

A Study on the Significance of Information Communication Tools with Focus on the Retail Industry

Asst. Abha Ruparel and Jaiswal Shivam Sanjay

Department of Commerce,
Nirmala College of Commerce, Mumbai
abhaamlani@gmail.com

Abstract: *Innovations and developments in information and communication technology (ICT) lead to significant and continuous changes in the retail industry. ICT has become crucial for the operations of retail companies and substantially influences their success. Retailers have to be aware of technological developments and have to manage related challenges and opportunities in order to stay competitive in the digitized retail market (Sorescu et al., 2011, p. 3). Basically, ICT includes every technology that deals with the acquisition, processing, transformation and distribution of information (Argandoña, 2003, p. 4). Some of the most important ICTs in the retail industry are: the Internet, e-commerce (electronic commerce) (Jahanshahi et al., 2013, p. 849), electronic payment (Sumanjeet, 2009, p. 18), data mining (Bagga and Singh, 2012, p. 19), radio-frequency identification (RFID) systems (Jones et al., 2005, p. 396), electronic point of sale (EPOS) systems (Lynch, 1990, p. 159), social media (Drury, 2008, p. 274), smartphones and mobile apps (Kang et al., 2015, p. 210), the Internet of Things (IoT) (Gubbi et al., 2013, p. 1645) and augmented reality (Martinez et al., 2014, p. 27). These technologies substantially influence the business models, processes, strategies and operations of retail companies (Sorescu et al., 2011, p. 3).. This examines the interactions between ICT and globalization and the consequences of the globalization process for the retail industry. ICT substantially influences the globalization process. Technological innovations, such as the Internet, represent major drivers of globalization, as they accelerate global developments. Other drivers of globalization are also supported by ICT (Aggarwal, 1999, p. 84). These drivers include, for instance, multinational enterprises (Rugman and Verbeke, 2004, p. 3), multinational trade and production (Garrett, 2000, p. 942), international finance and foreign direct investment (Cho, 2003, p. 99). On the other hand, globalization also acts as a driver of technological developments by providing a favourable environment (e.g. rising international cooperation and interactions and telecommunication and technology infrastructure expansion) and by enhancing the diffusion of innovations in ICT. Therefore, the relationship between globalization and ICT can be described as mutually reinforcing (Aggarwal, 1999, p. 85). Through its influence on globalization, ICT also indirectly influences the retail industry. Besides, globalization trends, such as the liberalization of trade policies (Bishop et al., 2011, pp. 120–121), global sourcing (Howlett, 2005, p. 25), urbanization and megacities (Kraas, 2007, pp. 80–81), natural resource scarcity (Curtis, 2009, p. III 427) and global climate change (Bu et al., 2016, pp. 577–578) have important implications for the business environment of retailers. The increase of global supply chains and production networks and the fragmentation of production processes, for instance, are consequences of the globalization process, which is reinforced by ICT (Aydın and Savrul, 2014, p. 1267).*

Keywords: Information and communication technologies, Retailing, Services and Products, Retailing Strategies