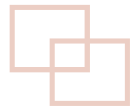


The feasibility for Lidl to own convenience stores

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Brief Introduction of Lidl

An overview of Lidl and the retailing market

- ✓ Lidl is an ambitious **grocery retailer** based in Germany which opened its first store in 1994 in the UK.
- ✓ The **competition** in retailing industry is intense.
- ✓ **Hard discounters**, for example, Lidl are taking away the market share of 'big four'.



Internal

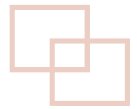
The ambition of quick expansion for Lidl

Rational

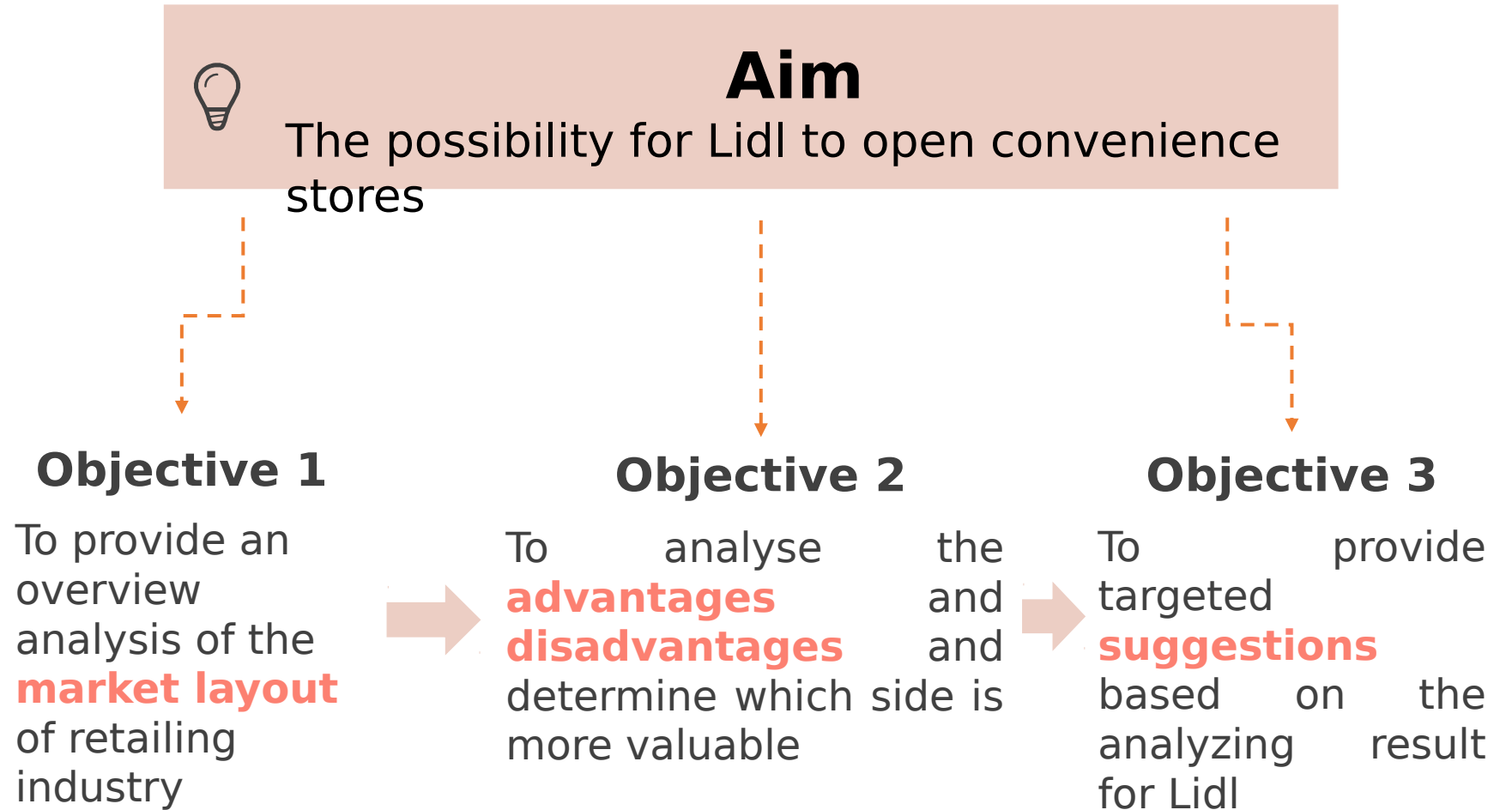
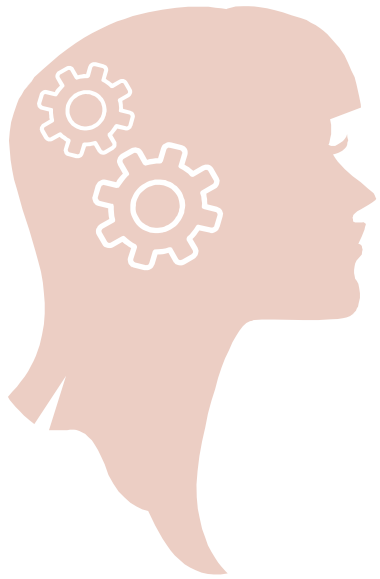
External

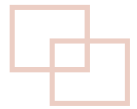


Behaviours of main competitors



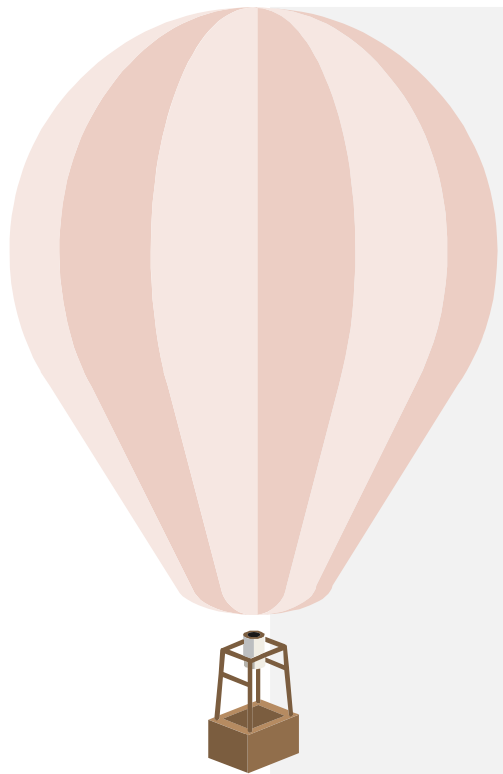
Overall Aim and Objectives





Research Methodology

Primary Research



Conduction

questionnaire



Focus

- Competitive advantage
- Potential failure test
- Public suggestions



Reasons

- ❑ Better understanding of the organization
- ❑ Reliable information

Secondary Research

Pertain theories

S.W.O.T Analysis →
analysis

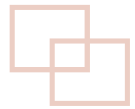
environment

Porter's Five-Forces Model →

Porter's Generic Strategies
Reasons

Organisations'
behaviours

- ❑ Quicker and efficient
- ❑ Various sources to support the topic
- ❑ Being helpful to gather background information



Available Literature

Advantages

- Achieve the goal of quick expansion
- Attract potential customers
- Be connected with more local suppliers

Proximity and time in convenience store patronage: *Kairos* more than *chronos*

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ABSTRACT

This research questions the notions of proximity and time in retailing and attempt to predict customers' intention to patronize the new convenience store concepts developed recently in France. The analysis of 22 qualitative interviews with retailers and customers has led to propose a conceptual model that has been tested empirically on two samples of 250 customers each, based on PLS structural equation modeling. Results show that customers patronize convenience stores primarily because of relational and functional proximity, but also because these stores allow them to save time (*chronos*), and to better manage their time through more opportune frequentation (*kairos*).

1. Introduction

In developed countries, even if large stores are still prominent, since few years smaller formats have been growing more rapidly and particularly convenience formats (Nielsen, 2015). Largest retail groups have recently developed new convenience store concepts like in the US, Walmart with "Walmart Neighborhood Market" and "Walmart To Go", in the UK, Tesco with "One Stop" and "Tesco Express", or in France, Carrefour with "Carrefour City", "Carrefour Express" and "Carrefour Contact". Convenience formats regularly gained new market shares. These formats reached 8.9% in 2016 in France against 7.3% in 2015 (Leclerc, 2015). In the US, this market share is 8.2% in 2016 with a prediction of 8.6% in 2021 (Nielsen, 2017). In the UK, IGD estimates that convenience stores account for 20.9% of food sales in 2016 and this part will increase by 11.7% over the next five years (Wood, 2017).

In France, these small shops have ample opening hours and an assortment based on private labels. They are generally located in dense urban areas. This is not really a new distribution format but a moder-

like grocery shopping (Gallouj, 2007).

The reasons for this success can be analysed through the new relationships to time and proximity of postmodern individuals. Postmodernity is characterized by an increase of immediacy and presentism (Hartog, 2003). The use of information and communication technologies promotes the entanglement of temporality, placing individuals in real time and ubiquity (Cox, 2004) which alters their time horizon. Postmodernity is also characterized by the search for social relationships in opposition to the individualism of the hypermodern individuals of the previous period (Firat, 1991). Indeed, in a more and more virtual and dehumanized consumer context (Laut, 1998), the need for socialization increases. Convenience stores can provide an answer to both a purely functional need and a desire to build social relationships (Tauber, 1972).

Proximity determines the frequency of visits to a store (Fox et al., 2004) and plays a decisive role in loyalty (East et al., 1995). Reynolds et al. (1974) and Jensen and Drozdenko (2008) demonstrated store loyal customers are time conscious, and like to shop locally. Hence, we

Disadvantage

- Higher price than average stores
- Much limited choice for customers
- Potential increasing of operating cost

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