

CONVENIENCE STORES

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The shift from value for money to value for time

Having spent a considerable amount of time in countries where customer service including opening hours is the norm, the grocery shopping experience I encountered on arriving in Germany in the late 1980s was of a somewhat threatening nature. Shopping was reduced to securing supplies for the minimum price during highly restrictive opening hours with little or no service in overcrowded shops with a tense atmosphere fuelled by stressed employees and nervous customers. Apart from being forced to wait in long queues to purchase just a few items, the prospect of the unpleasant shopping experience often left me with no other option than to drive to Frankfurt Airport where the Gebr. Heinemann company, albeit specialists in the retail business for travelers, offered something like what I was looking for. A so called convenience store. Thankfully, these days opening hours have become more flexible and customer service is both provided and expected.

But what is a convenience store?

Common definitions tend to be purely quantitative indicating the surface area of the shop, the range of goods on offer and sometimes make comparisons to the non-oil products sold at petrol stations and kiosks. But the true convenience store and what it stands for is none of these. Apart from convenience in its most functional form, the instrumental role of the shopping experience in the customer's decision on where to purchase convenience goods available from a number of alternative sources is often under-estimated or at worst overlooked. **A convenience store is an inviting, tastefully lit, well stocked shop that will satisfy your immediate needs from fresh local produce through hot take away food, consumer health care products and alcohol to newspapers, cut flowers and post office services. It's the kind of place that beckons you to stop and shop when you are tired and hungry after a long day's work on a cold, wet, dark November evening.**

Market research conducted to determine why consumers shop where they do tends to ignore the reasons why customers do not purchase where they do not. The shopping experience is not merely the product of price, quality and service but is also made up of the time directly before and after the purchase is made and the environment in which this takes place.

A study conducted by the Cranfield University School of Management on the factors contributing to a "great" customer experience using the Repertory Grid interview technique, which helps respondents articulate their ideas on complex issues or those to which they have not given much conscious thought, revealed that value for time and customer recognition are ranked higher by consumers than accessibility or competence¹.

The steady increase in single households, urbanization and an ageing population have driven major food retailers such as REWE to react to changing purchasing habits by piloting REWE CITY and REWE to go in the city of Cologne. But a convenience store is not merely a question of size or range of goods.

The customer should be able to enter the shop, make their purchase and leave quickly while enjoying the freedom to randomly wander from shelf to shelf without the unpleasantness of feeling locked into and processed through an industrialized material flow between a one-directional entrance barrier and narrow cashier styles. The disinclination on the part of the customer on the way home from work or needing just a few items to undergo this industrial process poses a considerable market opening.

Arguably, a similar type of service is offered at petrol stations in Germany, but here again, the customer's perceived association of fresh food with a place where oil and other inedible goods dominate would arguably send them to a real convenience store if such existed.

Target groups	Customer wishes
<ul style="list-style-type: none"> • Singles • Impulsive buyers from all age groups • One and two person households • Double income with little time • Senior citizens • Revellers • Children • Commuters • Consumers who have run out of an item 	<ul style="list-style-type: none"> • Value for time • Long opening hours • Parking spaces • Friendly atmosphere • Personal contact • Accessibility • Take away food • Coffee products • Additional services • Payment by credit card

Convenience stores are not only frequented by customers pressed for time. The target market is made up of a highly diverse group sharing common customer wishes.²

The store must be comfortably accessible to local people who can reach the shop on foot, but also to passing commuters who stop to buy a newspaper and a coffee in the mornings and to make a few purchases on their way home from work in the evening. Hence, a minimum of five parking spaces in front of the shop are an absolute must.

The value for time factor merits emphasis in this context. Defined as the extent to which a business respects and makes efficient use of the customer's time as opposed to the business not seeming to care about the customer's time, this factor accentuates the customer view that value for money alone will not influence the ultimate purchasing decision. This is substantiated in the Cranfield University study by statements to the effect that having to wait to be served is worse if several cash desks are closed than having to wait but the shop personnel are doing their best to rectify the situation.

Not least, the social and personal contact aspects of the convenience store play an integral role here. The classic convenience store is owner-operated albeit as part of a franchise system, thus providing neighbours and acquaintances of the owner and other customers somewhere where they can meet spontaneously and stop for a "chat". The owner-operated model also means that the person behind the counter is not the employee of a large corporation but rather someone whose livelihood depends directly on your level of customer satisfaction.

Would it work?

Current demographic trends and resulting consumer behaviour certainly provide a solid basis on which to give convenience stores a try. There are however, a few barriers which are not likely to be overcome in the short-term including Sunday opening hours and the sale of consumer health products. And then there are the nay-sayers and pessimists who predicted failure when longer opening hours were being debated over twenty years ago. And yet, evening opening and thankfully longer opening hours on Saturdays have long since been established. The same was predicted for legislation enabling bakeries to opening on Sundays.

The fact that the traditional convenience store as defined in this article does not exist does not necessarily mean that the consumer in Germany is not ready to take their custom there. Finally the convenience store would also be an opportunity for stationary retail to establish itself in light of the developments in internet shopping. J

¹ "What makes a great customer experience?"
Prof. Fred Lemke, Prof. Hugh Wilson, Prof. Moira Clark Cranfield University, Research Study

² Handelswissen –
Das Wissensportal für
Handel und Konsum
(www.handelswissen.de)