

Chapter 12

How Smartness Enables Value Co-Creation: An Explorative Study of Italian Fashion Retail

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ABSTRACT

Digital revolution has involved and changed many service industries and also retailing, renewing its inbound and outbound processes. The pervasiveness of the internet of things has boosted the rise and growth of digital platforms, exploiting consumers' potential in personalizing their shopping experience, according to their wants and needs. Digital platforms have triggered the transition from a traditional two-sided marketplace towards a dynamic and complex one. The smart mindset, which has pervaded retail service domain, is in line with the current service research, according to which the dematerialization of value exchanges implies a new approach to the traditional service delivery. Therefore, this chapter aims at investigating the way retailers manage digital tools. Embracing the framework of S-D logic, the analysis shapes the role that the digital technologies have in digital process reconfiguration as well as in the shaping of specific context or platform able to boost the emergence of retail service innovation. A multiple case study has been performed.

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INTRODUCTION

The digital revolution has involved many service industries and among others retailing, renewing its traditional inbound and outbound processes (Pantano and Viassone, 2014). Due to their potential, digital solutions can be shaped the connection of people, process, data and things, being able to exploit the creation of value both for consumers and retailers (Pantano and Timmermans, 2014) and to trigger the transition from a traditional two-sided marketplace towards a dynamic one. Advanced and integrated shopping environments are emerging such as mobile-commerce, creative-commerce, social-commerce, which make consumers always able to buy whatever they want, no matter when and where (Pantano and Verteramo, 2015). Such digital marketplaces pave the way for shaping a brand new and ever changing shopping experiences might jeopardise the traditional points of sale, because the online ones able to involve consumers in new and immersive experiences that can be shaped also using self-service technologies (Pantano and Priporas, 2016; Fotiadis and Stylos, 2017).

Even though the mainstream literature maintains that retailers are mere innovation adopters (Pantano, 2014), the primary role of innovation in gaining a competitive advantage in retail service domain is widely recognized as well as the shifting from new products to new retail services development (Perks et al., 2012). The spread of customer engagement in relational marketing and services marketing (Brodie et al., 2011) together with the real participation of customers to service development based on their active participation in co-creation processes changed the concept of innovation. Innovation in service research delves on users' role of co-innovators, underlining that organizations should listen and learn from customers who became active actors in service creation. What is more, the spread of digital technologies has reshaped the nature of services and the processes of service exchange. This led retailers to reframe their business conduct, calling for new capabilities grounded in open and flexible layouts, to actively respond to changings markets and successfully manage innovation (Hagberg et al., 2017; Pantano and Verteramo, 2015). S-D Logic (Lush et al., 2016) reinterpreted service exchange as the concrete application of digital solutions to resource integration in order to foster value co-creation and, in so doing, boost the rising of innovation. Thus, S-D Logic introduces service ecosystems (Akaka et al., 2013; Chandler and Vargo, 2015; Vargo and Lusch, 2016) to exploit the complex and multi-dimensional construct of value co-creation. However, the extant research still calls for an investigation of those mechanisms, which boost resources integration enhancing value co-creation processes in digitalized contexts (Barile et al., 2017; Vargo et al., 2017; Maglio et al., 2006). The lack of a holistic understanding of the drivers for value co-creation and of ICTs' influence on value co-creation (Maglio et al., 2006, Nambisan et al., 2017), inspired the investigation of fashion retail and its complexity due to the high competition, the changing and unpredictable demand, products' variety, an offering even more based on immaterial features and the growing importance of ICTs role (Ciasullo et. al. 2017). Therefore, this study aims at contributing to the current theoretical debate, investigating in practice the role that digitalization can have in enhancing value co-creation in fashion retail service. More in details, this paper tries to answer the following research questions:

RQ1: What are the main ICTs platforms and digitally tools that enable value co-creation?

RQ2: What are the drivers fostering value co-creation in fashion retail service?

RQ3: How ICTs platforms shape an omni-channel strategy?

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