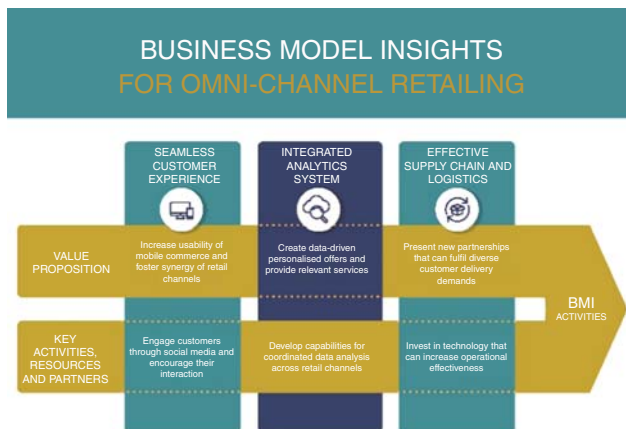


## Physical and digital market places – where marketing meets operations

The digital revolution has profoundly changed the face of retail. Physical market places such as retail stores and agglomerations are now complemented by digital touch points (Galipoglu *et al.*, 2018). Hence, the role of retailers has become more complex – that of an agent bringing together supply and demand by facilitating physical and digital market infrastructure. The resulting change in shopper behaviour has led to the adaption of traditional marketing and operations processes in retail organisations and a redefinition of supply chain partnerships (e.g. Teller *et al.*, 2012, 2016; Blut *et al.*, 2018).

This special issue features insights into contemporary phenomena in the context of physical as well as digital market places, and takes both the marketing and the operations perspective. The included research articles were presented at the Colloquium on European Research in Retailing 2018, hosted by the Department of Marketing and Retail Management (Surrey Business School) at the University of Surrey (England). In total, 11 contributions can be categorised into two areas, i.e., the supply side and the demand side of physical and digital market places. In the following, the papers are briefly described and visual abstracts presented to give the reader a quick overview on the aims, and theoretical and practical implications of the research.

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Guest editors thank the authors for their huge efforts in undertaking and presenting their research in this special issue, the reviewers for providing constructive and valuable guidance, and the growing audience of the Colloquium on European Research in Retailing for their collegiate feedback on the papers presented at the event.

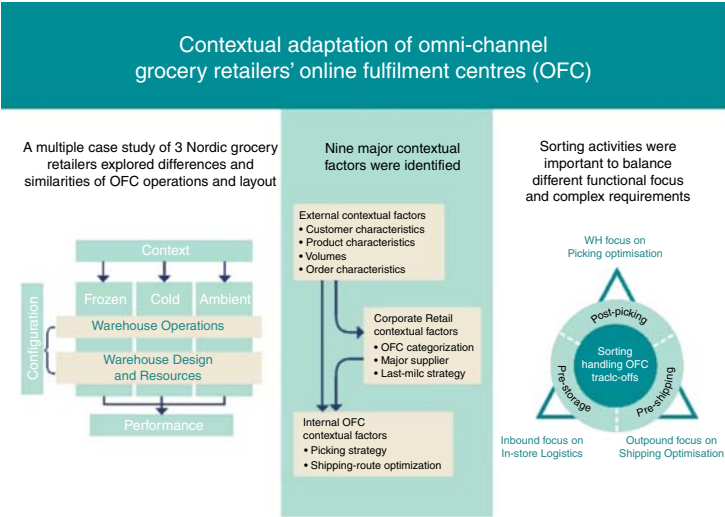
Due to an error during the editorial process, A business model analysis of Kmart's downfall (DOI 10.1108/IJRDM-10-2018-0218) by Humberto Brea-Solis and Emili Grifell-Tatjé and Transitions towards omni-channel retailing strategies: a business model perspective (DOI 10.1108/IJRDM-08-2018-0176) by Milan Jocenevski, Niklas Arvidsson, Giovanni Miragliotta, Antonio Ghezzi and Riccardo Mangiaracina appear in *IJRDM* Vol. 47 No. 2.



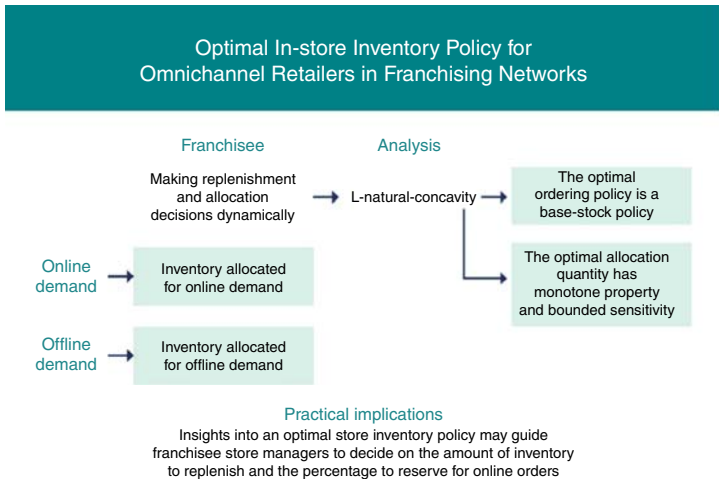
**The supply side of physical and digital market places – strategic and operational insights**

Jocevski *et al.* investigate the process of implementing omni-channel strategies in three different retail sectors. Through a conceptual framework, they propose three dimensions for a successful changeover towards an omni-channel distribution.

Eriksson *et al.* focus on the process of configuring retailers’ online fulfilment centres during their transition towards omni-channel distribution. By applying a holistic approach, they empirically identify nine contextual factors that shape the change of distribution approach.



Xu and Cao investigate the in-store operations of omni-channel retailers. They develop an inventory model and examine an optimal and dynamic replenishment and allocation policy. Their results can assist store managers in optimising their decisions on stock levels for both online and offline demand.



Brea-Solis and Grifell-Tatjé explore the reasons behind the decline of the once-powerful retailer Kmart, by looking into their business model and its evolution. The learnings from this case highlight the importance of the correct implementation of all details of a business model in order to achieve success in the market.

Guest editorial

## A business model analysis of kmart's downfall

Business models create and capture value by:



We developed a methodology using DEA, based on Grifell-Tatjé and Lovell's (2015) cost decomposition, to identify each one of these sources for the case of Kmart. This method requires collecting information on other retailers and conducting a frontier analysis

**Kmart**  
Analysis of 30 years of corporate information (1972–2002, the year of bankruptcy) contained in the annual report and other sources of information to elaborate a business model description of Kmart and its evolution. The tenures of 5 distinct CEO's were studied

**Business Model Orientation**  
Business models can be oriented towards cost leadership or revenue leadership. The empirical method can be adapted to each situation



It is not enough to evaluate a business model simply by looking at its profits.  
It is also necessary to measure the economic drivers of these profits

Kim *et al.* provide detailed insights into the men's clothing market and present a segmentation approach for that sector. Through a Rasch Tree analysis, they reveal the varying importance of the retail attributes of different formats, for shoppers belonging to different generations.

## Competitive Analyses for Men's Clothing Retailers: Segmentation and Positioning

### Aim

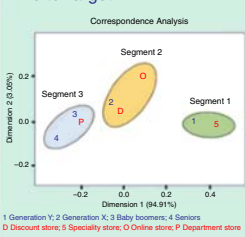
How the current US men's clothing market can be segmented based on store types and generational cohorts?

Which retail attributes can attract each segment for better positioning?

### Method

Analyzed secondary data from Predictive Analytics survey with 2,808 US males  
Segmented potential segments with g correspondence analysis  
Identified key attribute using GLM and Rasch Tree Model for positioning

### Who to Target?



### What attributes to appeal?

#### Segment 1

Online convenience: Secure website/mobile site  
Fundamentals: location, quality, selection, price, trust  
Experiential: pleasing shopping ambience, fashion items

#### Segment 2

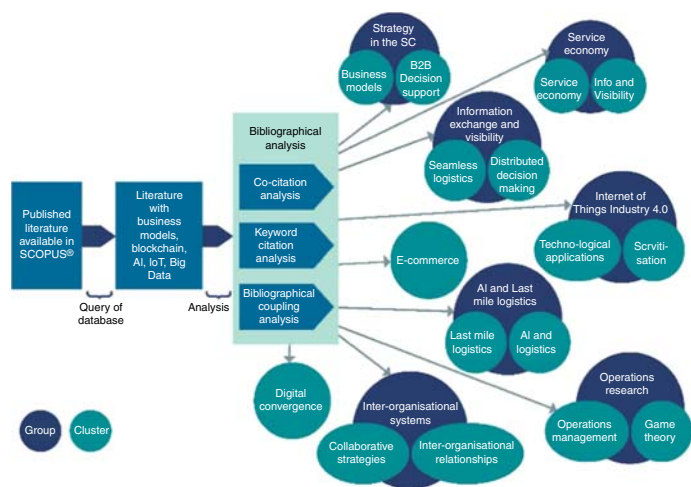
Fundamentals: location, quality, selection, price, trust

#### Segment 3

Promotion: promotional items, store credit, loyalty card  
Fundamentals: location, quality, selection, price, trust

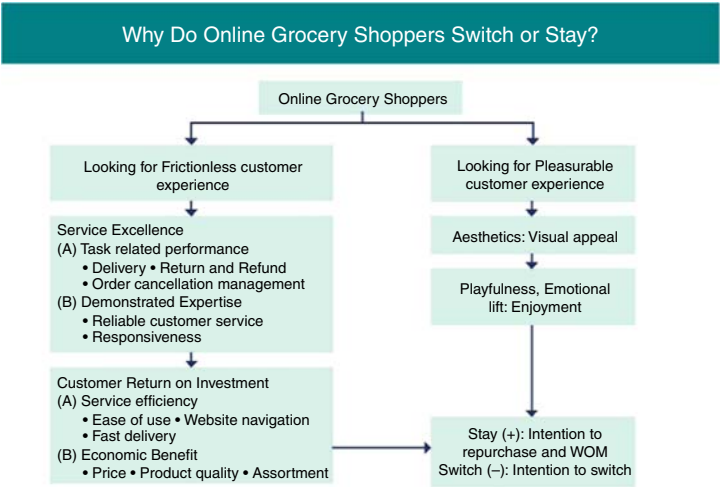
Through a bibliometric study, Delafenestre presents insights into new business models in supply chains, that can be invented from the advent of the latest technologies. With this

systematic review of the literature, he provides researchers with avenues for further research into new business models and their potential impact in supply chains.



### The demand side of physical and digital market places – shoppers’ responses to retail marketing stimuli

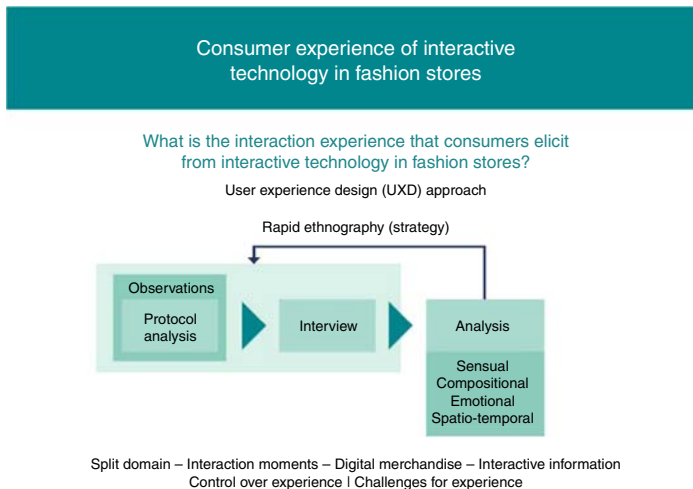
Singh investigates the loyalty behaviour and shopping experiences of online grocery shoppers. The findings highlight 13 experiential factors that positively influence shoppers’ patronage behaviour.



Siregar and Kent explore shoppers’ experiences with interactive technology in fashion stores. They reveal four themes in this context that are related to shoppers’ control

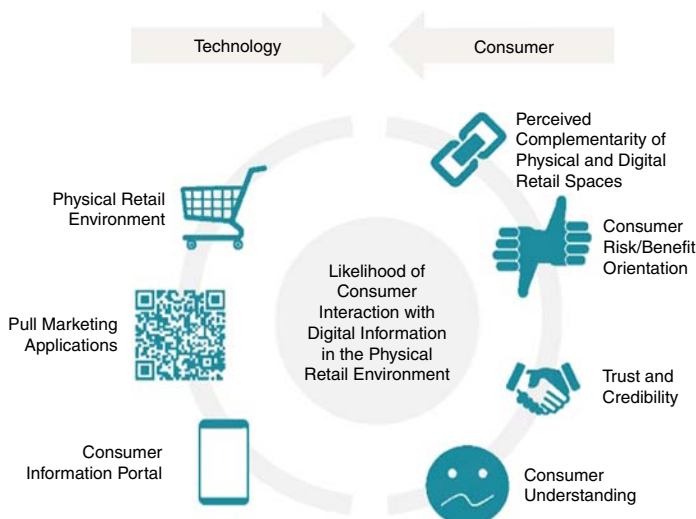
over – and the challenges related to – the interaction experience.

Guest editorial



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Tanner *et al.* evaluate shoppers' use of digital labelling in a grocery retail context. The findings characterise the barriers to the adoption of QR codes in mobile marketing. The authors offer strategies digital marketers can use to enhance consumer acceptance of new technology in a retail environment.




Piris and Guibert research consumers' attitudes towards and variety perception of digital product assortments. They offer new insights into how an assortment should be presented on a website. If a designer wants to enhance perceptions of variety, they recommend using an assortment organised by brand, or presenting all the products together. If, instead, the

goal is to encourage positive attitudes, the designer should pick assortments sorted by attribute or present all the products together.

### Variety Perception and Attitude toward Digital Assortments

An experimental study in grocery online assortments settings


In digital market places such as:



- 1 What impact of visual display on variety perception?
- 2 What impact of variety on preference?

- 1


With a square number of products in display, attribute based online assortments are perceived more varied than brand based assortments or altogether assortments...



Visual display plays a key-role in variety perception

- 2

Attribute based online assortments are preferred, even if perceived less varied than the other kinds (brand based or altogether assortments)




... and variety is not preferred in online environments !

Murray *et al.* investigate the link between empathy, responsiveness and retail performance. For a high service delivery context, they find that empathy is of greater importance than responsiveness.

### Is empathetic service rather than service responsiveness more important to generating loyalty?


**Key Finding:**

Empathy is more important than responsiveness to building loyalty in a high-services context



**Key Managerial Implications:**

Additional service investments may not be equally effective across different consumption contexts



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