

# Using local loyalty to breathe life into a small independent convenience store: a case study of Mosterton Village Shop

Konrad Maliszewski, Norwich Business School, University of East Anglia

## Local Loyalty impact

Mosterton Village Shop is a convenience store in rural Dorset under the Premier fascia run by Caroline and Russell Cunningham. Prior to taking over the store in 2015, Caroline and Russell spent years working in the corporate IT world. They bought the village shop after it has been declining for a number of years but decided to take on a challenge and “transform it from a lifeless empty shell into what it is now, a vibrant community hub” [Caroline].

Having inherited the till system provided by The Retail Data Partnership, they were keen to explore other services offered. They launched the Local Loyalty scheme in October 2016 and have seen impressive results:

- 28% increase in average weekly sales;
- 12% in increase in average weekly footfall;
- 18% increase in average weekly basket size.



***“The TRDP loyalty system proved instrumental in the transformation of the shop and we would be very happy to recommend it to any local shop looking to build its customer base.”*** [Caroline].

## How was that possible?

The experience of Mosterton Village Shop shows that a loyalty scheme has the potential to work wonders for small retailers. However, it is not a simple ‘quick fix’ and success does not come without careful planning and attention to detail. The example of Mosterton Village Shop highlights four key success factors:

### 1. Customisation

In the same way that national planograms are hardly ever fit for local needs, an off-the-shelf loyalty scheme is not going to deliver the optimal solution in the majority of cases. It needs to be adapted to the specific needs and wants of local shoppers and specific characteristics of the local retail environment.

Caroline and Russell knew their customers very well and decided to build on the standard 1 point per £1 spend solution and offer an enhanced reward for shopper loyalty. Every time a customer collects 500 points they are offered £5 off their next basket, a bottle of wine and a box of chocolates.

Caroline and Russell felt they wanted to make the reward for loyalty a significant gift-giving event that local shoppers would appreciate and talk about, as a result spreading the word and encouraging them to spend more in the Village Shop.

***“It seems that a fiver, a bottle of wine and chocolates are a lot, but loyal customers are bringing so much more than this to our business that it’s just worth it.”*** [Russell].

### 2. Communication

Since day one, Carol and Russell have paid considerable attention to promoting the scheme in a variety of ways:

- Placing leaflets in a number of visible places “shouting” about the benefits of the scheme,
- Asking customers for their loyalty card with each transaction,
- Congratulating customers who reach the magic threshold and thanking them for their loyalty.

***“We managed to merge the loyalty scheme as part of the shopping experience and now our customers actually enjoy being asked for their loyalty card, it’s a ritual.”*** [Caroline].

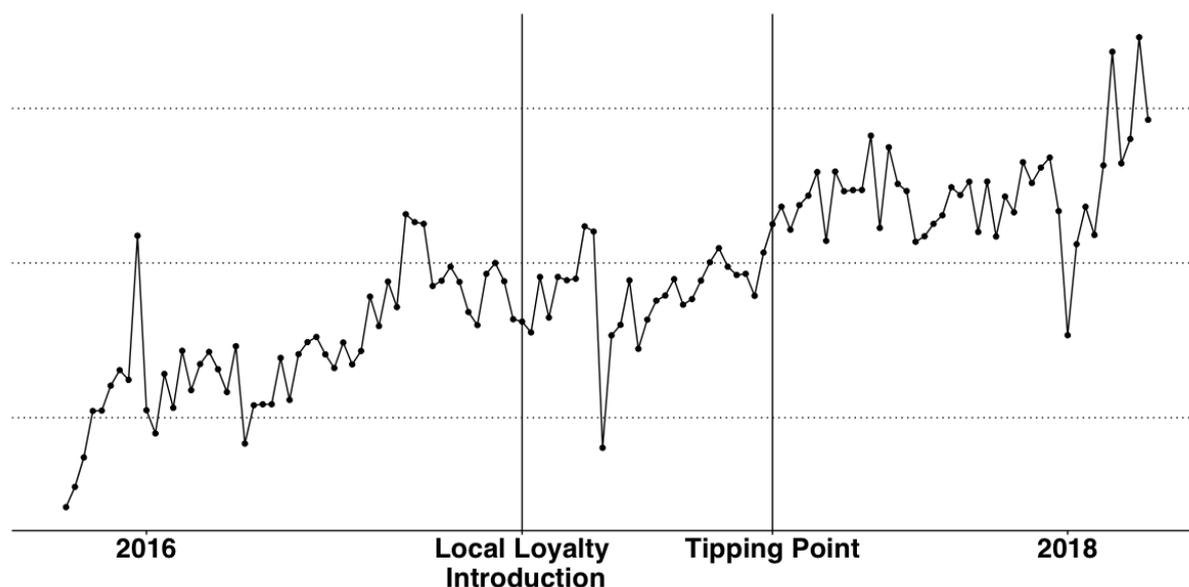
### 3. Proactivity and responsiveness to customers' need

At the same time as pushing the Local Loyalty scheme, Caroline and Russell worked very hard to:

- improve the existing product range based on customers' feedback, introducing new product categories, such as hot food and drinks, a DIY section and stationery,
- grow the range of locally supplied products and "free from" range,
- increase their Internet visibility by building an active social media presence.

### 4. Engagement and time

Finally, it is crucial to understand that the results reported in this case study were not observed immediately following the launch of the loyalty scheme. The graph below shows weekly sales for 122 weeks, from late 2015 to early 2018, from which is clear that the 'tipping point' occurred 8 months after the introduction of the scheme, when the heaviest shoppers started to collect their rewards. At that point the loyalty shopper base quickly grew to over 600 shoppers, the share of their transactions reached almost 50% and the weekly sales improved considerably.



Plot 1. Weekly sales in Mosterton Village Shop over 122 weeks.

### Summary

The example of Mosterton Village Shop illustrates that small retailers can successfully implement a loyalty scheme which brings substantial benefits to their business - increased sales and a strong base of loyal customers - which are crucial for the success of every business, large and small.

What worked for Caroline and Russell won't necessarily work everywhere but the key lessons learned are directly transferable and are likely to bring success to retailers who are willing and able to invest the time and effort necessary to grow their business.

For further information about the free support available to help you grow your business, please contact Professor Andrew Fearne ([a.fearne@uea.ac.uk](mailto:a.fearne@uea.ac.uk)).

