



Exploring the role of Information Technology in Retail Sector: Current Scenario and Trends

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ABSTRACT

The evolution of the retail sector over the last couple of decades have been heavily centered around the aspects of consumer's behaviour and meeting up to the expectations of consumers by providing the best possible quality at the most competitive prices. Further, the broad objective of retail remains ensuring of the fact that consumer frequents stores, gets his choice items and also makes a purchase.

The increased competitiveness of the retail environment has been witnessed owing to the large number of choices that are available to the modern customer and in this situation it is important that retail firms should continually be in the look-out for newer ways of ensuring that new customers are attracted and old ones are retained.

In this connection the role of Information Technology undoubtedly assumes critical significance as in recent times information is the single most important entity that drives businesses and ensures their success.

The present paper aims to appreciate and explore the role of Information Technology in context of retail along its various dimensions putting forward suggestions to maximize the impact of Information Technology in Retail to ensure that its objectives are met.

KEYWORDS : Retail; Information Technology; Consumer; Business; Competitive Advantage

Retail: Concept & evolution over the years

The concept of Retail, which in very basic terms refers to ensuring the convenient availability of required goods and services to the respective consumers has been in vogue for a very long period of time reportedly dating back to the last few centuries (Guy, C. 1994).

The concept originated with the functioning of shops of general nature which catered to a given locality fulfilling their basic necessities. The services were localized with different shops for different localities and there was no concept whatsoever of specialized shops or related concepts (Bozkurt, & Gruguli 2011).

The exponential changes in technology, advancements in society, greater connectivity among people and reduction in time and space separating people in terms of connectivity led to retail sector being more evolved and with the passage of time the concept of speciality stores emerged and in today's times they are an integral part of the retail sector (Hopping, D. 2000).

Research conducted on retail in the modern era have been unanimous in their views that in the modern era information is the key resource that drives retail and retail success heavily depends upon proper information at the right time. Any deviation in the flow of information is dangerous for the success of retail.

Therefore, identification and addressing of any possible barriers in information flow is critically important from a retailer's point of view in modern times.

Further, practicing managers have observed and acknowledged that Information Technology has a very crucial role to play in ensuring customer satisfaction which is critical for retail success (Macintosh, G., & Lockshin, L. S. 1997).

Information Technology & Retail: The crucial linkage & related issues

Information systems, which refer to a organized collection of men, machines, resources etc are responsible for effective handling of the information requirements of an organization and they are an integral part of Information Technology (Orlikowski, W. J., & Baroudi, J. J. 1991).

Information Technology in Retail is responsible for ensuring the

availability of the right information at the right time and in the right form to facilitate correct decisions and maximize returns (Oliver, R. L. 1981).

The information requirements of retail firms are very varied in nature and scope with the most common ones being those related to the consumer details, purchasing pattern, related information etc (Sorensen, A. T. 2000).

Therefore, the need for integrating information technology on a holistic basis to ensure the effectiveness and subsequent success of retail has assumed crucial significance in modern times.

The ever increasing impacts of Information Technology (IT) in Retail Operations

For success in today's business environment which is driven by technology and information it is extremely important any retailer should be aware of the role of IT and aim to utilize it to the fullest extent possible. Among the variety of roles being played by IT, it can be said that the most crucial role is that of business forecasting by ensuring a reasonably accurate prediction of sales in the future on the basis of present and past trends. Accurate demand forecasting powered by IT and its related technologies have ensured that retailers are in a position to keep track with the customer requirements in the best possible manner and subsequently server them better too (Joshi, G. 2009).

The other area where IT is making a remarkable difference in the retail operations is effective management of Inventory. IT enables retail organizations to ensure that they keep proper track of finished goods, raw materials and work in progress materials in an accurate manner to facilitate the optimum utilization of resources which is extremely crucial for retail success.

Summing it up: Existing scenario and the road ahead

On the basis of the above discussion it can be said that in the modern age information systems have emerged as the cornerstone of business growth and survival and in the retail scenario the role played by IT and its other related technologies have been immense. The future going by the rapid advances in technology is expected to make the role of IT even more crucial. The success or failure of retail organizations will boil down to how well an organization uses information and manages it effectively to ensure maximum

customer satisfaction.

The competitive edge would in the future to a large extent is expected to depend very heavily upon how well a given retail organization adopts and exploits the technological innovations and maintains the highest levels of customer satisfaction.

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