# Evaluating the Role of Retail Stores in Omni-Channel Retailing

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## Abstract

This study develops a model to analyze the various roles of retail stores in Omni-channel retailing, where Brick-and-Mortar stores can provide demonstration services for customers to display the products (Li *et al.*, 2021). Beyond the conventional function of the product offering place, utilizing as a pick-up point, the physical stores can be the missing links to help retailers in last-mile logistic fulfillment to save energy (Halldórsson and Wehner, 2020). In essence, according to the results of this evaluation, realignment of existing stores can occur. Online shopping has been growing in recent decades in general and after spreading the Coronavirus in particular. With the advent of online shopping, retailers have been gravitating to e-commerce either as an alternative channel for Brick-and-Mortar stores or as a supplementary approach to offer online services besides their existing traditional store network (Wollenburg *et al.*, 2018). As a result, to define the role of physical stores in the emerging form of retailing, it will be necessary to concentrate on finding new functions for their existing Brick-and-Mortar store networks. Motivated by this, in parallel with the increasing ratio of the online sales in the supply chain, investigating the new roles for the Brick-and-Mortar stores is the purpose of this study. In doing so, providing a model can assist the business owners or decision-makers of corporations in possessing a broader vision about the redefinition of the future role of Brick-and-Mortar stores. The study aimed to answer the below questions:

1) What are the main factors with a significant impact on the sales of retail stores regarding their new role in Omni-channel retailing?

2) How does the change in demand and cost parameters change the optimality of the different retail roles of stores?

In addition to the traditional role of retail stores, they can serve as distribution centers for online orders, pick-up locations, and showrooms (Chopra, 2018). Research at hand investigates the crucial factors that substantially affect purchase decisions. Of course, many factors impact the gravitation of customers to a specific sales category, but, in this study, we have considered a number of them that notably affect purchasing type for customers, such as the location of stores and price discounts (Forman, Ghose and Goldfarb, 2009). There are various cost types, including the equipment cost, sales association cost, inventory holding cost, administrative cost, etc. In the total cost of the retail stores (Chopra, 2016). In the novel changing retail market, online shopping has a fundamental role in traditional retailing. As a result, the optimality of Brick-and-Mortar stores is a controversial theme for Omni-channel retailers. Thereinafter, to seek a method for optimizing physical stores' functions, it would be necessary to realign the role of each Brick-and-mortar store in an existing retail network. To achieve this objective, we have developed a model to analyze the affordability of each store against the changing cost and demand parameters.

## Keywords
Omni-channel retailing, Supply chain management, Network design, buy online pick-up in-store, showrooming.

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## Biographies

**Mazdak Hooshyar Azar** received his BS in Civil Engineering from Azad University in 2010. Having years of professional managerial experience in the distribution industry, he is accomplishing his thesis as a Business Administration Master's student at Istanbul Sabahattin Zaim University. He has conference and journal papers. His research interest includes supply chain management, digitalization, Remote-work, Omni-channel retailing, and B2B relationships.

**Canser Bilir** is an Assistant professor at the Industrial Engineering Department, Istanbul Sabahattin Zaim University. He has graduated from Istanbul Technical University with a bachelor's degree in Managerial Engineering in 1997. He has a master's degree from the University of Missouri - St. Louis. He has had his Ph.D. degree in Logistics and Supply Chain Management from Dogus University in 2014. Since then, he has been teaching at Istanbul Sabahattin Zaim University. His main research areas are Project Management and Supply Chain Optimization.