

Do corporate chains spell the end for independent retailers? Supermarkets and out-of-town shopping centres have been accused of ruining small firms businesses. Do the convenience and ease of use offered by corporate chains outweigh the benefits of diversity and choice? Would you shop at a local grocer rather than your local supermarket? Do chains offer better value for money, or do they monopolise and overcharge? That is what I will be arguing in this section.

Below I have done got a statement with a customer who I saw at a local shop to see his views on larger firms competing against smaller firms.

'About once a fortnight I do the god awful trek round the supermarket. I live close to Tesco's and regularly shop there. There are great bargains in electrical and household goods to be had without the hassle of the big electrical chains that try and sell you all sorts of unnecessary warranties. I also get the advantage of a wide range of produce to choose from and special offers galore. But I don't do all my shopping here.

I buy all my meat from local butchers. It is cheaper than the pre-packaged stuff in the supermarkets. Not only am I saving money but the friendly local butcher is a helpful chap, not just my friendly local butcher but all of them. Go into any butchers shop and ask them to cut things up and they will. For example if I want to make a steak and kidney pie the butcher sells ready cubed steak, he will also cube your kidney for you if you ask him to. If all the joints of meat are too big, just ask your butcher and he will cut one to make it the size you want. The supermarkets don't do this, except on their meat counters where you will find the price exceeds that of your butcher.

I buy my fruit and vegetables from the local market; again it's cheaper than the chain stores. Not only is it cheaper it's often far better quality, certainly the soft fruit is. Again I get service with a smile and I regularly return to the same stall. The staffs are also friendlier in local retailers and more helpful and all know me by name, I've yet to meet a Tesco employee who knows my name.

I've always believed in supporting local trade and will continue to do so. Often you find that it is actually easier on your purse than the supermarket trek. Of course the big chain is easier to shop at as its one stop shopping, but the benefits of personal service outweigh the convenience.

I also asked him which shop offers the best service all round and he replied without hesitation by saying independent retailers like small

corner shops. Which clearly shows that small firms will continue to survive because of their quality of goods and their close and trusted relationships with their customers. And as long as they offer good services they can survive due their innovative business. Small firms like corner shops can compete against mighty corporate chains by giving the customer something they want or giving them something different.

Probably the main reason why small firms like corner shops do have such intense competition from supermarket chains like Tesco's is because of the convenience levels they offer its customers. They offer a wide range of goods under one roof. Local shops do also offer convenience but in a different way. Their convenience is being close and local while large stores like Tesco's offer convenience of having all your requirements in one store under one roof.

The reality is that supermarkets must make profits for their shareholders. They do this in a number of ways. One method is to keep their suppliers prices very low. They can easily do this because of the sheer quantity they buy. This is due economies of scale.

One you are in the store they employ many tricks to get you to buy that item that you really didn't need. How many times have you been to store and come away with far more than you went in there for? They really do employ some clever psychological tricks to get you to make that extra purchase.

Many people may also say that small firms are also expensive then large stores. But this is not necessarily true because many of the big stores purchase their goods from abroad and this is ludicrous because we can obtain the goods we need from our own country and by doing this the larger stores can reduce their prices.

Bearing this in mind many people may answer by saying 'if local shops are more innovative and more flexible than why are so many businesses closing down?'

This is due to the revenue – cost = profit. Large stores like Tesco's buy in bulk so their average cost will be lower. Economies of scale. Also small businesses have been at a disadvantage compared with large firms because they have higher funding costs, lack of technology and greater difficulty of expanding their business.

But this too is not necessarily true, because small firms will always have young entrepreneurs to help them in financial difficulties.

So to sum up why small firms will continue to survive here are a few points on the Survival of Small Firms like corner shops:

- Some products cannot be mass produced, e.g. contact lenses.
- Some products have only a limited demand, e.g. horse shows.
- Some products require little capital, e.g. window cleaning.
- Small firms receive grants and subsidies from the government.

Now I will discuss the different types of advertising small firms can do to compete with larger firms like Tesco's.

One successful marketing approach is radio. Now many people may think is pricey but if you decide to choose a local radio station then it will be economical and it will target specific audiences that you want to target. For example, if you have opened a small business like a local corner shop and you want recognition then you can target that specific area where you have opened your firm. And many small firms have said that this method is effective and very economical.

Television ads have generally been perceived as expensive, but with today's costs you can get an off-peak time slot so this shouldn't be ruled out.

Only a minority of corner shops have done this method due to its price but the advantage of this is that you can specifically show how your shop is a 'cut above the rest'. Making a valiant attempt to set yourself aside from other shops will be an effective method too. But this method really shouldn't be attempted because of the charge of doing so.

Print ads are the one that most small firms utilise. Printing your advertisement in a local newspaper is ideal for publication. But it is not a sure guarantee it will succeed as many small firms have said that they get mixed results for this type of advertising. It is very economical and is relatively a good process of advertising your business. In this case advertising local firms like corner shops.

One evolving medium that many small businesses seem to favour is the Internet. Establishing a Web page is fairly easy and inexpensive. Using the internet is an inexpensive venture because you can get your web page up and running very efficiently. The more people that jump on-line and competitive Internet servers offer cheap new incentives, local businesses,

which were once resistant to new technology, are increasingly warming to the Internet.