

# The impact of the creation of the internet on the retail industry research paper ...

[Business](#), [Marketing](#)



## **Introduction**

Currently, there has been high attention on the internet and the manners in which it affects major retailers around the globe. Different scholars have concluded that internet plays a significant role in the new retail format thus lowering the incidences of traditional methods of fixed location stores.

Additionally, the scholars claim that internet is of benefit since it supports many marketing activities. It further enhances consumer online shopping thus creating cyber retailing. In the contemporary society, internet plays different functions in retail industry. Initially, it is essential in communicating retail information and used as a proactive marketing tool among others. This is because firms and retail industry are among the highest purchasers of the information and communication technology for the past few years (Terry, Thomas, Fernanda & Burton, 2003).

Internet plays different roles in the retail industry. Initially, the internet is extremely significant in the supply chain management of the retail industry. This is because the technology has extremely affected the industry by changing the organization, conduction and relationship of the retail industry. This has mainly occurred in the supply chain management where it has facilitated the transformation, flexibility and edibility of information exchange. Consequently, this has reduced the costs, enhanced coordination, and enhanced services within the supply chain. Additionally, internet has been beneficial in the supply management because it has enhanced integrated forecasting, improved the collaboration in production planning, led to good transportation management as well as the management of customer relationship among others. Therefore, this has enabled many retail

industries to apply internet in their operations in different sectors including the purchasing department, transportation, and customer service and supplier management among others. In addition, internet has been beneficial to the retail industry because it has enhanced the inter-firm relationship, sharing of retail information and transparency among the industry.

Therefore, this transformed hierarchical relationship in the retail industry to market relationship among the organizations. It has also enhanced developments within the electronic market place because it supports the meeting of both buyers and sellers thus exchanging relevant information regarding products and prices. Consequently, this leads to successful retail business because internet enhances effective communication and interaction within and outside the organization (Yang & Young, 2009).

Secondly, internet is imperative in the retail industry because it enhances self-service technology. This is because introduction of internet extremely transformed the manners in which service providers relate with the customers as well as enhancing services such as automatic teller machines, online banking, and self-service among others. Therefore, this has enabled the retailer industry to provide their customers with services without the involvement of the service employees. In addition, the internet technology has enhanced efficiency and productivity because it improves the quasi-employee relationship. It also enhances the delivery of services in the industry; lead to customization of services, lower the costs of labor, increase the productivity and supports competitiveness among the industry. It is also beneficial to the consumers because it enhances quick delivery of the services; it improves the control over service delivery process and leads to

customization of the services (Terry, Thomas, Fernanda & Burton, 2003).

Notably, internet in the retail industry has improved market intelligence. This is because retailers use internet in gathering information regarding business intelligence. However, many retailers also use internet in assessing the effectiveness of the marketing promotions as well as the inventory strategy.

The webs also have relevant information, which offers summary on how promotions affect the buying trends of customers. Therefore, this enables the retail industry to comprehend the effects of their advertising campaigns on the influenced retail sales (Yang & Young, 2009).

In the reading, I found some point extremely beneficial in the daily life. This is because since the introduction of internet, the trend of how people shop has been changing. Internet has enhanced the adoption and execution of global business strategies as well as new paradigms in the retailing sectors. Consequently, power has also transformed from retailers to the increasingly demand among the consumers as they are transforming the concept of retailing by adopting their internet to their lifestyle. It has further increased opportunities among the consumers and retailers worldwide. This is so because internet has been beneficial to consumers since it enhances the availability of detailed and relevant information regarding the industry and increases the conveniences of access warrant. It has also been of evidence that internet strategies have been essential in the industry because it eliminates geographical boundaries together with the removal of cheap and easy access so that they can increase the customer base. Notably, it is also true that internet has enabled the users to be willing to purchase goods online while those that do not apply internet in their operations do not

benefit from the users using the internet. The internet has also shown its importance on the procurement and supply chain as it has reduced the costs of retailers and increased the growth opportunities. Consequently, this has led to efficiency gains as well as the costs reductions within the supply chain thus enabling suppliers to access relevant information. Additionally, internet has played a significant role in the contemporary retail business by enabling harnessing of customer information thus increasing customer communication and feedback. Consequently, this is enabling retailers to apply the information in creating competitive advantage. Examples of retailers that apply internet in their operations include the Staples and Best Buy retailers in U. S, the AT& T and the Staples Business Depot among others (Nancy, Gupta & Simha, 2011).

## **Conclusion**

Even though it is too early to start estimating the ultimate impact of internet on the retail industry, this paper has highlighted some major impacts. The paper highlighted the three major impacts that internet has on the retail industry, such as improving market intelligence, enhancing the services and enhancing supply management. Additionally, the paper also focused on the application of internet in retail industry on daily life situations. People should also note that internet is just but one source of media applicable in the retailer industry and other sources of interactive technology will emerge in the market thus being advantageous industry. Therefore, introduction of such media in the industry will replace different systems including the home shopping formats.

## References

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