

December 2018

DRAFT

**South Stoke Community Shop Ltd.**

## **Marketing Plan**

### **Introduction**

South Stoke Community Shop (The Shop) was formed following the development of a Village Plan. Over 80% of the village voted in the survey and a shop was the top priority. The Parish Council set up a small team to develop the plans and to fund and deliver a shop. A number of people in the village gave a donation to help fund the shop and these have become Members of South Stoke Community Shop Ltd, the managing organisation set up under the Co-operative and Community Benefit Societies Act 2014 and reporting to the Financial Conduct Authority. This means that the shop is owned by the community, any profits must go back into the community, any losses must be borne by the community. For the avoidance of doubt, the community is South Stoke parish and the first recourse in the case of continued loss would be the Parish Council.

The Board of the shop are determined to maintain a stand-alone business that is self-supporting in terms of funding. This has been achieved over the last 5 years and looks fine for the current year. However, we need to recognise a number of pressures on the business.

### **Pressures**

We trade at break-even but are reliant on running a number of events through the year. These include Rugby screenings, Pizza (or other food) on the Park, Car Boot Sales, Christmas Fair, Father Christmas, Christmas Cracker, Murder Mystery as well as supporting other village events like the May Fayre and Firework night.

We need to recognise that these events are entirely dependent on the efforts of Jules Costello, our part-time manager, and on the efforts of the shop board. While we benefit from them now, we need to plan to maintain them in order to retain the revenue and profit stream. Action Plan Needed

Small shops are under continued pressure from the major supermarkets. We have seen how Tesco in Goring is forcing Jack at Westholme stores to lose business. The growth of the discount stores like Aldi and Lidl have eroded margins. With Lidl opening in Wallingford shortly, we can expect further pressure from supermarkets.

The rise of internet shopping continues and this also forces down margins and reduces sales volumes.

## Strategies

To maintain and improve our trading position we need to follow a number of lines of attack.

### **Increase Footfall**

The more people coming through the door, the better. As predicted by Plunkett and other gurus of community shops, we probably get a third of the village using the shop regularly, a third using it occasionally, and a third never crossing the threshold.

The new Hermes parcel service will help increase awareness and footfall. Continue to promote Hermes.

With Westholme stores under pressure, we need to spread awareness into Goring so that those strongly opposed to Tesco know of our existence.

We need to create an awareness in North Stoke. Extend advertising to Goring & North Stoke

We need to market to all of the village including those who do not use Facebook and don't take the email mailshots. Run a number of physical mailshots

### **Increase Spend**

Currently average spend per visit is £5.74. If we can increase this, we will increase profits.

We must always be mindful of what our target market wants from the shop and strive to stock what they want to buy. Plan a consultation on our range

We must start to develop an "up sale" culture in our volunteers. For instance, if a customer buys coffee, offer a biscuit or bar of chocolate. Plan up sales campaigns

Customer Accounts help with this and with cash flow. Continue to promote Customer Accounts.

### **Maintain or increase margins**

We must maintain competitiveness but also strive to at least maintain our levels of margin.

We can promote our most profitable lines. Sales analysis to drive advertising

We must maintain our drive to source lower cost goods that sell well.

We must continue our drive to reduce wastage. Review actions

### **Develop lines of business**

Any new or further developed line of business, provided it is or will become profitable, will help our long-term business.

The Hermes parcel service is a good example. It increases footfall and brings in revenue and profit. Actions as above

We have a small Take-Away drink and food business. The relationship of the shop to the Recreation Ground and, in particular, the Playground, gives us an opportunity to develop a café business. This would be few tables in a new shop building and a few tables outside, all with good views of the playground. Initially we would serve hot drinks with cakes and biscuits, and over time add in hot soup, extended range of hot food, beyond pasties and sausage rolls. Develop plan for a Café business

### **Fall-back position**

The Shop has traded at break-even or profitably over the last five years and 2018/19 looks set to be another year at better than break-even. We plan to continue like that. Our marketing and operating plans are geared to maintain that position. However, if we ever got to a position where the board could not see an on-going self-sustaining position, then our fall-back would be to ask the community whether it still wanted a village shop. If the answer was still yes, then we would need to ask the Parish Council for financial support. To this end we should have a Formal review of trading position and forecasts each year at the AGM.