

Why does my local corner shop stay in Business?

Introduction

For this assignment I am going to investigate why my local corner shop stays in business. I am going to do this by making a survey and use it to make qualitative research to the owner of the each of the local corner shops and the customers. My local corner shop is called SPAR. Many people use the local corner shops for last minute shopping. By doing this, I should be able to find out why my local corner shop stays in business. The nearest supermarket is quite far away, it takes about 25 minutes walk from my local corner shop to the supermarket. The products they sell are luxuries such as alcohol and cigarettes which bring in more customers. In my local corner shop they sell the following:

- *Drinks*
- *Snacks*
- *Bus passes*
- *Chocolate bars*
- *Newspapers*
- *Cigarettes & Alcohols*
- *Photocopier*
- *Magazines*
- *Groceries*
- *Ice creams*
- *National lottery*
- *Entertainments*

Key findings

- ❖ *Competitiveness*
- ❖ *Competitive advantage*
- ❖ *Advertising*
- ❖ *Area/distribution*

Hypotheses

- ❖ *The reason for why I think my local corner shop stays in Business could also be because they close the shop very late at night*
- ❖ *I think the local corner shop stays in business because it is convenient for people who live near there to use the corner Shop rather than go all the way to there local supermarket such as, Sainsbury's/Tesco/Safeway's or any other supermarkets.*
- ❖ *My local corner shop gets all cash no credit cards or checks so the tax man doesn't know how much money they are making so they don't have to pay much tax.*

However, to prove that my hypotheses are right, I will to survey the people going in to my local corner shop on a daily basis. I have done a survey to find out why the people go there, how they get there, how far they are from my local corner shop, what they buy (luxuries/necessities).

Competitiveness

Competitiveness means the strength of a firm's position in the market measured by market share and profitability. It reflects the value for money provided by the firm's products. My local corner shop does have competitiveness because if not then my corner shop might not be in business. They do this by being keen to the customers and have a quick talk with them so they can get the customers more attracted. This is one way of gaining customers which my local corner shop does.

However, in my quantitative research I found out that approximately 20 percentage of the customers are attracted to my local corner shop because of the quality of their products and because they have a fair price. But the most customers were attracted because my local corner shop is dynamic/flexible/convenient.

Advertising

Advertising has a variety of forms and functions. It informs and persuades. Persuading people to buy once is relatively easy. Persuading them to buy the second time is much more difficult. Advertising is either informative or persuasive. It uses newspapers, television and other media as a means of encouraging people to buy a product.

My local corner shop provides its retailers with a comprehensive package of marketing and promotional tools in order to help them make the most of their store and encourage customer loyalty. The package includes television advertising, high profile sports sponsorship, national and local promotions, themed materials for events such as Christmas and Easter and a PR campaign to ensure all stores are promoted in their local area.

Company like Coca cola gives money to the local corner shops in exchange for the shop advertising products. Shops can advertise special offers such as 'buy one get one free' to try and encourage people to use the shop. Some shops if not doing too well can resort to advertising their shop on local newspapers also in order to encourage the customers to shop. This is one of the ways to keep shops in business. I believe that my local corner shop could be staying in business because of advertising.

Competitive advantage

Competitive advantage is the means by which a firm's appeal to the market is made both distinctive and defensible. My local corner shop cannot afford to bulk buy so they buy cheap goods at cheap rates. They offer 'tab' services to their regular customers stored. 'Tab services' allows customers to put every thing they buy recorded down in a book and they pay after a period of time. This offer could also bring in more customers to my local corner shop because this is an offer that only few shops does. This offer might be the reason for my local corner shop is staying in business.

Area

My local corner shop is located in neighborhood and rural areas. My shop is in Aylesbury in the north side of London. Aylesbury is an affluent area, where employment is high therefore people have money to spend. The nearest supermarket is quite far away. It takes about 25 minutes walk from my local corner shop to the supermarket. One of the reasons my local corner shop stays in business could be because it is located in a good place where they can retail customers. My local corner shop is placed in a position of where a lot of people go pass that place so this could be one of the reasons for why my local corner shop is staying in business. In my research I figured out that most local corner shops stay in business probably because the location of the shop is in an area of where you can find most people. SPAR is the world biggest and most international retail food chain with 16,000 stores in 30 different countries. 2,600 of those stores are in the UK, meaning that 74 percentage of the UK population live within $\frac{3}{4}$ mile of a SPAR store.

Conclusion

All my hypotheses were correct.

In my qualitative research I found out that my local corner shop enjoy more visits per week from customers than Sainsbury.

I also found out that my local corner shop is staying in business because of these reasons:

- *My local corner shop is located in a good area, where many people live around.*
- *Advertising on posters and local newspapers keeps my local corner shop in touch with the customers a lot.*
- *The competitiveness of my local corner shop is in high standard because it reflects a good value of profit.*
- *Competitive advantages of their products are quality, they offer acceptable prices and also they offer low prices and acceptable quality.*