

How does a Small Shop Survive in this Global-Era?

Globalization has resulted in a growing number of smaller shops paving way for mega shopping destinations. Walmart is one of the fine examples, as their existence has resulted in many small shops going out of business. However, is this really the truth?

Walmart had just over 2500 stores in 1994 and it was expected to do a business of around \$ 67 billion. Today, the number has swelled to more than 5000 just in the United States alone with a furthermore available around the world. The main argument in favor of Walmart is that it provides employment to a large number of people, while the small and medium towns also benefit from a reduced number of trips to the local shop. As a result, there has been a tremendous welcome towards such supermarkets in general.

The majority of the concerns directed at Walmart or similar stores have been largely focused on one aspect – change of existing retail structure. The protesters clearly do not like the change happening and this has resulted in growing action against the mega super stores around the world. Yet, they continue to grow at a rapid pace. The change brought about by such super stores is largely focused on bringing huge consumerism tendency, homogenizing the identity of the community, and landscape paving.

Over the years, it has been seen that the huge superstores generate an additional \$1.7 million each year compared to the aggregate managed by a local store. Even though this may seem like a substantial sum of money, it needs to be pointed out that the money spent at a local store remains within the town and manages to go around a number of times. However, the money spent at a Walmart is directed straight to the headquarters. This comes at a huge cost for a Walmart store located in a developing nation like India. This results in lower mortgage levels at the local bank and fewer circulation of money as a direct result.

Walmart may directly create around 250 jobs for every new store, but it is estimated that the net outcome from a net outcome from a Walmart store will be only around eight jobs considering the losses in other industries. Furthermore, these jobs are not a direct equivalent since there is a good possibility of a local storeowner becoming a manager at Walmart – they have effectively made a transition from being an employer to an employee. In such a perspective, it appears that the big supermarkets are actually stripping the local community and taking away the economy and culture.

Despite such points being thrown up against Walmart, it does not help make a substantial difference since the protests have come a little too late. The mindset of people has changed in such a way that preferences being given to big supermarkets, which is able to offer a much more competitive price. People are simply not going to switch back to a local store and do away with the convenience of travelling less in order to shop at Walmart.

It is high time that advocates of local businesses – and the businesses themselves – start changing the model to adapt to the new set of requirements. It should be remembered that such businesses cannot directly compete with the big superstores and they need to find a way to fit into the scale. The alternative way of going about the business is effective when it comes to surviving against the mega stores. As is always the case, it is about the survival of the fittest. Those who are unable to adapt to the change will be able to survive, while those relying on the outdated systems will end up going extinct.

One of the few ways in which local businesses can thrive is by learning about the requirements of the community and focusing on such areas. It is highly unlikely that big supermarkets will be able to meet the demands in the almost every section or some sections may not be serviced adequately. In such aspects, there is a significant scope for growth. One of the effective ways of protesting against the giants of corporate is by clinging on to the business even amidst extension. Then, the blind ways of the corporate will change and may focus on the community.

There are cases where local businesses criticize the people who decide to buy at big supermarkets. It is seen that such people are not focusing on improving the small-town life. However, they are just going with big supermarkets who are much more efficient at providing small merchandise to the public. This happens to be capitalism at its most simple form. As a result, it is difficult to fight against such big corporate and come out successful. People today are accustomed to the comfort that they receive while shopping across supermarket chains, which have a familiar feeling at all locations. Furthermore, the advertising budgets of such supermarkets are also several fold higher than a local business.

Hence, the future of a local business is almost completely dependent on identifying the area where the supermarket is found lacking. The big chains simply do not have the time or understanding of the local requirements and this is where the local shop can step in. In the future, this may become the only alternative for the local business.