“Uncovering the hidden value of networks: the complexity of small retailers' relationships"

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The context

The rise of the large multiple retail store

National Planning Policy Framework

Mary Portas and the High Street debate

Creating a template for the small retailer

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Retail market share

Change in reported retail sales values between December 2012 and December 2013 standard reporting periods (by size of business)		
Number of employees	Weights (%)	Growth since December 2012 (%)
100+	81.0	2.6
40-99	2.4	34.8
10-39	5.8	4.7
0-9	10.8	8.2

Statistical bulletin: Retail Sales, December 2013 (ONS)

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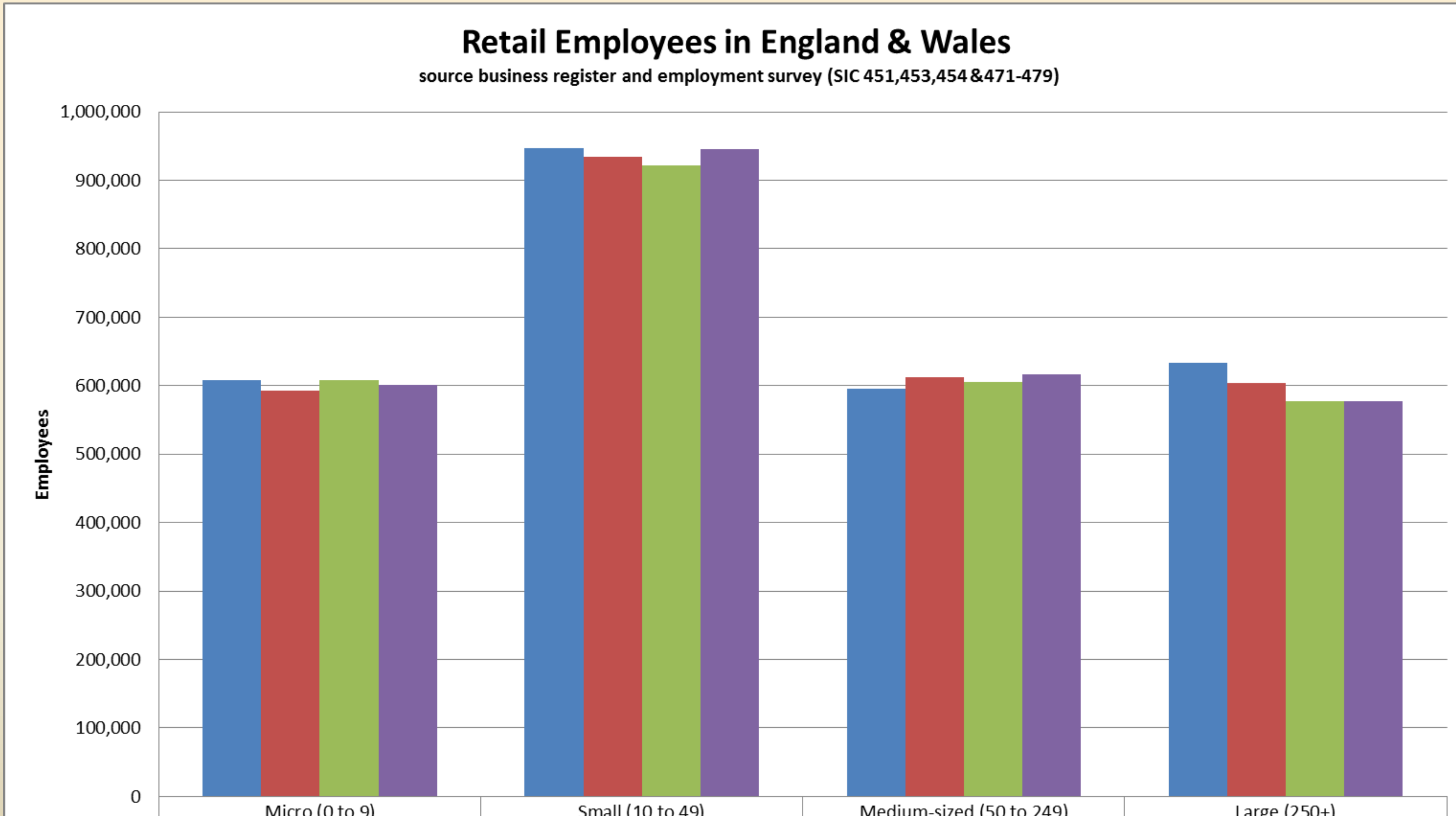
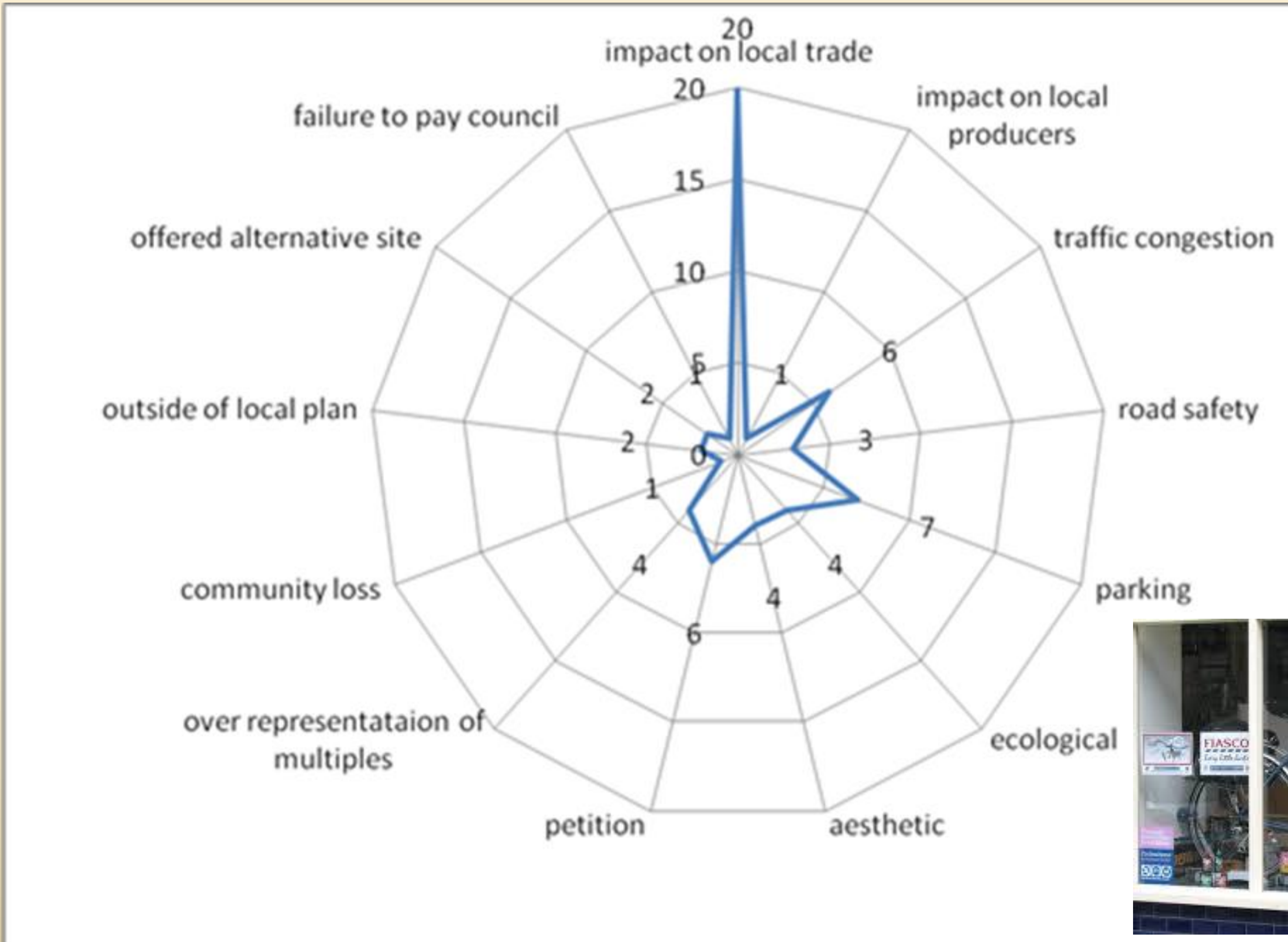
Retail employee share



	Micro (0 to 9)	Small (10 to 49)	Medium-sized (50 to 249)	Large (250+)
2009	607,672	947,486	595,722	633,266
2010	593,435	934,721	612,978	604,465
2011	607,849	921,764	605,399	576,775
2012	600,754	944,893	616,134	577,757

Objections recorded to TESCO superstore application

google search over two months in 2012



Changing face of the local high street: Convenience stores

source: The Grocer

	2012	2013
Coops	2562	2637
Convenience multiples	3027	3318
Symbol stores	16371	16889
Unaffiliated independents	19237	18826
Total	41197	41670

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Retailer types (from interviews prior to case study)

Evangelist : creating new network

Politically active : within their network (s)

Realist : fatalist, focus on current network

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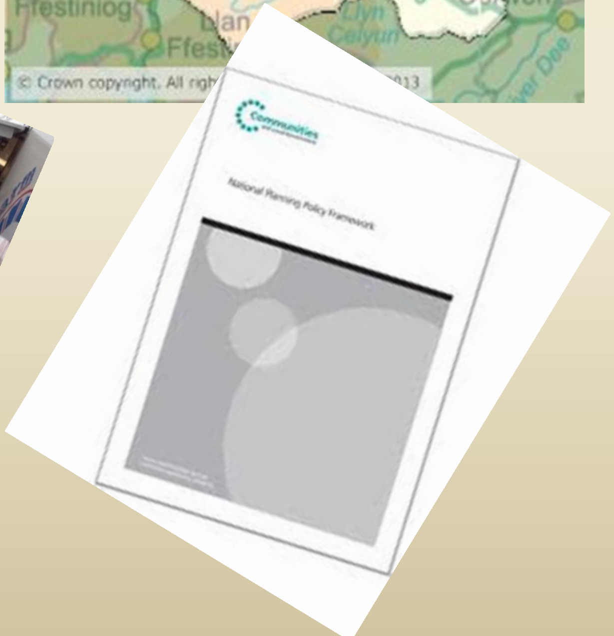
The case study story….

- Who
- Why
- How



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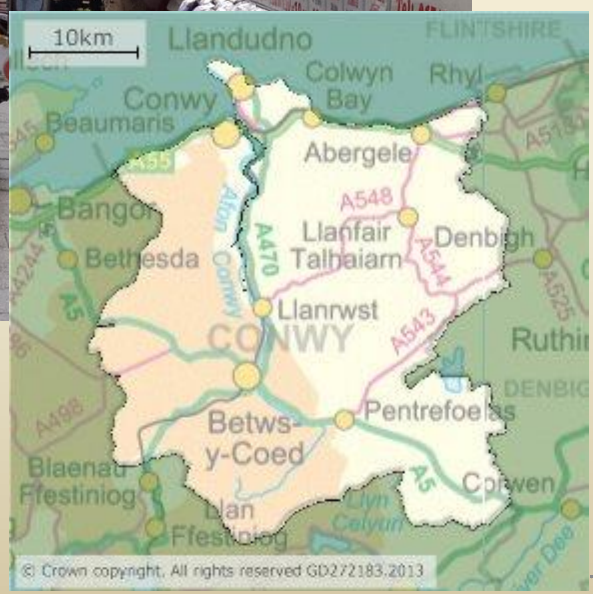
WHERE: A SMALL MARKET TOWN



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WHERE:Welsh town…

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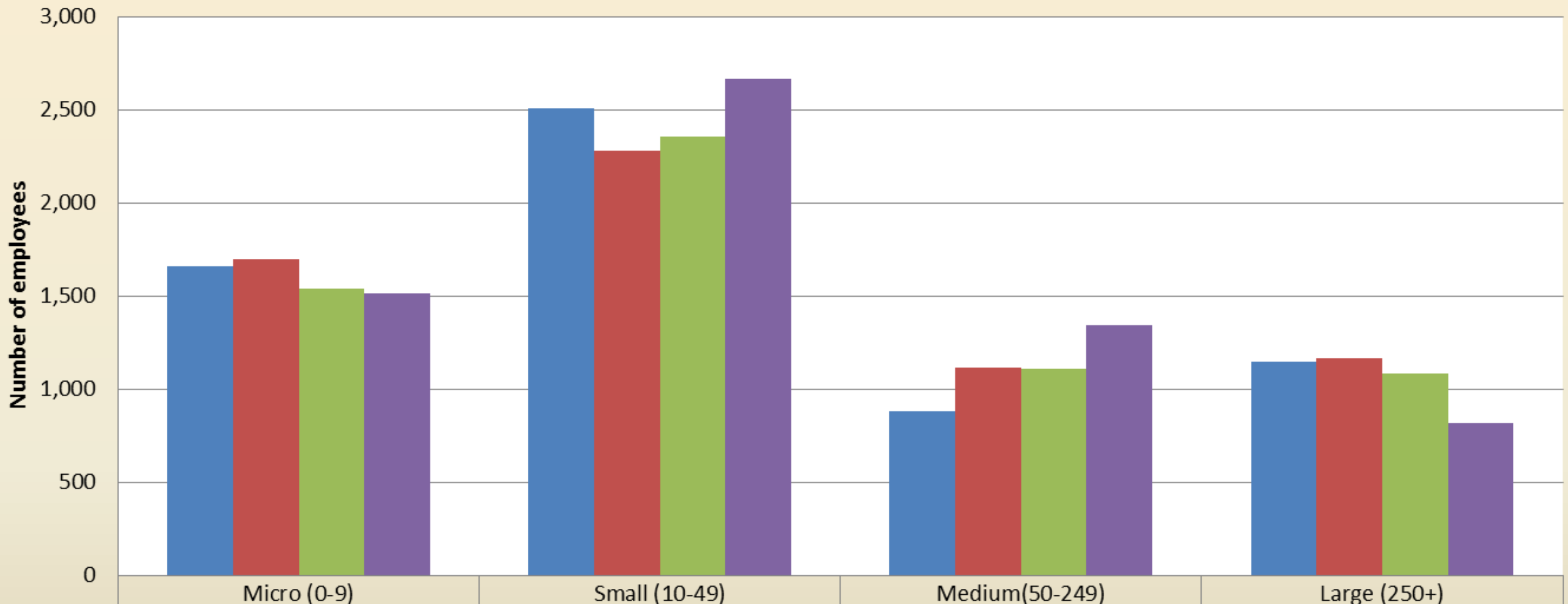
Who employs the retail staff

Retail Employee numbers in Conwy

(Source: Business Register and Employment survey SIC 45.1,45.3,45.4,47.1-47.9)



	Micro (0-9)	Small (10-49)	Medium(50-249)	Large (250+)
2009	1,662	2,507	882	1,145
2010	1,701	2,284	1,113	1,167
2011	1,538	2,358	1,111	1,081
2012	1,518	2,668	1,343	816

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So what did we find?

Perspectives: staff

Why do you believe customers choose YOUR STORE?	Friendly, clean, good offers Food to go and local produce are big pulls here We won't be affected if Tesco come in, I don't think...the xxx would.	Needs local as point of difference. No car, so I shop here. I use xxx and xxx 50/50.	Choice of products Local produce xxx too expensive Convenience Local Products Friendliness
Why do you believe customers use YOUR COMPETITORS STORE?	Nobody does weekly shop here...everybody hates the xxx...you can't get a pair of knickers in xxx..12-13 mile trip to get shopping.	Parking, the XXX was free now free for 2 hours only. Only free space is at the planned Tesco site so once that goes the town dies. XXXX is building local...buys from XXXX franchise and promotes XXX but is actively building LOCAL	Cheaper price (outside of town) xxx too expensive. Need something instead of xxx , somewhere people can do weekly shop. Bigger range

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Perspectives: Owners

“our families were both brought up here (farmers son), my grandmothers grandparents lived here.”

“frustration of the local business people at the bypassing of the community due to the lack of parking”

“TESCO is everywhere”

Perspectives:Other independent retailers

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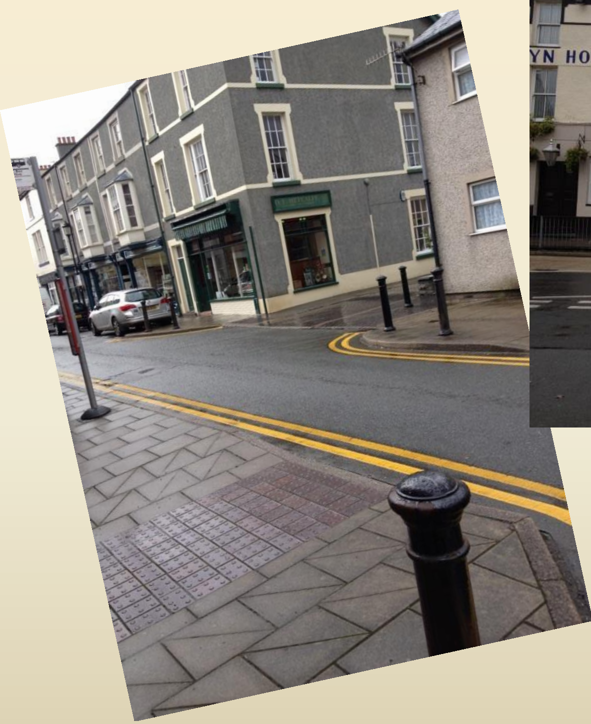
Perspectives: Family businesses from across Conwy



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Perspectives: within the networks

Fellow retailers

“Seen too many towns killed by Tesco”

“We are a self sufficient town. There is a free bus to the Tesco’s on the coast and people can shop on line, there is no need for a Tesco here”

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Perspectives: within the networks

Customers

'Want cheap anywhere I can get it, I use xxx for Bread, News and top ups once or twice a week.....I like the store.....but I want/need whatever is cheap......TESCO/Aldi/Lidl/ASDA are usually the shops for me....'

'I am a farmer's wife....I buy in XXX everyday and love it.....it offers local bread.....my kids love it......local veg. (Belmont)...we know them as farmers and support it.'

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Perspectives: within the networks

CUSTOMERS

‘I led my **own research** here in Llanrwst in relation to the TESCO development as I didn’t feel I could represent the views of the local residents from my own perspective. We had a **30% response rate with 54% against and 46% in favour of the proposed development’**

‘SPAR is a franchise isn’t it.....I must admit **I didn’t realise you support so many very local suppliers,** I knew you had some.....it would be **good to hear that local story of the supply chain**, the families involved and the heritage.....**we don’t know it.**’

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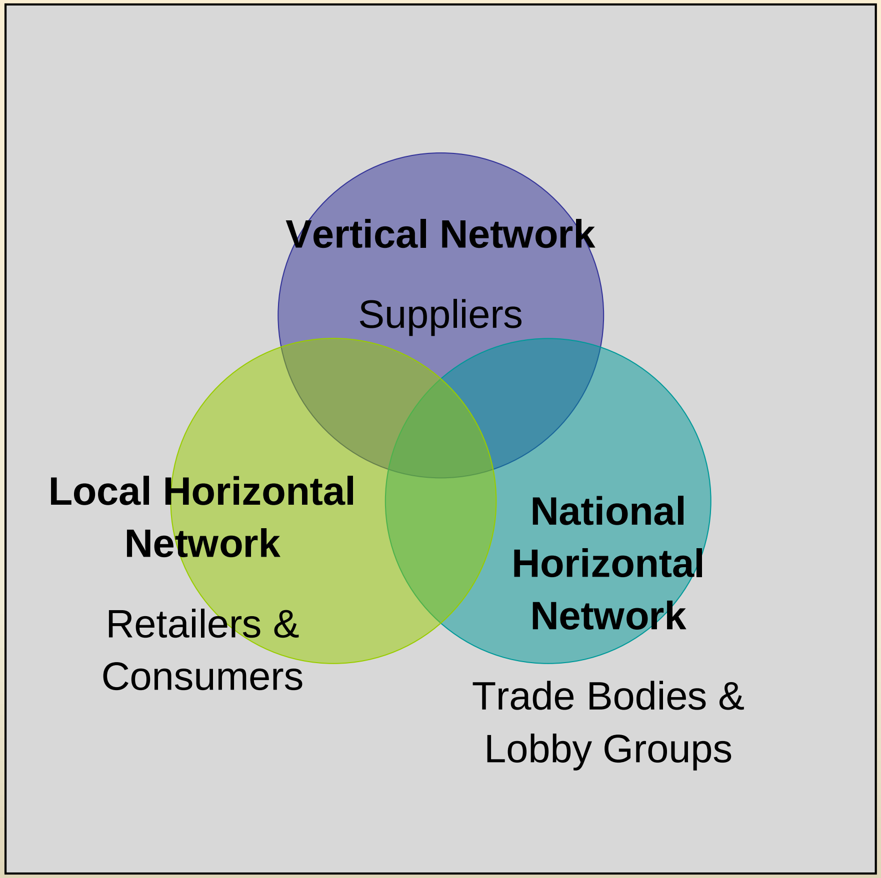
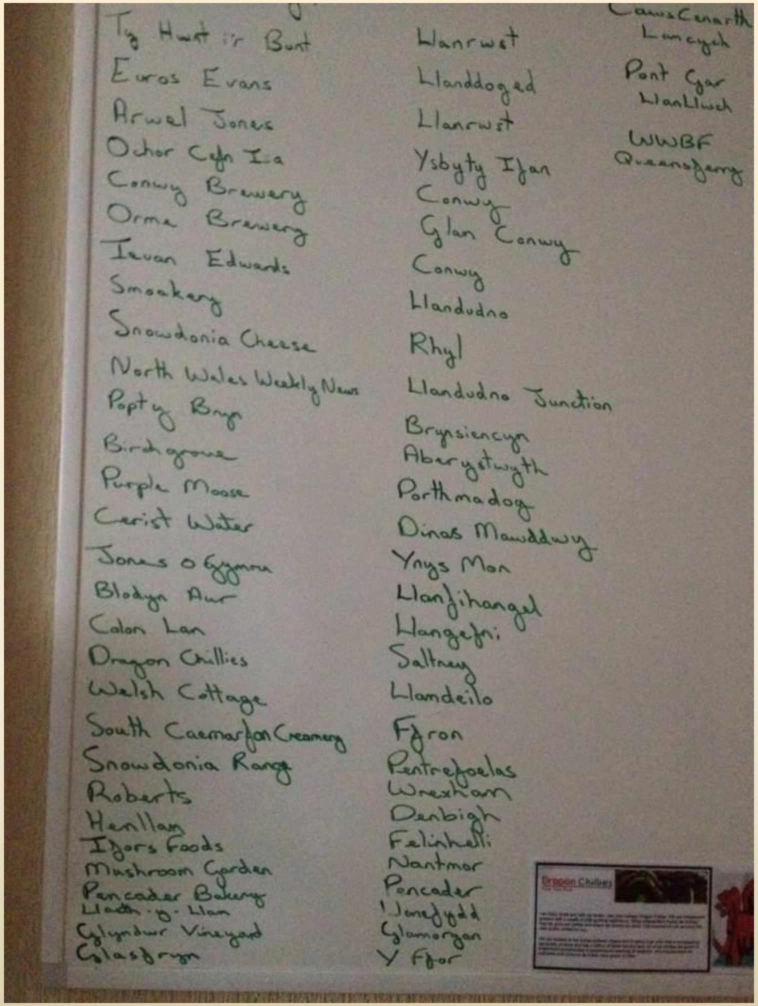
The Value of SME retailer networks





Value of SMEs

- **In OECD countries**: SMEs represent the majority of all businesses and employment. Across the OECD area, they account for approximately 99 per cent of all enterprises and two-thirds of employment. Vehicle for Entrepreneurship and future economic growth -"churn"
- Provide jobs (**60% - 70%** of existing jobs in most OECD countries)
- Net **creator** of new jobs
- Regional development and **social cohesion**
- Innovation and technological change (OECD 2010)

- **In the UK** : SMEs accounted for **99.9%** of all enterprises, **58.8%** of private sector employment and **48.8%** of private sector turnover. (BIS 2011)

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Outcome

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Improving the relationship

Listen to the evangelist

Work with the political active

BUT ask the realist

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Thank you

Current store choice

From town blog 2013

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