HESS, J. D., CHU, W., and GERSTNER, E., 1996. Controlling product returns in direct marketing. *Marketing Letters*, 7 (4), 307-317.

HUANG, L., LU, X., and BA, S., 2016. An empirical study of the cross-channel effects between web and mobile shopping channels. *Information & Management*, 53 (2), 265-278.

JOVANOVIC, B., 1982. Selection and the Evolution of Industry. *Econometrica: Journal of the Econometric Society*, 50 (3), 649-670.

KHANSA, L., ZOBEL, C. W., and GOICOCHEA, G., 2012. Creating a taxonomy for mobile commerce innovations using social network and cluster analyses. *International Journal of Electronic Commerce*, 16 (4), 19-52.

KENTON, W., 2019. *Market Cannibalization* [online]. Available at: <https://www.investopedia.com/terms/m/marketcannibilization.asp> [Accessed 23/07/2019].

KUMAR, V., and VENKATESAN, R., 2005. Who are the multichannel shoppers and how do they perform?: Correlates of multichannel shopping behavior. *Journal of Interactive marketing*, 19 (2), 44-62.

LANGERAK, F., RIJSDIJK, S., and DITTRICH, K., 2009. Development time and new product sales: A contingency analysis of product innovativeness and price. *Marketing Letters*, 20 (4), 399-413.

LEGNER, C., 2008. The evolution of B2B e-services from first generation e-commerce solutions to multichannel architectures. *Journal of Electronic Commerce in Organizations (JECO)*, 6 (2), 58-77.

LEWRICK, M., WILLIAMS JR., R., OMAR, M., TJANDRA, N. C., and LEE, Z. C., 2015. *In:* PANTANO, E., 2015. *Successful technological integration for competitive advantage in retail settings*. 1st ed. Hershey: IGI Global.

LUO, J., FAN, M., and ZHANG, H., 2015. Information technology, cross-channel capabilities, and managerial actions: Evidence from the apparel industry. *Journal of the Association for Information Systems,* 17 (5), 308-327.

MARKIDES, C., 2006. Disruptive innovation: In need of better theory. *Journal of product innovation management*, 23 (1), 19-25.

MARKIDES, C., 2012. How disruptive will innovations from emerging markets be?. *MIT Sloan Management Review*, 54 (1), 23.

NARVER, J. C., and SLATER, S. F., 1990. The effect of a market orientation on business profitability. *Journal of marketing*, 54 (4), 20-35.

NESLIN, S. A., GREWAL, D., LEGHORN, R., SHANKAR, V., TEERLING, M. L., THOMAS, J. S., and VERHOEF, P. C., 2006. Challenges and opportunities in multichannel customer management. *Journal of service research*, 9 (2), 95-112.

OFEK, E., KATONA, Z., and SARVARY, M., 2011. "Bricks and clicks": The impact of product returns on the strategies of multichannel retailers. *Marketing Science*, 30 (1), 42-60.

PAYNE, A., and FROW, P., 2004. The role of multichannel integration in customer relationship management. *Industrial marketing management*, 33 (6), 527-538.

RAJU, J., and ZHANG, Z. J., 2005. Channel coordination in the presence of a dominant retailer. *Marketing Science*, 24 (2), 254-262.

RIGBY, D., 2011. The future of shopping. *Harvard business review*, 89 (12), 65-76.

ROWLEY, J., 2004. Just another channel? Marketing communications in e-business. *Marketing Intelligence & Planning*, 22 (1), 24-41.

SARAVANAKUMAR, M., and SUGANTHALAKSHMI, T., 2012. Social media marketing. *Life Science Journal*, 9 (4), 4444-4451.

SHANKAR, V., and BALASUBRAMANIAN, S., 2009. Mobile marketing: a synthesis and prognosis. *Journal of interactive marketing*, 23 (2), 118-129.

SINHA, R. K., and NOBLE, C. H., 2008. The adoption of radical manufacturing technologies and firm survival. *Strategic Management Journal*, 29 (9), 943-962.

SORESCU, A., FRAMBACH, R. T., SINGH, J., RANGASWAMY, A., and BRIDGES, C., 2011. Innovations in retail business models. *Journal of retailing*, 87 (1), S3-S16.

SUEL, E., and POLAK, J. W., 2017. Development of joint models for channel, store, and travel mode choice: Grocery shopping in London. *Transportation Research Part A: Policy and Practice*, 99 (2017), 147-162.

TARASEWICH, P., 2003. Designing mobile commerce applications. *Communications of the ACM*, 46 (12), 57-60.

TEECE, D. J., 2010. Business models, business strategy and innovation. *Long range planning*, 43 (2-3), 172-194.

TIDD, J., and BESSANT, J., 2013. *Managing innovation:* I*ntegrating Technological, Market and Organizational Change*. 5th ed. Chichester: John Wiley and Sons Inc.

TSALGATIDOU, A., and PITOURA, E., 2001. Business models and transactions in mobile electronic commerce: requirements and properties. *Computer Networks*, 37 (2), 221-236.

VAN BIRGELEN, M., DE JONG, A., and DE RUYTER, K., 2006. Multi-channel service retailing: The effects of channel performance satisfaction on behavioral intentions. *Journal of Retailing*, 82 (4), 367-377.

VELU, C., 2015. Business model innovation and third-party alliance on the survival of new firms. *Technovation*, 35 (2015), 1-11.

VENKATESAN, R., KUMAR, V., and RAVISHANKER, N., 2007. Multichannel shopping: causes and consequences. *Journal of Marketing*, 71 (2), 114-132.

VERHOEF, P. C., KANNAN, P. K., and INMAN, J. J., 2015. From multi-channel retailing to omni-channel retailing: introduction to the special issue on multi-channel retailing. *Journal of retailing*, 91 (2), 174-181.

VON HIPPEL, E., 2005. Democratizing innovation: The evolving phenomenon of user innovation. *Journal für Betriebswirtschaft*, 55 (1), 63-78.

WALLACE, D. W., GIESE, J. L., and JOHNSON, J. L., 2004. Customer retailer loyalty in the context of multiple channel strategies. *Journal of retailing*, 80 (4), 249-263.

WAMBA, S. F., LEFEBVRE, L. A., BENDAVID, Y., and LEFEBVRE, É., 2008. Exploring the impact of RFID technology and the EPC network on mobile B2B eCommerce: A case study in the retail industry. *International Journal of Production Economics*, 112 (2), 614-629.

WAN, F., WILLIAMSON, P. J., and YIN, E., 2015. Antecedents and implications of disruptive innovation: Evidence from China. *Technovation*, 39-40 (2015), 94-104.

WIGAND, R. T., 1997. Electronic commerce: Definition, theory, and context. *The information society*, 13 (1), 1-16.

WU, X., CHEN, Q., ZHOU, W., and GUO, J., 2010. A review of Mobile Commerce consumers' behaviour research: consumer acceptance, loyalty and continuance (2000-2009). *International Journal of Mobile Communications*, 8 (5), 528-560.

YAN, R., and BHATNAGAR, A., 2008. Product choice strategy for online retailers. *International Journal of E-Business Research (IJEBR)*, 4 (1), 22-39.

YAN, R., PEI, Z., and MYERS, C., 2016. Do channel members value the multiple-cooperation strategy?. *Journal of Retailing and Consumer Services*, 30 (2016), 84-95.

YU, D., and HANG, C. C., 2010. A reflective review of disruptive innovation theory. *International journal of management reviews*, 12 (4), 435-452.

ZEPHORIA, 2019. *The top 20 valuable Facebook statistics - updated July* 2019 [online]. Available at: <https://zephoria.com/top-15-valuable-facebook-statistics/> [Accessed 03/08/2019].

ZHANG, P., HE, Y., and SHI, C. V., 2017. Retailer's channel structure choice: Online channel, offline channel, or dual channels?. *International Journal of Production Economics*, 191 (2017), 37-50.

ZHANG, X., 2009. Retailers' multichannel and price advertising strategies. *Marketing Science*, 28 (6), 1080-1094.

ZOTT, C., and AMIT, R., 2010. Business model design: an activity system perspective. *Long range planning*, 43 (2-3), 216-226.