Winners and Losers in the race to deliver on-line shopping: a longitudinal analysis.

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Abstract:

Serious attempts to trade on-line started to emerge in the early 1990s when innovative, technically savvy companies responded to the opportunities and challenges posed by the Internet, to develop sophisticated web-sites to serve customers, in their homes [Rayport & Sviokla, 1994]. At this time, many academics began questioning the likely impacts that this new technology would have on the shape and conduct of retailing, in the years to come. For example, Burke [1997] questioned the extent to which the virtual world would change the principles of retailing, and asked whether it would ultimately displace existing retail formats or serve as a natural complement to current marketing practices. In a similar vein, Malone et al. (1997) raised the possibility that manufacturers could simply target their consumers directly, and in so doing, simply cut the retailer, as the '*middle man*', out of the equation. Other commentators went beyond raising questions about the Internet's likely impact on retailing, to making fairly specific predictions. Indeed, most commentators were extremely optimistic about how quickly and enthusiastically the consumer would adopt this new channel, with the following two quotes, being very indicative of the general mood: '*by the year 2005 it* (the Internet) *would capture between 8 and 30 per cent of the UK retail market*' Pavitt (1997); and, over a similar time frame, '*high street stores face an estimated loss of 20% of their business to electronic shopping*' [Angelides, 1997]. Cycle forward 20 years and although the rate of Internet adoption amongst retailers might not have been as rapid, or as extensive as originally envisaged, the key question for both marketing scholars and practitioners is no longer whether but when an incumbent retailer should adopt an online channel. The fact that, with the benefit of hindsight, many of the original predictions have proven to be overly optimistic, hasn't quelled the enthusiasm of Internet watchers for trying to predict the future trajectory of on-line shopping.

A very significant amount of research effort has now been focused upon attempting to understand and explain the uptake, practice and impact of Internet retailing [Doherty & Ellis-Chadwick, 2010]. Given that on-line shopping requires a collaborative relationship between buyers and suppliers of on-line products or services, individual research studies can either focus on the activities and perceptions of the consumers, the retailers, or possibly both. However, to date, the overwhelming bulk of this body of literature has adopted a customer-centric orientation, in that its purpose has been to measure the consumers' attitudes and reactions to a variety of different elements of the retailers' strategic positioning, as manifested through the design of their web-sites [Dennis et al, 2009]. By contrast, the number of study's explicitly focussing upon the retailers' Internet activities is still relatively modest. This paper addresses this gap in the literature and aims to shed light on the extent to which on-line shopping has been adopted and embedded in the practices of organisations operating in the UK's retail sector. By analysing longitudinal data gathered in the UK on retailer adoption

from 1997, to 2013 and adopting a retailer, rather than a consumer perspective, our study will contribute to the literature in four important ways; 1) by shedding light upon the rate at which retailers have adopted a variety of different Internet-based functionalities; 2) it will compare and contrast the rate of adoption between organisations operating in different retail sectors; 3) it will explore whether being an early adopter of e-commerce, increases the likelihood of a retailer still being in business; 4) it will seek to investigate whether being an early adopter of e-commerce, puts a retailer in an advantageous position, when it comes to deploying a wider range e-commerce functionalities, in later time periods. In terms of its structure, the study presents a critical review of the extant literature, from which the research objectives are then derived. The research methods which have been adopted are then described and justified, in section three. The research results are presented and discussed and their importance and implications of the study's findings are assessed in the concluding sections.