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'Slaying the Giant'

Talk Offers Ideas for Competing with Walmart

By Tod Westlake

ELLENVILLE – Bob Gorland knows how to compete with the big-box stores. As Vice President of Matthew P. Casey & Associates, a Harrisburg, Pennsylvania, firm specializing in real estate strategy, consumer research and site location analysis, Gorland has been involved with literally dozens of big retail projects. This is why the Ellenville-Wawarsing Chamber of Commerce invited Gorland to speak last week at the Honor's Haven Resort & Spa. Gorland's talk focused on the various strategies he and his firm have identified if a smaller business hopes to compete with the behemoths of retail, Walmart, in particular, the Bentonville, Arkansas, retailer that is planning on building a large store at the old Napanoch Mall.

Gorland first spent time outlining the various strengths and weaknesses of a big organization like Walmart. He listed a number of areas in which big-box retailers excel; for instance, the fact that many are open 24/7, that they often offer steep discounts on many important household items, and that they provide a place for one-stop shopping for those with little time to spare.

But such retailers often leave customers to fend for themselves, he said, as it is often difficult to find an employee to answer questions, and that the overwhelming size of this type of store can leave many customers feeling cold.

It is in this area, Gorland feels, that local retailers can really make some headway. Smaller, locally-owned businesses, he said, are in a better position to provide a tailored approach to retail. Walmart, for example, has little in the way of organic products, its meat department usually consists of prepackaged containers that cannot be divided in the store, and there are few gourmet items. Gorland suggested that a local store, rather than competing head-to-head with the bog-box store, should instead identify these areas of weakness in the big retailer, and then restructure its own inventory to complement this.

Gorland then presented his "Top 40" recommendations for success in competing with a big-box store. Among these are things such as determining what your smaller business stands for. He suggests that you present your operation in such a way that it emphasizes those things that a big retailer lacks. Maintaining top-flight customer service, highlighting those products that are unique, and changing your store hours to take advantage of the increased traffic a big shopping center draws are just a few of the areas in which a smaller business can take advantage.

Some of Gorland's other suggestions include obvious things, such as visiting the competition often in order to keep your finger on the pulse of what's happening retail-wise in your community; remodeling and maintaining a fresh and unique store appearance (to contrast the cookie-cutter design of most big-box stores); and creating customer loyalty cards that offer discounts or periodic giveaways. He also suggests that ensuring that there is always a skilled manager available during store hours can often reduce customer frustration when it comes to dealing with the younger, less-experienced employees that populate many larger retailers.

Gorland also suggested that service-oriented business, such as insurance offices, could stand to benefit significantly if they happen to have a location in or near the new shopping center.

Despite the somewhat optimistic tone of Gorland's talk, he did highlight the fact that some businesses will be hurt — or even be put out of business — when a big-box retailer moves into the area. Clothing and apparel stores, hardware retailers and pharmacies, in particular, will have at least some difficulty dealing with the new retail environment — and might not be able to survive.

Overall, Gorland's talk provided a number of interesting ideas — some obvious, others insightful — when it comes taking on a giant retailer. His ultimate conclusion is that a nimble and forward-thinking operation can survive, even thrive, if it takes the time to understand the strengths and weaknesses of the new 800-pound gorilla on the block.

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