Exploring the origin of retail stores in Europe: Evidence from Southern Italy from the 6th century BCE to the 3rd century BCE

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ABSTRACT

Retail literature reports considerable research on the role that technology has played in retailing as an enabler of change, with emphasis on the shifting of power from retailers to consumers. While scholarly attention has been paid mainly to investigating the current scenario in order to predict future trends and preview retail settings for the coming years, the origins of the retail process, in terms of physical space for selling activities and history of retailing as discipline of business history, is less investigated. Using qualitative data gathered through historical documents and archaeological findings, the present study goes back beyond modern retail settings to explore the origins of points of sales as early as the Magna Graecia period (600 BCE – 300 BCE). Such historical analysis not only offers an insight into the origin of the modern retailing, but also cast broader questions about the degree to which historical interpretations of the growth of retailing have been evolved, by emphasising that after 2000 years, there are still similarities. To the authors' knowledge, this current study is the first to extend the baseline for such an understanding back a further millennium or so.

1. Introduction

When consumers enter a (modern) store they seldom reflect about the huge changes occurred in retail practice in the course of history, especially when considering the technology enhanced services and the new technology touchpoints. Similarly, they do not reflect that the modern stores might still keep some similarities with the first historical examples of points of sale in Europe.

Actual points of sale witness to constant changes prompted by continuous progress in technologies. These technological innovations can be viewed as enablers of change that dramatically modified the retail landscape (Hopping, 2000; Pantano et al., 2017), prompted by the need to provide new, entertaining experiences for consumers, while integrating leisure and retail (Jones, 1999), supported by a constant technology push to development of innovative consumer solutions based on the integration of advanced technology, which shows an increasing trend towards more technological-based retail settings (Pantano et al., 2017). Offering leisure facilities solicits consumers' interest and may encourage them to engage more purchases in the store (Jones, 1999). In particular, these technological innovations provide innovative, entertaining and interactive tools to search, compare, purchase and evaluate products (Pantano et al., 2017), through new services based on user-friendly interfaces and new modalities for interacting with products and physical sellers, while providing new

multisensory shopping experiences able to attract more consumers and influence their buying decisions (Backstrom, 2011; Klein et al., 2016; Papagiannidis et al., 2017; Pantano and Gandini, in press.).

For this reason, the role of technology and innovation management in the retail industry is increasing in importance among retail studies aiming to predict future trends and the evolution of the process (Johnson et al., 2015; Pantano et al., 2017). According to some authors, the focus on technology at the expense of knowledge of retail history might limit the understanding of the process of evolution (Poncin and Momoun, 2014). At the same time, the attention to innovation of business historians and economists has focused more on the emergence of department stores and diffusion of points of sale, with emphasis on British regions during the eighteenth and nineteenth centuries (Hilton, 1998; Hodson, 1998; Fowler, 1998; Stobart and Hann, 2004; Alexander, 2008; Mitchell, 2014). The origins of retail processes, in terms of physical space for selling activities and history of retailing as discipline of business history, have been less investigated. To fill this gap, three main research questions are posed:

RQ1: Which is the historical period in European history witnessing the origin of a permanent and stable point of sale?
RQ2: What are the main characteristics of this "first" point of sale, and to what extent is this type of store similar/dissimilar to a modern one?

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RQ3: What can modern retailers learn from the "first" point of sale?

Using qualitative data gathered through historical documents and archaeological findings, the present study explores retailing focusing on the origin of points of sale in the Magna Graecia period (600 BCE – 300 BCE), in order to advance understanding the relationships between modern and ancient stores and contribute to a fuller understanding of retail change.

The Magna Graecia period has been selected as it experienced some of the most important cultural and economic developments in European ancient history. In particular, the culture and politics of the period centred upon a geographical area in Southern Italy (approximating to the modern Calabria, Campania, Basilicata and Puglia region), which was colonized by Greeks from the 8th century BCE, and represents a peak of culture, economics, politics and arts in history (as William Smith described in the *Dictionary of Greek and Roman Geography* published in 1854). The area has been considered as one of the main commercial centres in the ancient world, and one of the regions where retail marketing was established, or at least, first recorded (as the Greek historian Polybius, 200-118 BCE, described in *The Histories*, book II. Line 39, which covered the period of 264-146 BCE). Similarly, the history of what is now Italy has been considered of wide importance for European history and growth to solicit the interest of many business historians (Di Martino and Vasta, 2015; Felice and Vecchi, 2015; Nuvolari and Vasta, 2015). Despite these considerations, retail literature has almost ignored this period. Therefore, the reasons for choosing Southern Italy in this period are, first, that the economic and culture peaks make it a fundamental step in European history; and second, it shows an early example of forms of commerce moving from temporary locations within main squares in city centres to more permanent and stable places. However this area has attracted little research interest concerning commerce, retail and retail history. We propose that an understanding of the history of the Magna Graecia period supports managers in making more efficient predictions for investment and strategy (Bátiz-Lazo et al., 2014; Pantano et al., 2017).

The remainder of this paper is structured as follows: in the next section the notion of point of sale is discussed through the lens of a brief review of modern points of sale characteristics. Following this, the paper addresses the points of sale format and growth in Magna Graecia. Finally, the paper compares the main features of ancient points of sale with the modern scenario, and draws tentative conclusions.

2. Theoretical background

Literature has largely investigated the attractiveness of a retail store and the subsequent influence on retail patronage (Yoo et al., 1998; Thang and Tan, 2003; Vrechopoulos et al., 2004; Oh et al., 2008; Pantano, 2016). The main drivers can be classified as (i) merchandise (Baker et al., 2002; Thang and Tan, 2003), (ii) store atmosphere (including design, lights, music, etc.) (Kotler, 1973; Roy et al., in press), (iii) service (Maglio and Spohrer, 2013; Demirkan and Spohrer, 2014; Papagiannidis et al., in press), (iv) accessibility (Goodman and Coiacetto, 2012; Teller and Snedilitz, 2012), and (v) layout and store format (Vrechopoulos et al., 2004; Gonzales-Benito, 2005).

Merchandise includes product quality, availability and assortment of products and brands (Yoo et al., 1998; Thang and Tan, 2003). A strong merchandise mix provides a wide range of products for consumers who are therefore more likely to find products to satisfy their needs (Thang and Teller, 2003). For this reason, larger stores offering a bigger surface for displaying products might have an advantage over smaller ones, which need to make additional effort to reduce this gap, such as by exploiting mobile and digital technologies able to virtually enlarge the physical offer (Dennis et al., 2012; Demirkan and Spohrer, 2014; Hagberg et al., 2016; Papagiannidis et al., 2017). Store atmosphere is related to the environment displaying the merchandise and the ease of mobility within the store (Thang and Tan, 2003;

Papagiannidis et al., 2017). The environment includes design elements such as lights, music, scent, etc. (Kotler, 1973; Thang and Tan, 2003; Poncin and Momoun, 2014), which enhances the desirability of merchandise for consumers. The environment has been found to solicit an emotional reaction in consumers able to lead them to favourable responses (i.e. positive shopping behaviour). For instance, during festivals such as the Christmas / Winterval period or Saint Valentine's day, stores usually introduce red lights and trimmings to solicit a degree of passion in consumers and help motivate them to buy present for significant others.

The modern retail scenario is further characterized by a shift from traditional manufacturing dominant logic to service dominant logic, which promotes the development of service solutions to create value for consumers (Vargo and Lusch, 2004; Ordanini and Parasuraman, 2011; Maglio and Spohrer, 2013). Due to this increasing attention towards service, modern retail practices reflect the significant shift from a traditional face-to-face service to a technology-enriched one able to enhance shopping experience (Hagberg et al., 2016; Pantano et al., 2017; Bertacchini et al., in press.). As progress in technology accelerates and consumers become more conscious of their power, retailers try to differentiate their offer by providing smart consumer solutions based on technological innovation as opposed to stand-alone services or new products (Biggemann et al., 2013; Kang et al., 2015; Roy et al., in press). Therefore, the quality of service, with emphasis on in-store service, has become a fundamental part of retail management, which increasingly integrates with innovative technologies within the traditional service mix executed by traditional store retailers.

Concerning the accessibility, in terms of location, distance, etc., past studies in retail planning emphasize that it has a minor importance compared to store atmosphere (Oppewal et al., 1997; Teller and Reutterer, 2008; Teller and Elms, 2012). Similarly, important national and international retail chains clearly state their intention to be present in the most important commercial streets (pedestrian and otherwise), often by soliciting the opening of new franchised stores in the area where the prospective consumers footfall reaches a certain threshold (i.e. the US Starbucks for coffee, the Italian underwear brand Intimissimi, the Danish fine jewellery brand Pandora, etc.). Nevertheless, recent research emphasizes consumers' increasing interest in malls rather than shopping streets or other retail agglomerations (Goodman and Coiacetto, 2012), notwithstanding that the latter have beneficial effects on retail patronage (Teller and Snedilitz, 2012). The development of efficient malls usually involves technologies to simulate the environment and virtually test it with consumers before the final design and build commences (Bruzzone and Longo, 2010). The accessibility of modern stores is further enhanced by new technologies that facilitate the creation of innovative stores based on digital and augmented technologies that can overcome the traditional boundaries of opening hours and fixed locations by offering virtual retail environments that can be accessed 24/7, such as e-retail websites, mobile shopping apps, ubiquitous stores and so on (Demirkan and Spohrer, 2014; Hagberg et al., 2016; Pantano et al., 2017). As a consequence, the increasing diffusion of online stores requires new frameworks for the creation of virtual stores able to provide new virtual, efficient places for shopping (Vrechopoulos et al., 2004; Hagberg et al., 2016).

Moreover, studies devoted to the classification of store types underline the importance of this classification for understanding the evolution of store formats, market structures and consumer behaviour (Gonzalez-Benito, 2005). Established theories suggest three main store layout typologies, each of one able to achieve different advantages (Vrechopoulos et al., 2004): (i) grid (a rectangular arrangement of displays and long aisles that generally run parallel to one another), (ii) freeform (an asymmetric arrangement of displays and aisles, employing a variety of different sizes, shapes, and styles of display), and (iii) racetrack/boutique (the sales floor is organized into individual, semi-separate areas, each built around a particular shopping theme in order to lead consumers to certain shopping routes or paths). Since the format is