

Small retailer's guide to success

How to build and grow a brilliant business

A woman with short brown hair, wearing a maroon floral top and a necklace, is smiling and holding a pink garment on a hanger. In the background, a man in a red shirt is also working with clothing. The scene is set in a retail environment with various garments and hangers visible.

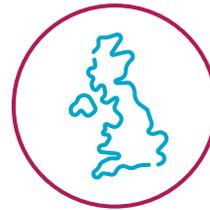
Expert advice
to help small
retailers maximise
opportunities, reduce
risks and grow
their business



Content

Reasons to be optimistic through 2023 and beyond

SMEs are the heroes of the UK high street. From convenience stores and coffee shops to restaurants, fashion stores and beauty salons, the UK's hundreds of thousands of independent businesses are an intrinsic part of our communities and vital to the economic success of the UK.



Which sectors will grow in 2023?

Grocery **+6.0%**

Clothing **+4%**

Furniture and flooring **+0.2%**

Homewares **+0.9%**

Source: Retail Economics

There's no doubt that life has been challenging on the high street recently. The pandemic had an enormous impact on small businesses.

This, together with the soaring cost of energy, supply shortages, staff shortages, and rising wage bills - topped off by the cost of living crisis prompting shoppers to rein their spending, has put huge pressure on small retailers.

Not to mention the stiff competition from retail parks and online e-Commerce giants.

Although the retail sector is facing pressures, there are also opportunities for business growth and very real reasons for optimism.

The recurrent Royal Mail strikes are encouraging shoppers back to the high street. And experts predict that the trend for online sales may have now peaked and we will now see a turn back in favour of physical stores.

However, it is advisable to give consumers the added option to buy from you online. That way you give your customers the best of both worlds!

Business boosting ideas

Here we look at the online options you should consider to help grow your business.



Set up an online shop

While experts predict that the trend for online sales may have now peaked, expanding your business online is still a great way to reach a new larger audience, helping to boost your sales and growth.

Online retail sales soared to a 13-year high in 2020 – growing 36% year-on-year¹. With nonessential shops closed due to the Covid-19 pandemic, consumers naturally chose the e-Commerce option.

Online purchasing has been growing steadily over the past decade - although online retail sales are not quite as high as they were in 2020, now the bricks and mortar stores are fully open. Interestingly however, more traditional 'in-store' businesses such as garden centres have seen their online

Looking to set up an online store?

E-commerce website or marketplace?

businesses boom. Consumers may now be back on the high street, but a strong online buying presence remains critically important.

Don't forget other third-party options, either. Small business marketplaces like Etsy and Shopli offer a great opportunity for smaller sellers. On Etsy, for example, you only pay fees when you make a sale. Shopli is a little different and offers a huge range of options for sellers for a small annual fee. You can also sell through the larger brands like eBay, Amazon, and Facebook. All serve as effective online distribution channels for your growing business. These are easy to set up for retailers, and very popular with consumers. The right choice is the best one that suits your business!

Find out more about getting started on

¹ <https://www.retailgazette.co.uk/blog/2021/01/online-retail-sales-growth-hit-13-year-high-in-2020/>

Build a brilliant website

In a survey as far back as 2017, 97% of people said they searched online to find a local business². Consumers now expect their favourite stores to have a website – if only to find out what you do, check opening times and address details. But there's a lot more value to a website than this. Even if you're not planning to sell through your site,

you can 'talk' to your customers through it – highlight new stock, special offers and sales, and give customers an easy way to contact to ask questions, book appointments and more. And once you've built your website, you'll want it to be easy to find on Google, and easy for shoppers to use on tablets and smartphones.

Get many great tips for building a successful website

See how to be easily found on Google

Is your site 'mobile ready'?

² <https://seeresponse.com/blog/top-reasons-why-people-search-for-local-business-website/>

Talk to customers through social media

Social media isn't just for connecting with friends and family, it can be a powerful business tool – to engage with customers and drive sales. Depending on your audience and what you are looking to achieve, you may choose to be more active on Facebook, Instagram or Twitter. With [Facebook for business](#), you can set up a business page in minutes. Two out of three Facebook users visit the page of a local business at least once a week³. And just like a website, you can also add business details, contact information and much more.

Find out how to use social to showcase your business



³ <https://www.facebook.com/business/news/insights/how-mobile-first-connections-drive-local-business>



Don't forget about your customers' experience

When all's said and done, your customers want the very best experience. Here, local businesses typically excel. If your customers enjoy shopping with you, they'll come back. According to research⁴, retailers can drive an estimated 3% increase in annual revenue by improving their customers' experience. While that might be obvious, there's a bit of science behind it too.

Find out more about loyalty cards and the companies that provide them

As well as focusing on improving your customers' experience, why not develop a loyalty programme to attract customers back? There are lots of great schemes to choose from – and it's not as hard as you think to get started.

⁴ Retailers Need A New Approach To Unlock The Value Of Being Truly Customer-Centric, Forrester

Retail expert, dunnhumby, has developed four distinct stages of the shopping experience that are worth considering when looking for the best ways to delight the customer.

The four stages of the shopping experience

1



Discover

- Save me time in helping me plan my shop
- Share new or interesting products with me
- Provide me with options to shop how I want

Shop

- Offer me the best price when I shop
- Offer me promotions on things I want to buy
- Make it easy for me to find what I need

2



3



Buy

- Save me time at checkout
- Make checking out stress-free
- Make it easy for me to redeem my rewards

Reflect

- Ask me for my opinion
- Genuinely respond to my comments
- Go above and beyond for me if something goes wrong

4



Streamlining business operations and managing risk

Expanding your customer base, building your online presence and delivering fantastic customer service are all vital to help grow your business. But to do this, you need a sound operational base. Whether you're just starting out or looking to grow, we look at some key considerations.

How to start a retail business

You've come up with a great idea – now you want to turn it into reality. Many people dream of starting a business and becoming their own boss, but it takes a lot of hard work, time and money. In order to succeed it's important to be as prepared as you possibly can. You'll need to create a business plan, consider a range of legal and financial issues, and much more besides.

Read our quick guide to setting up your retail business

Check out our Business Plan template to help get you started



Figuring out your funding

Some businesses need little more than a laptop and a mobile phone to get up and running. Others – retailers amongst them – require much more in the way of investment. With the average UK start-up spending more than £22,000 in their first year⁵, understanding how best to manage the costs associated with launching your own company is crucial. Some councils offer small business grants, for instance, while enterprise investment schemes can also provide a vital source of funding. It's also worth exploring any tax relief options, such as Employment Allowance. From a banking standpoint, it can pay to look at challenger banks – many of which offer excellent lending options and rates to SMEs.

*Find out more on finance
and support for your business*

Building your team

For many small businesses, growing your business means expanding your team. Whether it's your first hire or you're looking to build on an established team, there's a lot to think about – particularly in today's relatively uncertain market. The advantages are significant – whether that's coping better with the ebb and flow of business, or the ability to take time off knowing your business is in safe hands. But there are concerns too, of course – having to pay regular salaries, more administration, and the need to fully understand appropriate employment laws and insurance requirements.

*Find out more about
expanding your team*



⁵ <https://www.telegraph.co.uk/business/sme-home/start-up-costs/>

Protecting yourself online

We highlighted the benefits of taking your business online, but there are risks too. The threat of cyber-attacks is all too real. Ransomware attacks are particularly common. In these attacks, hackers encrypt the files and data on your computers and systems, and then demand payment for restoring access to the data. These can not only block your computers but take down your websites too. Data can be stolen – which could put you in breach of data protection regulation. Phishing attacks too are becoming increasingly more common and be equally as damaging to your business. The good news is that there are simple steps you can take to protect yourself.

Find out how to spot a phishing attack

Read government cyber security guidance for small businesses

Taking advantage of your local community

If you're looking to boost awareness of your business, getting involved with your local community can be hugely beneficial. Not only will other business owners be able to share their own lessons and experiences, your local network can also be a great place to cross-promote your offering. Local community groups on social channels can help to get the word out to a wider audience, while referring customers to other, complementary businesses in your network or promoting them in your own store can help to build a stronger high-street – particularly if they reciprocate. Local advertising and sponsorship opportunities – such as community sports teams – can also offer effective and low-cost ways to build a following.

Your local Chamber of Commerce can be a great place to start your community networking





Understanding business insurance

Unforeseen events can play havoc with your business operations – and cost you money. That could be a cyber-attack that takes down your online shop, a fire that destroys your stock or a hundred other little crises that could threaten your ability to operate effectively. To manage these risks, it is critical to have the right business insurance in place. Plus, it is important to remember that some insurances are mandatory and must be taken out by businesses in the retail sector – such as public liability and, if you employ people on a full or part-time basis, employers liability insurance. It sounds complex, but it doesn't have to be!

Find out more about small business insurance

Expanding and diversifying

It might not be something to think about right away, but the business you set up today doesn't have to be the culmination of your entrepreneurial efforts. It's a cliché, but it's also true mighty oaks can grow from tiny acorns, and keeping one eye on the future can help ensure you're well placed to develop new opportunities. It might be new locations, pop-up shops, or franchising opportunities. It could be new products, new ways to sell, or entirely new ways of doing business – just look at how the restaurant industry has embraced home deliveries since the pandemic began, and for many will continue to be part of their service going forward. The key is to ensure that your business plan has enough flexibility to embrace future possibilities.

Find a range of advice and services to grow your business



Hearing from the real high street experts

Retail business owners discuss their own challenges, successes and why they're confident about the future.

Kimora Fashion & Lifestyle – a beautifully staged fashion and lifestyle store

Kimora is a business built on passion and dedication, qualities that owner Ruth Holder says are vital to any small business. "When you genuinely love what you are doing, you put in the time, the care," she says. Perhaps more importantly, she notes, "you see the results". Working seven days a week might sound like an exhausting prospect, but – for Ruth – that kind of commitment defines the SME lifestyle: "you have to have a real passion, otherwise it would just be a slog, a job".

Premier Barrowford Convenience Store - an essential service for the people of Padiham

Premier Barrowford Convenience Store is a one-stop mini-market that keeps the local community stocked up with life's essentials. This is a really welcoming, friendly store where the staff are on first name terms with many regular customers.

Rebecca & Co - a busy hairdressers in the heart of Barrowford

Owner Rebecca Knott thinks that location is key: "We have quite the regular client base now, but we often get new ones from walk-ins. That's another benefit of a high street location, but you still want to turn them into regulars, and most end up doing exactly that."



Introducing smei

Smei is an award-winning insurance broker that's been helping small and medium-sized customers protect their businesses since 2002. We aim to deliver the right business insurance for the UK's high street shops and small businesses, easily and without fuss, at a competitive price.

We're not like comparison sites and direct insurers that want you to do the hard work yourself. We believe in providing a personal service you can rely on. Why? Because we know that, as a business owner, you may not have time to find out exactly what insurance you need or pore over the finer detail of the cover. That's our job – to offer the free advice you need to get the right cover.

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