



Business Growth Accountants

Strategy ~ Accountancy ~ Tax



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WILL RETAILERS BE FORCED TO REALIGN THEIR BUSINESS MODELS AS CONSUMERS MOVE DOWN THE VALUE CHAIN?



YES

CHRISTINE HEWSON, REGIONAL HEAD OF RETAIL, KPMG

"Consumers are making purchasing decisions based on a desire to better manage their spending, reduce their environmental impact and improve the quality of life. In response, retailers need to shift from a position where they try to serve a generic mass market to applying distinct business models to target explicitly defined groups of customers."



MAYBE

SUE BENSON, MANAGING DIRECTOR, THE MARKET CREATIVE

"This depends on the strength of the retailer's brand. Moving down or up the value chain is difficult and there have been some notable failures - Woolworths and MFI had a value proposition you would expect to thrive in a recession. In spite of the climate, successful retailers are constantly adapting their business models."



YES

NINA DAR, MANAGING DIRECTOR, CHEEKY MONKEY BUSINESS SOLUTIONS

"Retailers will need to drive lower prices through consistent value chain improvements and carve out a relevant proposition that delivers consistency against the new consumer value parameters. They will need a crystal clear value proposition, and to become demand driven, agile and responsive."



YES, BUT...

ALAN WOODS, DIRECTOR, WOODS SQUARED ACCOUNTANTS

"If all you are offering your customer is a product and there is no noticeable difference to your competitors in how it is delivered then yes. But if you sell the same product but the value to the customer is clearer the retailer will be in a much stronger position to stay true to their existing business model."



YES

LEN COLLINSON, LEADER, PRIVATE SECTOR PARTNERS NORTH WEST

"Spending power is squeezed. Consumers will make difficult choices about priorities and the tightening of belts. Profit margins will be under more pressure because of an inability to pass higher costs of transport and bought-in prices on to customers. Finding and managing effective changes has to become a way of life now."



YES

JOHN JONES, PARTNER, BEEVER AND STRUTHERS

"It's survival of the fittest on the fiercely competitive high street. Retailers are on the front line fighting for every sale, and the adage that the customer is always right has never been truer. Adapting to changing market conditions has always been essential, and only those delivering what the customer wants will thrive."



YES

SHARON FRASER, HEAD OF AUDIT FOR THE REGIONS, DELOITTE

"The retail environment is tougher than ever, with economic pressures and technological advances combining to shift the balance of power in favour of the consumer. The smart shopper now focuses keenly on value for money while demanding greater quality of product and customer service."



NO

STUART ROPER, SENIOR LECTURER IN MARKETING, MANCHESTER BUSINESS SCHOOL

"The success of Primark and Aldi may panic retailers and brands into thinking that all consumers want is the cheapest alternative. But the key area of strategy is to know what your brand represents and that it has values that relate to consumers' lives. Selfridges and Waitrose haven't become great brands by piling high and selling cheap."



YES

MARK BARKER, PARTNER AND RETAIL SPECIALIST, COBBETTS

"Consumer spending has shifted significantly towards value products over the past 18 months. To attract footfall and increase sales, mid-market retailers are under pressure to differentiate themselves from the crowd, either by price, brand, consumer experience or product."



NO, BUT...

PHIL SMITH, REGIONAL CHAIR, INSTITUTE OF DIRECTORS

"The future is about choice and the balance of a competitively priced offer - value for money on a consistent basis rather than short-term promotional offers. The thought of retailers moving down the value chain would not satisfy consumers' need for choice so the balance is more about retaining and targeting consumers within each sector."

POWERofTEN

Leading North West business figures reveal their opinions on a hot topic of the moment.