

# Retailing Trends and Developments - Challenges and Opportunities: Retailing Trends and Developments

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## ABSTRACT

The retail environment is changing rapidly. The competition is getting tougher. Some of the developments taking place include tighter consumer spending; new retail forms; shortening retail life cycles and retail convergence; rise of megaretailers; growth of direct, online, mobile, and social media retailing; necessity of omni-channel retailing; importance of retail technology; green retailing; and global expansion of major retailers. Retailers adopt a number of measures to be successful in the short run and in the long run. The article will sensitize retailers about the requirements to be successful in the competitive retail environment. All the strategies will help retailers to develop customer relationships and grow in the competition.

## KEYWORDS

Economic Downturn, Frugal Customer, Green Retailing, Omni-Channel Retailing, Retail Convergence, Retail Forms, Retail Life Cycle, Social Media Retailing

## 1. INTRODUCTION

The marketing environment is changing rapidly with developments happening regularly (Sheth, 2017). This is also true for retailing. Retailers operate in a harsh, competitive, and dynamic environment, which offers threats as well as opportunities. Retailing technologies need to change keeping in pace with changes in consumer demographics, lifestyles, and spending patterns (Jannarone, 2011). To be successful in the competitive environment, retailers should target their customers carefully and position themselves strongly.

Retailing includes all the activities involved in selling products or services directly to final consumers for their personal and non-business use (Edelhart, 2010). Many institutions including manufacturers, wholesalers, and retailers are involved in retailing. Retailers play an integral role in most marketing channels because the products are sold to end-users by retailers. In 2017, retailers accounted for more than \$5.3 trillion of sales to final consumers (Xu & Jackson, 2019). Retailers should keep track of recent developments and plan and execute their competitive strategies. The developments which retailers should be concerned about include tighter consumer spending, new retail forms, shortening retail life cycles, retail convergence, rise of megaretailers, growth of direct, online, mobile, and social media retailing, need for omni-channel retailing, growing importance of retail

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technology, green retailing, and global expansion of major retailers (Schwartzberg, 2011). Retailers should consider all the above factors while formulating and executing their strategies.

The paper is structured as follows.

Section 2 deals with the aspects of tighter consumer spending. New retail forms are emerging, retail life cycles are getting shortened, and retail convergence is taking place. All these aspects are discussed in Section 3. Section 4 focuses on the rise of megaretailers. Direct, online, mobile, and social media retailing are growing and such aspects are discussed in Section 5. Necessity of omni-channel retailing is discussed in Section 6. New and improved technologies are applied in retail sector and such technologies are discussed in Section 7. At present, retailers are concerned about the environment and are going for green retailing. Section 8 focuses on green retailing. Retailers do not remain restricted to their countries of origin and are expanding to global markets. This is discussed in Section 9. Section 10 focuses on the discussions done throughout the paper with sub-section 10.1 focusing on managerial implications of the discussions. Section 11 concludes the paper with sub-section 11.1 focusing on contributions of the paper and sub-section 11.2 focusing on avenues of future research.

## **2. TIGHTER CONSUMER SPENDING**

Retailers flourished for many years before the Great Depression of 2008-2009. After the recession, consumers became cautious regarding their spending habits (Murphy, 2011). So, the economic situation changed and the fortunes of many retailers turned from boom to bust. Even after the recovery of the economy, the spending habits of consumers have not changed much. Critics are of the opinion that retailers will feel the effects of changed consumer spending patterns well into the future (Chavez, 2012).

Retailers also benefit from the economic downturns. For example, when consumers cut back on their costs by becoming thrifty and spending less, those retailers who offer big discounts, benefit. Retailers like Walmart and Costco generate new business from bargain-hungry shoppers (Zimmerman, 2012). Also, price-oriented and off-price retailers such as Dollar General, ALDI, and TJ Maxx have attracted greater shares of more frugal buyers (Edelson, 2011).

Few retailers are able to detect and grab the opportunities created by tighter spending habits of individuals. For a majority of retailers, tighter consumer spending meant tough times (Murphy, 2011). During recession and in the following years, many major retailers declared bankruptcy or shut down their businesses completely. Such retailers include household names like The Sharper Image, Borders Books, KB Toys, Circuit City, and Linens N Things, to name a few. Many other retailers, from Macy's and Home Depot to Starbucks, cut down their costs by laying off employees, reducing the range of their operations, and by offering deep price discounts and promotions aimed at luring cash-strapped customers back into their stores (Schwartz, 2015).

The economy has improved at present. However, many consumers have retained their frugal spending ways. Retailers are targeting such consumers with value for many propositions (Misonzhnik, 2011). For example, Home Depot replaced its older "You can do it. We can help." theme with a thriftier theme: "More saving. More doing." (Kaplan, 2011). Retailers are also promoting their private labels to attract customers and boost sales. Private labels are more economical than established brands and retailers like Walmart, Macy's, Kroger, and Whole Foods Market are benefiting from them (Chavez, 2012). Traditional sit-down restaurants are competing with fast-casual restaurants such as Panera Bread and Chipotle by adding value offerings on their own. For example, Applebee's offers cheap meals. It offers a 2 for \$20 menu i.e. two meals and one appetizer for just \$20. TGI Fridays has the 474 "Where less is more" menu. The menu features right-sized portions of its signature dishes with appetizers at \$4, main dishes at \$7, and desserts at \$4 (Edelson, 2012).

Retailers adopt a number of measures to be successful in the short run. However, they should be cautious that their short-term measures should not damage their reputation and positioning in the long run. Reducing prices drastically to generate sales may attract customers in the short run but damage brand loyalty in the long run (King, 2012). One analyst calls this "death by discount" and suggests

that “virtually every retailer – at both the high and the low end – has fallen so deeply into the trap that discounting has become an exception of customers rather than a bonus” (Lamont, 2012). This statement is substantiated by the fact that differentiation created by offering low prices will soon be copied by competitors. Instead of relying on cost-cutting and price reductions, retailers should focus on customer satisfaction, customer delight, and customer loyalty to build greater customer value within their long-term store positioning strategies (King, 2012).

### **3. NEW RETAIL FORMS, SHORTENING RETAIL LIFE CYCLES, AND RETAIL CONVERGENCE**

Retail forms require to emerge and improve to meet the requirements of new situations and changing consumer needs (Kaplan, 2011). The life cycle of new retail forms is getting shorter. The oldest type of retail form, department stores took more than 100 years to reach the maturity stage of the life cycle. At present, newer retail forms like warehouse stores reach maturity in about 10 years (Rigby, 2011). In such a dynamic environment, even seemingly established retail positions may be lost quickly. The first Walmart, Kmart, Target, and Kohl’s stores opened and started their operations in 1962. Of the top 10 discount retailers of that time not even one exists today. Even the market leaders in retailing cannot sit back and enjoy their positions for a long time. They should evolve and develop continuously to remain relevant and successful in the dynamic retail environment (Blair, 2011).

New retail forms are always emerging. One of the latest developments in the dynamic retail environment is the advent of online retailing (Linder, 2015). Now-a-days, online retailing is practiced by both online-only and store retailers, via websites, mobile apps, and social media. However, it is difficult to introduce innovations regularly. For example, many retailers are now using limited-time pop-up stores that allow them to promote their brands to seasonal shoppers and create buzz in busy and high-rent areas. Retailers target major events to open new stores. For example, Nike opened a Jordon-themed pop-up shop during an NBA All-Star weekend at the Barclays Center in Brooklyn, New York (Brockmann, 2015). Nordstrom also offers monthly The Pop-In@ Nordstrom shops. The shops are specially designed and feature new concepts like rotating themes, and new and exclusive products. Such initiatives are taken and brand partnerships are created to offer better experiences for customers who are always looking for something new and exciting. “I love the frenzy that’s created from a pop-up shop concept – that spontaneity and emotion is one of my favorite things about working in retail”, comments Nordstrom’s director of creative projects (Dishman, 2016).

Online retailing allows retailers to have flash sales sites, such as Nordstrom’s Haute Look and Amazon’s MyHabit. The retailers select the top fashion and lifestyle brands trending at the moment and host time-limited sales events which urge customers to take actions immediately (Schulz, 2015). Gilt.com provides 70 percent discounts on designer-label clothing to its members. Groupon offers flash deals on travel through Groupon Getaways. Zulily offers sales on products for moms, babies, and kids and offer limited-time sales events. The events quickly “scoot away to make room for new events”. Flash sales is successful because it attracts the attention of viewers and urges them to buy products immediately. Zulily comments, “Shopping here is like opening a new treasure chest every day. You never know exactly what you’ll uncover, but you know gems are waiting” (Yu, 2019).

The newer retail forms appear to be converging. Retailers sell the same products at the same prices to the same customers. This happens because of tough competition and transparency in prices provided by the internet. For instance, individuals can buy brand name home appliances at department stores, discount stores, home-improvement stores, off-price retailers, electronics superstores, and innumerable number of online e-commerce sites which compete with each other to attract the same set of customers (King, 2012). If an individual cannot find a product on the website of one retailer, he can visit the websites of other retailers, find the product, make a comparison of product features, quality, and prices, and buy the product instantly. This merging of consumers, products, prices, and retailers is called retail convergence. Although retail convergence is convenient for customers,

it enhances competition for retailers and results in greater difficulty in differentiating the product assortments of different types of retailers (Kaplan, 2011).

#### **4. RISE OF MEGARETAILERS**

The rise of huge mass merchandisers and specialty superstores, the formation of vertical marketing systems, and a number of retail mergers and acquisitions have created a core of superpower megaretailers (Heine, 2013). Megaretailers have larger size and more buying power. Also, they are able to provide better merchandise selections, superior service, and strong price savings to consumers. This allows megaretailers to become even larger by squeezing out their smaller and weaker competitors (Kline, 2016).

Balance of power between retailers and producers has been shifted because of megaretailers. A small portion of retailers manage a larger portion of the retail industry. The megaretailers have more number of customers which allows them to dictate terms while dealing with manufacturers (Reingold & Wahba, 2014). For example, people may not have heard of specialty coatings and sealant manufacturer RPM International. However, people may have used one or more of its many familiar do-it-yourself brands. RPM International has brands such as Rust-Oleum Paints, Plastic Wood and Dap fillers, Mohawk and Watco finishes, and Testors hobby cements and paints. RPM International has tie-up with major retailers like Home Depot from where customers can buy the brands (Misonzhnik, 2011). Home Depot sells a number of brands of RPM International in its stores and accounts for a significant amount of sales for RPM International. However, Home Depot's sales of \$83 billion are 18 times RPM's sales of \$4.6 billion. All these give Home Depot a control over RPM. Home Depot uses its power to get concessions from RPM and thousands of other smaller suppliers (Rigby, 2011).

#### **5. GROWTH OF DIRECT, ONLINE, MOBILE, AND SOCIAL MEDIA RETAILING**

Majority of customers still purchase goods in the old-fashioned way (Lamont, 2012). They visit a store, search for the products, pay by cash or credit cards, and bring home the goods. However, now-a-days, customers have a number of alternatives and purchase goods even without going to the stores. They have a number of non-store alternatives, including direct and digital shopping via websites, mobile apps, and social media. At present, direct and digital marketing are the fastest growing retail forms (Martin, 2015).

Purchasing through direct, online, mobile, and social media retailing is on the rise because of advanced technologies and convenience. Online retailing is easier to use and purchasing through online sites and mobile apps is enticing. Improved online services and the increasing sophistication of search technologies attributes to the popularity of online retailing (Martin, 2015). At present, it accounts for only about 8 percent of total U.S. retail sales. However, online buying is growing at a faster rate than retail buying as a whole. In 2017, U.S. online retail sales grew 14 percent over the previous year. During the same time, overall retail sales grew at a rate of 2.2 percent only (Xu & Jackson, 2019).

Consumers make use of retailer online sites, mobile apps, and social media while purchasing in-store. It is estimated that more than half of total U.S. retail sales are either transacted directly or influenced by online research. Purchasing through mobile devices accounts for an estimated 15 percent of all online sales (Martin, 2015). Almost all retailers are heavily dependent on social media for their promotional activities. For example, McDonald's receives the highest number of Facebook Likes, Nordstrom has the highest number of Pinterest followers, and Starbucks has the highest number of Twitter followers. Similarly, Victoria's Secret has the most YouTube subscribers and Instagram followers (Schulz, 2015).

Growth of direct, online, mobile, and social media retailing is both a blessing and a curse for store retailers (Martin, 2015). It provides store retailers with new ways of connecting with customers, knowing their requirements, and selling products to them. However, the competition becomes more

intense and tough because of online retailing. Many customers check out merchandise at physical-store showrooms and subsequently buy them online using a computer or a mobile device. Sometimes they do so even when they are inside stores. Such common practices of viewing products in stores and buying them online is called showrooming and presents serious challenges to store retailers. However, now-a-days, retailers accept the challenge and use the opportunity to showcase their omni-channel strengths (Anderson, 2015). Almost 90 percent of in-store shoppers use their smartphones while shopping. Also, half of the individuals who finally buy products online first check them at a traditional store (Anderson, 2015). Store retailers such as Target, Best Buy, Walmart, Toys 'R' Us, and Bed Bath & Beyond have been hit hard by showrooming.

Store retailers adopt a number of strategies to counter showrooming (Sterling, 2015). Some store retailers embrace the opportunity and emphasize the advantages of in-store shopping in comparison with online shopping. The flip side of showrooming is webrooming. In webrooming, individuals first check for the products online, and subsequently purchase the products in physical stores (Johnson, 2014). Store retailers will be successful if they are able to convert showrooming shoppers into customers who buy products when they visit the store.

## 6. NECESSITY OF OMNI-CHANNEL RETAILING

Retailers are employing both in-store and online retailing to conduct their businesses. So, the demarcation between in-store and online retailing is getting blurred (Schulz, 2015). For many customers, the main objective is to find the product and buy it – whether online or in-store. The internet and digital devices have spawned a whole new breed of shoppers and way of shopping. Now-a-days, omni-channel buyers shift between in-store and online retailing during the buying process. They research about products before making purchases, and buy anywhere and anytime – whether it is in the store, online, on the go, or even online while in the store (Anderson, 2015). Store retailers should understand the needs and requirements of omni-channel buyers and master omni-channel retailing. They need to integrate store and online channels into a single shopper experience (Schulz, 2015).

Omni-channel retailers merge the virtual and physical world successfully. This allows them to capture an increasing share of the growth in online sales (Schulz, 2015). Physical store operators are experiencing considerable digital success. At the same time, online retailers like Amazon are opening new showrooms, pop-up shops, and other ways of meeting shoppers face-to-face. One analyst comments, “Omnichannel is the new reality for all retailers whether they engage or not. If you're available where and when customers look for you, great. If not, you lose to someone who is.” Online-only retailers lack the high engagement that only the in-store experience can deliver. Offline-only retailers don't deliver the comfortable and information-browsing experience that consumers utilize to make their shopping itineraries” (Anderson, 2015).

Retailers like Macy's found that some customers prefer shopping through single channel, while some others prefer multiple channels. Customers who shop through multiple channels are eight times more valuable than customers who shop through single channel (Schulz, 2015). Macy's understood this reality. It encourages customers to shop beyond bricks-and-mortar. It is downsizing on its physical stores and has opened an Idea Lab in San Francisco to generate new ideas on online shopping technology. Simultaneously, Macy's has also opened a giant 1.3 million-square-foot fulfillment center in Tulsa, Oklahoma and it has a capacity of shipping 325000 orders per day (Anderson, 2015). On the digital front, Macy's introduced an image-search extension to its mobile application. Macy's has 300000 followers who can shop directly via Instagram with the help of the extension. Macy's has modernized its distribution channels which can ship same-day delivery in 17 markets in the U.S. The Chief Omnichannel Officer for Macy's comments, “Our goal is to provide our shopper with the best experience in whatever way she chooses to interact with us: mobile desktop, store, or all of them together” (Anderson, 2015).

## 7. INCREASING IMPORTANCE OF RETAIL TECHNOLOGY

Omni-channel shopping is gaining in importance now-a-days. Consequently, retail technologies are also becoming important as competitive tools (Heine, 2013). Retailers employ advanced information technology tools and software to perform predictive analysis, control inventory costs, send information across stores, interact electronically with suppliers, and even sell to customers inside stores. Sophisticated information systems play an important role in checkout scanning, merchandise handling, RFID inventory tracking, information sharing, and customer interactions (Kline, 2016).

Advances in information systems play an important role in the manner retailers connect and interact with customers (Kline, 2016). As the retail technologies are improving and customer expectations are increasing, a large number of retailers are taking initiatives to merge the virtual and physical worlds. This is also required because of the rising popularity of online and mobile shopping and changed behavior of customers. Retailers are using technologies to create new retail environment and customer experiences (Heine, 2013). For example, AT&T opened a store in Chicago where customers can sit at any of the work stations and browse through the latest phone apps and electronic gadgetry. In the store, motivated employees with knowledge in iPad-wielding interact with customers, provide instant help regarding any of the mobile technologies, and give advice regarding the best product suitable for a specific customer (Renfrow, 2015). The store has all the modern technologies and facilities like digital screens and an 18-foot video wall to keep customers engaged. Customers are able to experience future wireless technologies and services and understand the role of AT&T's devices and services on their daily lives. The experience inside the store is "like walking into a website" as revealed by AT&T's president of retail (Renfrow, 2015).

An advanced technology which is helping retailers improve customer experiences is beacon technology. It is a technology which greets and welcomes any customer entering into a store. Messages are sent to their smartphones as they shop around in the stores. For example, for customers who have opted for the technology and for those who enter a Macy's store, it activates an app on their smartphones or tablets. The app welcomes them, sends them alerts regarding any offers and rewards, discounts, deals, and customized product recommendations inside the store. The technology also has the capacity to connect the browsing done by customers in stores and at homes. For example, if a customer has "liked" a product online, the app reminds about the preference when the customer visits the store. The app can also provide a brief product description, video, and suggest "for-you-only" customized offer. All these initiatives are taken to engage the tech-savvy customers of Macy's and improve their experiences. Customers treat Macy's as a trusted brand because of all such efforts (Tuttle, 2014).

Virtual reality is another technology which is used by retailers at present to engage their customers. For example, customers at North Face's Manhattan store can visit a virtual world by wearing virtual-reality headsets (Halzack, 2015). In the virtual world, customers can perform remote hiking, climbing, and can visit base-jumping locations. In such locations, they can experience gutsy jumps off a 420-foot cliff while using a North Face gear (Halzack, 2015). Guests of Marriott hotels can visit destinations in Hawaii or London by wearing virtual-reality goggles. Intel has a dressing room where customers can change outfits and colors only by waving their hands (Gaudiosi, 2016). Audi uses virtual reality in dealer showrooms. Customers can choose any Audi model on their iPads and customize the model as per their requirements. They can customize various features like engine types, wheels, brakes, colors, and interior seats. They can then wear a headset and experience the customized car in virtual reality. They can move around virtually in their cars, sit in the driver's seat, and report any issues they might be facing for modifications. Virtual reality technologies are expensive and difficult to implement. However, retailers go for the technologies because of the superior level of engagement that customers experience. Also, because of all the above reasons, experts believe that virtual reality technologies hold interesting promise for the future (Gaudiosi, 2016).

## 8. GREEN RETAILING

Retailers are concerned about the impact of their activities on the environment (The Fifth Estate, 2015). At present, retailers are adopting practices which are environmentally sustainable. They are greening up their stores and operations, promoting more environmentally responsible products, launching programs to help customers to be more responsible, and working with channel partners to reduce their environmental impact (The Fifth Estate, 2015).

Large retailers are making their stores environmentally friendly. The stores are having sustainable construction, building design, and operations. IKEA has a long-term goal of becoming 100 percent sustainable. Towards achieving the goal, IKEA has formulated a sustainable strategy under its “People & Planet Positive” program (IKEA, 2014). IKEA has 328 giant stores in 28 countries. The goal of the program is to make all the stores more energy independent and efficient. To generate sustainable energy, IKEA has installed 224 wind turbines and 700000 solar panels. 90 percent of its stores in the U.S. have solar panels. IKEA has set a target of generating as much energy as it uses from renewable sources of energy by 2020. IKEA uses LED lighting which consumes less energy inside all its stores. Most of the stores sort food waste from in-store customer restaurants for composting. The food is then sent to treatment centers for turning the food into animal feed or biogas to fuel cars and buses. IKEA also offers recycling for products such as paper, plastic, CFL lightbulbs, batteries, and also end-of-life appliances (IKEA, 2014).

Retailers have started selling products which consume lesser amount of energy. For example, IKEA sells only LED lighting products in its stores. Also, almost all its home furnishing products are produced from sustainable and renewable cotton, wood, and other resources. IKEA suppliers need to follow IWAY supplier code of conduct sustainability standards. The goal of IKEA is to produce all home furnishings from renewable, recyclable, or recycled materials. The company says, “At IKEA, sustainability is central to our business to ensure that we have a positive impact on people and the planet” (IKEA, 2014).

Retailers want that their customers should be conscious about environment sustainability. Many retailers launch programs which motivate customers to consider about the environment and make more environmentally responsible decisions. Staples has formulated a program named “Easy on the Planet”. The program “makes it easier to make a difference”. The program encourages customers to identify the green products in the stores. It educates customers to recycle mobile phones, printer cartridges, computers, and other office technology products. Each year, the company recycles around 10 million pounds of old technology and 30 million printer cartridges (STAPLES, 2016).

Retailers work in collaboration with suppliers and distributors to develop sustainable products, packaging, and distribution systems. For example, Amazon.com works closely with the producers who manufacture its products and simplify the packaging of the products (King, 2012). Walmart has its own sustainability program. It also uses its buying power to influence its suppliers in improving their sustainability practices and policies. It rates its suppliers with the help of a worldwide Sustainable Product Index. In future, Walmart plans to extend the index to rate its customers on sustainability awareness and initiatives (King, 2012).

Retailers have both top- and bottom-line benefits if they embrace green retailing. Green initiatives adopted by retailers encourage customers to support environmentally friendly sellers and products. This improves the top line. Sustainable processes also improve the bottom line by reducing costs. For example, Amazon has simplified product packaging and uses only those materials which are environment friendly. Such an initiative simplifies the process of packaging and reduces the amount of packaging material. Simpler packaging increases convenience for customers and eliminates “wrap rage”. The whole process reduces packaging costs (Schulz, 2015). Similarly, the buildings of IKEA are more energy-efficient. Initiatives to save energy appeal to customers and help save the planet. The energy-efficient buildings also cost less to operate and maintain (IKEA, 2014).

## 9. GLOBAL EXPANSION OF RETAILERS

Retailers expand their businesses to other countries once the opportunities in home countries get saturated. Retailers also expand to improve their brand positions and perceptions. Also, giant retailers such as Walmart and McDonald's leverage their marketing prowess to establish their brands all over the world and make a global impact (King, 2012).

Most of the European and Asian retailers are significantly ahead of American retailers when it comes to global expansion. Nine of the world's top 20 retailers are U.S. companies. However, out of them only six have opened their operations outside North America. They are Best Buy, Costco, Amazon, Walmart, Home Depot, and Walgreens (King, 2012). The rest eleven retailers in the top 20 are from outside USA. Ten of them have operations in at least ten countries. Some of the non-U.S. retailers who have gone global include Germany's Metro, Lidl, and ALDI chains; Japan's Seven & I; France's Carrefour, Groupe Casino, and Groupe Auchan; and Britain's Tesco (Lamont, 2012).

Retailing in international markets has both opportunities and challenges. Retailers experience different retail environments in different countries with different cultures (Lamont, 2012). Retailers require changing their strategies while going global because the strategies which succeed in home country may not work in global markets. Retailers should understand the local markets and meet the requirements of local customers to succeed in global markets (Lamont, 2012).

## 10. DISCUSSIONS

Retailers operate in a harsh, competitive, and dynamic business environment. The environment offers threats as well as opportunities. Previously, retailers enjoyed years of good economic times. The scenario changed with the economic downturn and thrifty spending habits of retail customers. However, many of the retailers have now adjusted to the new economic realities and more thrift-minded consumers. Retailers continue to change and innovate to sustain in the competitive environment. New retail forms continue to emerge. At the same time, many of the retailers are serving similar customers with similar preferences and requirements. Due to this retail convergence, it becomes difficult for retailers to differentiate. Some other trends in retailing include the rise of megaretailers; the rapid growth of direct, online, mobile, and social media retailing; the need for omni-channel retailing; the growing importance of retail technology; a surge in green retailing; and the global expansion of major retailers.

Customers became cautious in their spending habits after the Great Depression of 2008-2009. Many retailers were not able to sustain in the changed economic situation and some of them perished. Some others took advantage of the situation, understood consumer psychology, and attracted frugal customers through marketing strategies like offering big discounts. The retail environment is changing fast with new retail forms, shortening retail life cycles, and retail convergence. World-class retailers evolve and develop continuously to remain relevant to their customers in the dynamic retail environment. The formation of vertical marketing systems, and mergers and acquisitions have resulted in a core of superpower megaretailers. The retail landscape has also changed because of the growth of direct, online, mobile, and social media retailing. The differences between in-store and online retailing are getting blurred and retailers need to adapt themselves to both the forms of retailing to keep their customers satisfied. Retailers are also making use of advanced retail technologies in the forms of information technology tools and softwares to perform predictive analysis, control inventory costs, send information across stores, interact electronically with suppliers, and even sell to customers inside stores. Now-a-days, both retailers and customers are concerned about the impact of their activities on the environment. They are adopting practices which are environmentally sustainable. Retailers expand businesses outside their home countries to grasp better opportunities, and to improve their brand positions and perceptions.



## **10.1. Managerial Implications**

Practitioners and marketers may understand the various practical implications of those developments. Managers should understand the latest developments in the retail environment namely, tighter consumer spending; new retail forms, shortening retail life cycles, and retail convergence; rise of megaretailers; growth of direct, online, mobile, and social media retailing; and global expansion of retailers. They may also evaluate the various practices adopted by major retailers, understand the negative impact created on customers, and suggest corrective measures which need to be incorporated to ensure that the best practices are followed. This will help retailers in building trust in the minds of customers, serve them better, and flourish in the competition.

## **11. CONCLUSION**

The paper discussed the various aspects of the changing retail environment and the developments taking place. It focused on recent developments like tighter consumer spending; new retail forms, shortening retail life cycles, and retail convergence; rise of megaretailers; growth of direct, online, mobile, and social media retailing; necessity of omni-channel retailing; increasing importance of retail technology; green retailing; and global expansion of retailers.

### **11.1. Contributions of the Paper**

The contribution of the paper lies in the fact that an in-depth discussion of the recent developments in the retail environment and the various practices followed by retailers were discussed. The discussions have both theoretical and managerial implications. Based on the discussions presented, academicians may conduct a further review of the different developments and practices followed by retailers, and suggest better practices and strategies to sustain and grow in the competition. The discussions will sensitize managers in an organization about the importance of remaining updated about the recent developments, develop better practices, and building trust and relationships with customers. Efforts were made to include the relevant and the latest literature related to the various developments taking place in the retail environment.

### **11.2. Avenues of Future Research**

Developments are happening regularly in the retail sector. Future researchers and practicing managers require keeping themselves updated about the latest trends and developments taking place to understand their customers better and implement better strategies for building relationships with customers. The latest developments in the retail environment include tighter consumer spending; new retail forms, shortening retail life cycles, and retail convergence; rise of megaretailers; growth of direct, online, mobile, and social media retailing; and global expansion of retailers. Researchers may take a clue of the recent developments, analyze them, and suggest better and effective strategies for implementation.

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