

THE REALITY OF NEIGHBORHOOD STORES, WILL THEY DISAPPEAR? LA REALIDAD DE LAS TIENDAS DE VECINDARIO, ¿DESAPARECERÁN?

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Abstract

The neighborhood store, as this unit of commerce is popularly known, has been of great importance over the years to the economy within a community; sector and especially to the economy of a country. Characterized by not having great infrastructures either with many people working and much less enjoys a high status of recognition outside the environment where it is located, shelter of neighbors and talk that generates a cultural and social exchange where a more intimate relationship between buyer and shopkeeper prevails. Today the arrival of new store formats threatens to extinguish this model of commerce, having as an advantage the new and relentless infrastructure in offering discounts on most of its products. The present research tries to analyze and contextualize the real impact that can be generated by an increasingly abundant expansion of these discount stores. It was necessary to analyze from a qualitative approach that allowed to deduce through the tool of the interview a clear opinion on the part of the people who could possibly be the most affected with this situation as well as the results obtained in this work of investigation can get to demonstrate that in spite of the incursion of department stores of chain and discount stores more and more near the consumer, the stores of district continue being the option more wanted by the consumer.

Keywords: Corner stores, discount stores, consumer, shopkeepers, commercial, social, cultural unit.

Resumen

La tienda de barrio, como se conoce popularmente a esta unidad de comercio, ha sido de gran importancia a lo largo de los años para la economía de una comunidad; sector y especialmente a la economía de un país. Caracterizado por no contar con grandes infraestructuras tampoco con mucha gente trabajando y mucho menos goza de un alto estatus de reconocimiento fuera del entorno donde se ubica, refugio de vecinos y charla que genera un intercambio cultural y social donde prima una relación más íntima entre comprador y comerciante. Hoy la llegada de nuevos formatos de tienda amenaza con extinguir este modelo de comercio, teniendo como ventaja la nueva e implacable infraestructura para ofrecer descuentos en la mayoría de sus productos. La presente investigación intenta analizar y contextualizar el impacto real que puede generar una expansión cada vez más abundante de estas tiendas de descuento. Fue necesario analizar desde un enfoque cualitativo que permitió deducir a través de la herramienta de la entrevista una opinión clara por parte de las personas que posiblemente podrían ser las más afectadas con esta situación, así como los resultados

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obtenidos en este trabajo de investigación. llegar a demostrar que a pesar de la incursión de grandes almacenes de cadena y tiendas de descuento cada vez más cerca del consumidor, las tiendas de barrio siguen siendo la opción más buscada por el consumidor.

Keywords: Tiendas de esquina, tiendas de descuento, consumo, comerciantes, unidad comercial, social, cultural.

Introduction

The way in which products are commercialized in Colombia, has experienced in the last decades, a great evolution, and how not to notice it if, with the arrival of big chain stores, and discount stores this generates a great change in the economic culture at national level offering advantages before its competitors, but generating uncertainty in what could happen with the continuous growth of these units of commerce (Bohorquez 2016).

Oxxo Shops; one of the most popular discount stores in Mexico has branches on almost every corner and it is inevitable not to buy in one of them; the stock of these stores benefits a lot to the inhabitants in this part of the country since the buyer can find there from cleaning supplies to fast food, beer, waxes and everything related to the family basket without mentioning that it has within reach how to send and withdraw money, buy plane tickets and many other things that you can't find anywhere else. For next year this store will be four decades old but only in the last 10 years is where it has proven to be above and beyond and be the great host by becoming the largest network of stores in Latin America. (Fariza, 2017)

On the other hand, also this Walmart of the United States is a multinational that is dedicated to the sale of the retail, which works as a sort of chain of hypermarkets, and discount stores. It was founded by Sam Walton in 1962. It is from the United States of America and works under the name "Walmart", in Mexico and Canada under the name "Asda", in the United Kingdom, as the "Seiyu Group" and "Best Price" in India. With regard to Colombia, this firm will probably carry out negotiations with the Éxito group, which affirms its intention to enter the country. (Díaz, 2012)

Neighbourhood shops have represented a very significant cultural and social value in Colombia, especially in Bogotá where there are historical antecedents that relate socio-cultural behaviours and their function was established as soon as they were in charge of practising a type of retail trade, but although it is true that at a very slow pace accompanied by customs resulting from gossip, polemics, political and neighbourhood discussions, there are those who say that by that time very few shops were profitable due to a number of competitors who disputed their customers and sometimes these shops lent themselves to be poor households. (Palacios, 2012)

It can be inferred that its existence cannot be kept apart from the economic system of the country since through time it has demonstrated its influence and an expansion of itself and of society. Other sources indicate that in Colombia the neighborhood stores distribute more than 40% of the products of daily consumption, this as a result of which it has managed to establish in decades its fidelity to its community by gaining confidence, respect and In addition, it sometimes offers informal credit, a credit that alleviates a little the economic condition that occurs daily in Colombia. (Guerra, 2012).

With the opening that is experienced at the moment and application of the forces of free market, they have turned the sector of the trade to the retail in a scene of disputes with forces coming from the exterior; due to that some strategies of marketing of these types of trade of great surfaces and the traditional way are increased as the products are sold to the retail. The retail sector has become the sector of greatest growth in the last decade. This behavior was similar to that of

the 1990s when large retail chains such as Carrefour, Makro stores and Éxito entered Colombia. (Guerra, 2012)

Then, in the year 2000, retail formats were introduced to the economic system, revolutionizing the existing one. All this under the precept of low prices and proximity, a model that today is designated: Hard Discount or Discount Stores. These entered Colombia in early 2010 through his company Koba with more than 6 stores in the city of Medellín likewise offering low cost products in a retail sector and characterized by the small number of staff in their stores. By the year 2013 D1 stores, had approximately 190 stores, a mass expansion which with the support of the Santo Group is imposed throughout the department of Antioquia, in the same year Ara Group Jerónimo Martins goes hand in hand with more than 400 openings in less than 4 years which enters to compete against the group success and Cencosud. Then three years later a new competition comes in strong, this is the case of Merchandise fair and good of the same entrepreneurs creators of stores D1 and with presence in different departments nationwide (week magazine, 2017).

It is observed a great transformation of the national economy with the incursion of different types of retail trade; imposing itself in the choice of the consumer before the popular and well-known neighborhood stores who in turn especially forecast try to maintain despite their more seasoned competitor continues to expand; such a situation creates great uncertainty because although it is easily true these discount stores as they are known, they offer the consumer a variety of products at a lower cost and with the ease of not going so far.

The main objective of this research is to determine if there is a real level of affectation of the traditional neighborhood stores as opposed to the new discount stores or market types; for which it was investigated in a pertinent manner on the different store chains in the city of Cúcuta, where it was possible to identify some advantages and disadvantages that persisted with the incursion of these markets.

Theoretical basis

The proper formulation of this research seeks to determine the level of affectation that can occur with the revival of new types of market, this implies a clear study on the neighborhood stores and their current competition in turn a contextualization of the significant corresponding to the traditional store.

A store refers to a small space where the shopkeeper displays his products in their different presentations for the client or consumer. It is a space where the customer receives a pleasant attention and at the same time supplies the necessary products for his home; a visualized place that resembles a family environment making the consumer feel as if he were at home generating confidence and fluidity when making his purchases. "As is evident in the vast majority of stores, the tenderconsumer relationship is really key "In all of them it is evident their personal seal, their own conception of weaving social links more than commercial or labor links" (Rémy, 2002).

The shopkeepers did not cover their commercial intentions behind the social ones on the contrary, their activities were developed taking advantage of their last link in the distribution chain which allowed them to enter or approach the community by being part of it and contributing to its economic improvement, "The shop is a self-extension of the shopkeeper, of his history, of his tradition and of his culture" and also since being part of another social institution this same one reproduces as time goes by. (Páramo G. A., 2011).

In the same way "Sahlins understood that marketing goes beyond, when what is exchanged is not only money for products, but the intangibles of its social meaning, the exchange of the meanings of the objects in the fantasy, in the mythical, in the symbolic life of those who exchange" (Lévi-Strauss, 1976).

In Colombia's commercial history, the corner store is its most evident expression; there is a paradox experienced by corner stores in front of the entrance of large department store chains, which with their discount store postulates have generated a contrary experience unlike in other countries. "In Portugal, for example, when large hypermarkets entered in the mid-1980s, traditional store formats suffered a considerable reduction not only in number but also in their market share" (Farhangmehr, 2000).

There is still no consensus on what is meant by stores that could be considered micro-enterprise businesses, particularly those constituted by a family nucleus in which basic goods, foodstuffs, beverages, liquors, miscellaneous and cleaning products are sold, understood as small premises distributed throughout the national territory. "The store has been assigned two basic functions: one, in commercial terms, and the other, in social aspects" (Acevedo, 2012).

A factor in favor of which its permanence within the competition with the different and new types of discount stores is due to "the miniaturization of the presentations of the products sold, the credit and the personalized treatment" (Ramirez, 2004) these are in a fundamental way the reasons of greater relevance for which the traditional stores still conserve their permanence and dynamism since there exists a development of practices of commerce based on the motivation to establish confidence between a part and the other (tender-consumer) are some of the most important reasons for their permanence and dynamism (Morales 2015).

Materials and methods

This research article is based on a qualitative approach as it will allow the study of reality in its natural context and how it happens, drawing out and interpreting phenomena according to the people involved through information collected based on an analysis of the sequential events that allowed through due contribution to understand the impact caused by the arrival of the new types of retail market or neighborhood stores in Colombia.

The purpose of this article is also understood as it is focused and directed at the trade units already established in all the neighbourhoods at national level, especially those located in the city of Cúcuta, and at those investigations aimed at recognising the socio-economic impacts resulting from these phenomena (Barrientos 2019).

It was necessary for the realization of this article the collection of information through the technique of documentary review, which consisted of collecting, selecting, analyzing and extracting the necessary information that would allow a detailed study of the possible damage caused at the social and economic level in sequence a conceptualization is made based on a series of questions that were applied to 10 shopkeepers in the city of Cúcuta who respond from their perspective which brings us a little closer to the true level of affectation to this problem exposed.

A flexible, unstructured interview was applied, following the character of an exploratory study, in order to identify both social and marketing variables, according to the general and specific objectives of this research. The academic sense of the study and the confidential and ethical handling of the information collected were clarified. The survey was conducted this year, with the intention of knowing in depth the socioeconomic situation of the neighborhood stores in the municipality of Cúcuta Norte de Santander and will be applied to the respective storekeepers of the city.

To conclude, it should be noted that the necessary samples for the realization of this article were those previous investigations based on investigative articles related to the topic to be treated in this research and which served as a support for the construction of background that allowed for the foundation of new ideas of the economic reality and of the uncertainty presented today by the incursion of new types of markets in our society (Ariza 2015).

Discussion and results

In the collection of information, a very important fact is that the highest percentage is occupied by stores that have five or more years of experience in the sector, which can conclude that this type of retail market is persistent in terms of the economic circumstances that they can present and that there are many cases that have years of experience within a neighborhood, which generates security, trust, respect and loyalty on the part of the buyers. This is reflected in the theory as customer loyalty, when there is customer loyalty there is a consolidation of the transformation in the contexts where it is presented and this makes this type of store the opposite of what is believed that they can be eliminate, this relationship they have with the neighbors greatly helps the release of these products to continue positioning themselves in the sectors studied.

The controversy persists regarding sales, because according to the results of this research it is possible to demonstrate that there has been a great impact on the economy of these establishments, since a large percentage of 60% say that by 2018 their sales They have declined due to the growth of new discount stores and only a percentage of the sample of 30% surveyed said that sales remain the same. The comments are divided, however, a large majority considers that consumption in these types of stores has decreased due to the large chains that have flourished in recent years and this is where the controversy arises since these chains have an economic power that They support them and help them to get imported products at a cost much less than what can be obtained in the country itself, of course the quality will be at stake and that as time goes by, its results will be seen as such.

Regarding the threats that neighborhood merchants could present, the result obtained in reference to the question shows an indicator that agrees with the decrease in sales since, although it is true that on the one hand it states that sales have decreased, On the other hand, however, it is also true that this decrease is a consequence of the increase and growth of competition, since 59% of respondents affirm and blame the increase and expansion of new sales as a threat. This growth is imminent, but for now they are affecting to some extent.

Neighborhood stores continue to be considered a traditional family format that, due to its location, caters especially to the population of strata 1 and 2, which is distinguished by informality, an aspect that represents a strong weakness, but at the same time is considered part of its essence and *raison d'être*, which favors them in terms of positioning within the community. Stores have threats in the new marketing formats because they approach neighborhoods with greater economic, logistical and marketing strategies capabilities. Therefore, they are obliged to react by making quick decisions incorporating changes without losing the essence and positioning in the market.

For example, the bankarization strategy must reach neighborhood stores as a technological mechanism for modernization and security, taking into account that consumers, on the other hand, according to Restrepo & Parra (2013), change the ways of buying and consuming in the extent that they incorporate digital experiences that induce them to modify their habits, tastes and preferences. In the same sense, people, as they are attracted by new technologies, change their attitude as buyers, acquiring new lifestyles and consumption, confirming that in the case of stores, the issue of modernization through marketing strategies Modern is not exclusive to large organizations, it is also transferable and adaptable to small business units.

The aforementioned indicates that the buyers of the neighborhood stores will be attracted by proposals that satisfy their technological expectations that are already part of the commercial daily life. Quiñones (2014), in his capacity as Executive President of the Colombian Chamber of Electronic Commerce (CCCE), made mention of the growth of traditional commerce, specifying

that it increased by 10% between 2012 and 2017 and instead electronic commerce had a increase in the same period of 17%, meaning with this the migration that occurs in favor of electronic commerce and that conventional stores do not have this technology, which puts them in danger of being relegated with their administration of conventional type. (Velazquez 2016).

The positioning at national level of the corner stores has been very important for the economy of the country and of a community in spite of the circumstances like the present one where it is evident the incursion of new types of market or discount stores is encouraging for the local economy to know of what with a great percentage of the polled ones that corresponds to a 80% they affirm that still the business of a corner store is profitable.

In carrying out the research, it was possible to identify the factors that generate anxiety and cause greater uncertainty for neighborhood shopkeepers; these are the lack of organizational, strategic and commercial tools that can counterbalance the discount store sales system.

The analysis of the spontaneous responses directed towards a sample of 10 shopkeepers could determine that in spite of the prognosis that had given to the popular stores of neighborhood with regard to their eventual disappearance it seemed that it was not so effective, this is due to the social value that has taken the traditional stores through time, its prevalence before these great stores of discount partly is related to the rooting of the society and its loyalty; on the other hand the familiarization and specific location and finally the way how the commerce is handled between shopkeeper and consumer(Barrientos 2019).

It is clear that this research also shows that the experience has a great basis in terms of consumer loyalty, because although it is true that people believe in the services with which they have already had a great relationship over time, on the other hand, although sales have decreased by 60%, they allude to the fact that it was not only in relation to the existence of these new stores and optimistically state that despite the great competition the stores continue to generate economic profitability.

Giving answers to one of the questions asked; the great part of the shopkeepers believe that the affectation by the competition on them is in a very small percentage.

Conclusions

Finally, a detailed analysis achieved the objective that was intended, since it tried to analyze the real perception of the impact that really falls on the possession of new types of markets in the city of Cúcuta; because the expansion of other stores has produced various types of consumption and increased them, determining that despite the advantages they offer; They are still the neighborhood stores, the predominant stores because they are located in the social centers and close to the needs of people where they do not have to go to shopping centers to buy products, and the clear position of merchants at the affirm that, although it is an important competition, it does not imply the extinction of popular stores that for years have been the pillar of an important economic activity and cultural society within a neighborhood, on the contrary it strengthens the various scenarios so that the population can access and Having more purchasing options, this means that economic diversification is present in this context that is increasingly complex due to the products and chains that are expanding more and more in the regions of the country.

The need to continue searching for information on these scenarios is vital in order to understand the various behaviors that occur in neighborhoods and what consumer behavior is like, this information being key in regional economic developments.

Recommendations

It is necessary to expose some recommendations based on the realized investigation, which reiterate the clear strengthening in the methods of marketing and structural modernization of the shops of neighborhood, on the other hand, to increase the search of possible distributors who allow better prices to this way deal with the competition of a regulated way; being able this way to support the same prices to comparison with them; of equal way it is necessary to support these social practices and of communication with the clients since they are the fundamental pillar and for which it continues being the shop neighborhood the most popular of between many types of business that enter to the cucuteña economy.

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