

ABi's series of 'Fact Sheets for Retailers' provide concise information on the key topic areas that impact on business success within the retail environment. Each fact sheet highlights the key issues and provides practical advice on the given topic.

If you would like any further advice on any issues relating to this fact sheet then please contact us. We will be delighted to help.

ABi Associates Limited is recognised by clients, businesses and agencies as one of the country's leading business development companies. We have over ten years of experience and expertise in providing business support to small businesses to succeed and grow.

Today's fast paced, competitive and chaotic consumer world provide a multitude of challenges for retailers. ABi offer a diverse range of unique, innovative and tailored business services to meet these challenges. These services include business diagnostics, training, sign posting, market planning, specialist consultancy and networking events. What ever your business challenge, we will show you a way of meeting it effectively.

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Trading in the shadow of the multiples



Here are the top five factors of importance for today's convenience store shopper

(source ACS).

1. Service (friendly)
2. Speed (quick/efficient)
3. Availability - all of the time.
4. Acceptable prices
5. Range (including freshness & the "right range")

Perceptions

Of course, there are not many people who will walk into an independent retail outlet and then walk out again to go to a multiple if they can buy what they want right then from that shop.

Most customers who are lost to the independent retailer decide where they are going before leaving their home.

So perceptions, preconceptions and prejudices are very important to retailers - big and small

We know that the multiples run price watch campaigns where they compare their own prices with the prices of competitors. But we only ever see a few price comparisons and we have no idea if one multiple is actually cheaper than another across a basket of goods.

Can you influence the perceptions of your customers? Can you operate a 'price watch' scheme? But be careful - there is some evidence that there is a negative effect of promotions with negative customer perceptions of quality and reluctance to pay the full purchase price next time. It is safest to stick to known brands.

But price is just one factor, and not necessarily the most important.

Customer care

Caring for your customers, making sure that your service is friendly and speedy, is probably the most cost effective way of improving profits.

Happy customers spend more. They recommend you to their friends. And getting new customers is far more expensive than keeping the ones you already have.

Customers are often on the side of the independent retailer, even if they spend more in the multiples.

ACS Populus research indicates that a majority of adults agree that the closure of independent local shops will bring less choice, cause damage to the local community and lead to less personal and friendly service.

And the multiples have another thing stacked against them: a lack of staff motivation.

Out of stock

When shoppers taking part in the Association of Convenience Stores survey were asked "why did you fail to buy the item(s) you intended to buy?" 45% said "it was out of stock".

Ensure that you have appropriate stock control and cash flow monitoring systems in place so that your financial position doesn't give more advantage to the multiples. A lack of discipline in stock control means missed opportunities to capture additional customers.

Review your supply chain. You might want to buy the cheapest, but given the importance of ensuring that you stock the things customers want, you need reliability too. Is your supplier working with you? It might be in their interest to help you to become stronger in the face of competition from the multiples and they will not want to lose you as a customer.

The product availability issue is at its most critical in the convenience store sector, where clients want to 'pop out' to the corner shop because they have run out at home. But that kind of customer will not become a regular if what they are looking for is not on the shelf.

However, product availability is important in all shops that now have to compete with the multiples, from clothes to CDs. Will the customers return when your new stock arrives, or will they go for the perceived larger range held by multiples?

Customers are also looking for a good range - including, where applicable - freshness. This can be an issue for non-perishable goods too: old dirty packaging on slow-moving stock can be off-putting.

Which products? You need to target key items - the most important items to your customers - and make sure that you always have those products in stock.

Don't forget: empty shelves waste money.

Parking

No, of course there is no magic wand that will create additional parking spaces outside your shop just for your customers. We must be realistic and accept that, in many ways, the parking situation will get worse for independent retailers. So,

- Make sure that parking meters/ ticket machines around your shop actually work. Shoppers will be frustrated if they put money into a faulty machine and still can't park. They might go somewhere where parking is easier and might not come back to the area.
- Make sure you have change to give to your customers for meters.
- Make sure that your customers know what the parking regulations are. Do the restrictions only operate between 11 and 12 o'clock?
- Look around. Have there been any changes since meters were introduced? Local councils take some time to adjust to changes - but you should let them know now if it is in your interest to see some changes made to the parking restrictions. Local councils often have targets for engagement with businesses: they might be pleased to hear your feedback.

Abi produces a range of Fact Sheets for businesses. The 'Customer Care' and 'Stock Control Review' Fact Sheets provide additional information for independent retailers on this topic.