

Little things make a big difference for small retailers

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Research from the University of Adelaide is helping to show small retailers how they can compete against the huge retail chains – and it's the little things that can make all the difference.

A study of more than 300 Adelaide shoppers has identified a range of factors that draw them to small retailers. Researchers hope this knowledge will give the small stores some fighting chance against their highly competitive, price-driven neighbours.

"There's no doubt that small business has struggled to compete against the big retailers, especially in recent years with the growth of what we call 'big-box' or 'category-killer' store formats. In the face of such tough competition, this can leave the owners of small retailers wondering how they can possibly survive," says Dr Steve Goodman, Senior Lecturer in Marketing with the University's Adelaide Business School.

"However, we believed that a segment of shoppers are attracted to small businesses—so we set out to find the reasons why."

Researchers surveyed more than 300 wine buyers at small retailers as well as large retail chains for comparison.

"Alcohol is a highly competitive space, with many bargains and discounts, and a huge advertising spend by the big chains. As you might expect, we found that most customers visit the category-killer retail chains because of the perception of lower prices and convenience of

location," Dr Goodman says.

"The main reasons why customers value a small retailer over a bigger one include: better customer service, a much greater depth of knowledge and more specialisation of the product—that is, the ability to purchase 'rare' items not easily found elsewhere. Overall, the small retailers offer a shopping experience that you just can't find in the bigger retail stores," he says.

Dr Goodman says the problem for small business is that, like small brands, they occupy a low percentage of the total brand communication: "Small retailers need to understand why people shop with them and do it well, not just expecting people to support a small business for the sake of it.

"While this study looked at shoppers' experience of buying wine, the same concepts could apply to almost any small retail experience. Our results could assist small business strategy, and in the marketing and even design of a small retailer, to help make a business more sustainable.

"With the Federal Government announcing tax breaks for [small business](#) in this year's Budget, and the South Australian Government's strategic focus on small-to-medium enterprises, anything we can do to give small retailers an advantage over their much bigger, stronger competitors will be welcome. Researching in the area and generating results that might help is rewarding," Dr Goodman says.

Provided by University of Adelaide

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