

Evaluating the Impact of New Retail Horizon on Small Businesses and Local Community Development

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Abstract

This study investigates the impact of new retail horizons on small businesses and their surrounding communities through both qualitative and quantitative research methods. It highlights how new digital retail store influences consumer behavior, competitiveness, and community contributions. The findings reveal both positive and negative aspects of new retail chain stores implementations, providing small businesses with a comprehensive understanding when considering this marketing strategy.

Keywords: New retail horizons, community impact, small businesses, marketing strategy, consumer behavior, local economy, retail competitions, and new digital retail chains.

Introduction

The retail sector is experiencing a significant shift with rises in convenience store chains such a new retail chain stores. As part of the growing retail chain in the community, new digital stores provide accessible and affordable products and convenient experiences to the customers, but in this kind of marketing strategy they may also affect local small businesses in the community. This study investigates the economic and operational impact of new retail chains on small businesses within a community, highlighting challenges and marketing strategies for resilience.

Theoretical Framework

This study is grounded in two key theoretical frameworks:

1. **Innovation of Diffusion Theory:** this framework examines how new technologies are adopted and assimilated within communities impacting existing small businesses and consumer habits.
2. **Community Economic Development Theory:** This theory highlights the importance of local businesses in fostering economic stability and social cohesion, providing a lens through which to evaluate the broader implications of new retail chain integration

Objective of Study

1. To evaluate the effect of new retail chain stores on local consumer purchasing behavior.

2. To analyze how new retail chain stores influence the operational efficiency and competitiveness of small businesses.
3. To assess the community-wide impacts of new retail horizon stores on economic and social dynamics.

Methodology

A mixed-methods research design was employed, combining quantitative surveys and qualitative interviews to understand the multifaceted impact of a new retail chain on small businesses and local communities.

Research Design

The search design was outlined to facilitate comprehensive data collection and analysis. It involved case studies of various new retail horizons paired with surveys and interviews focused on small businesses adjacent to stores.

Participant of Study

The study involved the following participants:

1. Small business owners operating in proximity to new retail chains
2. Consumers who regularly shop at both new retail chain stores and nearby small businesses
3. Community leaders and members are involved in local economic initiatives.

Data Collection Instruments

Survey: Distributed to consumers to assess their shopping patterns and attitudes towards new retail chain stores

Interviews: Conducted with small business owners to gather insights into their experiences with new chain stores.

Focus Groups: Organized with local community leaders to discuss the economic impact of a new retail chain on local markets.

Data Analysis

Quantitative data from surveys were analyzed using statistical software to identify trends and correlations. Qualitative data from interviews and focus groups were thematically coded to extract key insights related to participant experiences and community perceptions.

Results and Discussions

The surveys gathered a balanced perspective on the impact of new retail chain stores in the community, with responses split evenly between negative and positive feedback.

Here are the summarized outcomes based on the responses,

Demographic Profile

Age Distribution

| Age Group (Years) | Frequency (n=100) | Percentage (%) |
|-------------------|-------------------|----------------|
| Under 18 | 20 | 20% |
| 18-24 | 30 | 30% |

| | | |
|--------------|------------|-------------|
| 25-34 | 25 | 25% |
| 35-44 | 25 | 25% |
| Total | 100 | 100% |

Age distribution respondents were diverse with 20% under 18, 30% between 18-24, 25% between 25-34, and the remaining 25% spread across older age groups.

Community Distribution

| Community residences (Years) | Frequency (n=100) | Percentage (%) |
|------------------------------|-------------------|----------------|
| Less than a year | 30 | 30% |
| 1-5 years | 30 | 30% |
| Over 10 years | 40 | 40% |
| Total | 100 | 100% |

Community residences 40% of respondents have lived in the community for over ten years while 30% have been there for 1-5 years, reflecting a stable population and the remaining 30% have lived in the community less than a year.

Business Engagement

| Impact on marketing strategy | Frequency (n=100) | Percentage (%) |
|------------------------------|-------------------|----------------|
| Positive | 40 | 40% |
| Negative | 30 | 30% |
| Neutral | 30 | 30% |
| Total | 100 | 100% |
| Competitive Pressure | Frequency (n=100) | Percentage (%) |
| Strongly agreed | 60 | 60% |
| Strongly disagreed | 40 | 40% |
| Total | 100 | 100% |

| Customer Traffic Changes | Frequency (n=100) | Percentage (%) |
|--------------------------|-------------------|----------------|
| Increase | 60 | 60% |
| Decrease | 40 | 40% |
| Total | 100 | 100% |

Overall impact- 40% rated the overall impact a positive, 30% as a negative and the remaining 30% as indicating a neutral stance.

Competitive pressure- 40% disagreed that new retail chain stores affected their abilities to compete, while 60% strongly agreed.

Customer Traffic Changes- 60% noted an increase in customers, while 40% experienced a decrease.

Community Impact

| Contribution to Community | Frequency (n=100) | Percentage (%) |
|---------------------------|-------------------|----------------|
| Very Positively | 50 | 50% |
| Very Negatively | 50 | 50% |
| Total | 100 | 100% |

| Community Accessibility | Frequency (n=100) | Percentage (%) |
|-------------------------|-------------------|----------------|
| Agree | 60 | 60% |
| Disagree | 40 | 40% |
| Total | 100 | 100% |

Contribution to community- 50% felt that the new retail chain store contributes very positively to the community while the other half felt they contributed somewhat negatively to the community.

Community accessibility- 60% strongly agreed that new retail chain stores would improve accessibility, whereas 40% disagreed.

However, the support for local initiatives 50% acknowledged new retail chain stores providing employment opportunities, while the remaining 50% saw little to no support for local initiatives.

Final Thoughts

Benefits Identified-Many respondents pointed to affordability, variety of products, and job creation as benefits brought by the new retail horizon.

Concerns Raised-Common drawbacks included increased competition, the potential closure of small businesses, and concern over local culture being diluted.

Discussion

The survey findings indicate a community divided into the impact of new retail horizons. The results reveal that while many respondents appreciate the convenience and job opportunities provided, there are significant concerns regarding the competitive landscape for small businesses. The 50% negative feedback highlights the fear of market saturation and loss of character.

The positive sentiment reflects a recognition of the new retail chain's role in enhancing community accessibility to goods and services. Conversely, the substantial number of respondents who feel negatively affected indicates a need for new retail horizon and local businesses to find common ground. Strategies might include collaborations on community events or local initiatives to support small businesses, thereby mitigating the perception of competition and fostering a more integrated community approach.

The demographic data suggests that younger populations may favor the new retail chain stores model for convenience and affordability, whereas long-term residents might be protective of local businesses and their unique contributions to the community identity. The balance of perspective underscores the importance of engaging all community members in dialogue around the presence of a new retail chain.

The future initiatives could focus on creating partnerships between new retail chain stores and small business owners that promote local products and encourage community events, potentially turning some of the negative sentiments into positive outcomes. Additionally, policies that support small businesses in the wake of large store openings could ensure a thriving economic environment beneficial to stakeholders.

Conclusions

This study concludes that while new retail chain stores can enhance consumer engagement and bolster small business visibility, they also necessitate a strong strategy for supporting traditional retailers. A balanced approach is essential to ensure that the benefits of technological advancement do not undermine the foundational elements of local economies.

Recommendations

1. Small businesses should explore collaborative strategies with new retail chain stores to maximize shared customer engagement.
2. Community leaders should implement initiatives that promote the visibility of traditional local businesses alongside technological advancement.
3. Future research should continue to investigate the long-term effects of new retail chain technology on community dynamics and economic sustainability.

Ethical Statement

This research adhered to established ethical standards, ensuring informed consent was obtained from all respondents, and confidentially was maintained throughout the study.

References:

1. Amazon Go – Cashierless Retail Innovation □ Amazon Go has pioneered the cashierless store model, utilizing advanced sensors and AI to enable seamless shopping experiences □ □ As of 2024, the chain operates 43 stores across major cities like Seattle, New York, and London □ □ cite □ turn0search31 □ □
2. Popshelf by Dollar General – Targeting Suburban Shoppers □ Dollar General introduced Popshelf, a new retail concept aimed at suburban communities with household incomes between \$50,000 and \$125,000 □ □ The stores focus on home décor, beauty products, and seasonal items, with plans to open up to 30 locations nationwide □ □ cite □ turn0search2 □ □
3. Longevity Era – Retail Adapting to Aging Populations □ As global life expectancy rises, retailers are adapting by offering AI-powered personalization, immersive experiences, and flexible spaces to cater to healthier, more active older consumers □ □ cite □ turn0news13 □ □
4. *Robinsons Retail Holdings Inc. (RRHI) – Philippine Expansion* □ RRHI plans to open 75 to 100 new retail stores, focusing on supermarkets and drugstores, to capitalize on growing demand amid easing inflation. □ As of mid-2024, RRHI operates 2,401 sites, including food stores, drugstores, and specialty store. □ □ cite □ turn0search1 □ □
5. *Dali Everyday Grocery – Hard Discount Retailing in the Philippines* □ Swiss-based Dali has rapidly expanded in the Philippines, operating over 630 stores as of 2024, primarily in Luzon. □ The chain focuses on underprivileged communities, offering affordable groceries and consumer goods through a lean, cost-effective mode. □ □ cite □ turn0search30 □ □
6. *Mitsukoshi BGC – Japanese Retail Experience in Manila* □ Mitsukoshi opened its first Philippine branch in Bonifacio Global City, Taguig, in November 2022. □ The mall offers a Japanese-inspired lifestyle experience, featuring around 120 stores across three floors. □ □ cite □ turn0search29 □ □
7. *Metro Retail Stores Group Inc. (MRS GI) – Visayas Expansion* □ MRS GI is expanding its presence in the Visayas region with new retail projects in Samar and Negros

Occidental, developed in partnership with local government. □ □cite□turn0search4□□

8. *SM Retail – New Malls and Omnichannel Strategies*

□ SM Retail plans to open five new malls in 2024, reflecting the rebound of the Philippine retail secto.

□ The company is also enhancing its omnichannel offerings through platforms like ShopS. □

□cite□turn0search3□□