
Downloaded from: http://insight.cumbria.ac.uk/2996/

Usage of any items from the University of Cumbria’s institutional repository ‘Insight’ must conform to the following fair usage guidelines.

Any item and its associated metadata held in the University of Cumbria’s institutional repository Insight (unless stated otherwise on the metadata record) may be copied, displayed or performed, and stored in line with the JISC fair dealing guidelines (available here) for educational and not-for-profit activities provided that

• the authors, title and full bibliographic details of the item are cited clearly when any part of the work is referred to verbally or in the written form

• a hyperlink/URL to the original Insight record of that item is included in any citations of the work

• the content is not changed in any way

• all files required for usage of the item are kept together with the main item file.

You may not

• sell any part of an item

• refer to any part of an item without citation

• amend any item or contextualise it in a way that will impugn the creator’s reputation

• remove or alter the copyright statement on an item.

The full policy can be found here. Alternatively contact the University of Cumbria Repository Editor by emailing insight@cumbria.ac.uk.
“Uncovering the hidden value of networks: the complexity of small retailers' relationships"

Keith Jackson University of Cumbria
Jacqui Jackson Lancaster University
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

Keith.Jackson@cumbria.ac.uk; J.Jackson@Lancaster.ac.uk
## Retail market share

Change in reported retail sales values between December 2012 and December 2013 standard reporting periods (by size of business)

<table>
<thead>
<tr>
<th>Number of employees</th>
<th>Weights (%)</th>
<th>Growth since December 2012 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>100+</td>
<td>81.0</td>
<td>2.6</td>
</tr>
<tr>
<td>40-99</td>
<td>2.4</td>
<td>34.8</td>
</tr>
<tr>
<td>10-39</td>
<td>5.8</td>
<td>4.7</td>
</tr>
<tr>
<td>0-9</td>
<td>10.8</td>
<td>8.2</td>
</tr>
</tbody>
</table>

Statistical bulletin: Retail Sales, December 2013 (ONS)

Keith.Jackson@cumbria.ac.uk; J.Jackson@Lancaster.ac.uk
Retail employee share

Retail Employees in England & Wales
source business register and employment survey (SIC 451,453,454 & 471-479)

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

<table>
<thead>
<tr>
<th>Category</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coops</td>
<td>2562</td>
<td>2637</td>
</tr>
<tr>
<td>Convenience multiples</td>
<td>3027</td>
<td>3318</td>
</tr>
<tr>
<td>Symbol stores</td>
<td>16371</td>
<td>16889</td>
</tr>
<tr>
<td>Unaffiliated independents</td>
<td>19237</td>
<td>18826</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>41197</td>
<td>41670</td>
</tr>
</tbody>
</table>

- **Keith.Jackson@cumbria.ac.uk; J.Jackson@Lancaster.ac.uk**
Retailer types
(from interviews prior to case study)

**Evangelist**: creating new network

**Realist**: fatalist, focus on current network

**Politically active**: within their network(s)

Keith.Jackson@cumbria.ac.uk;
J.Jackson@Lancaster.ac.uk
The case study story....

- Who
- Why
- How

Keith.Jackson@cumbria.ac.uk; J.Jackson@Lancaster.ac.uk
WHERE: A SMALL MARKET TOWN
WHERE: Welsh town...
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)

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

Keith.Jackson@cumbria.ac.uk;
J.Jackson@Lancaster.ac.uk
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 |
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”

Keith.Jackson@cumbria.ac.uk; J.Jackson@Lancaster.ac.uk
Perspectives: Other independent retailers

Keith.Jackson@cumbria.ac.uk; J.Jackson@Lancaster.ac.uk
Perspectives: Family businesses from across Conwy

Keith.Jackson@cumbria.ac.uk;
J.Jackson@Lancaster.ac.uk
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”
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.’

Keith.Jackson@cumbria.ac.uk;
J.Jackson@Lancaster.ac.uk
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.’
The Value of SME retailer networks

- **Vertical Network**: Suppliers
- **Local Horizontal Network**: Retailers & Consumers
- **National Horizontal Network**: Trade Bodies & Lobby Groups

The diagram illustrates the interconnectedness of different networks, emphasizing the role of suppliers, retailers, consumers, trade bodies, and lobby groups within the SME retail sector.
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)
Outcome

What to do when a supermarket comes knocking?
Improving the relationship

*Listen to the evangelist*

*Work with the political active*

*BUT ask the realist*
Thank you