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MARKET POSITIONING AND COMPETITIVE ADVANTAGE THEME

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ABSTRACT

In the contemporary retail landscape, small retailers in small towns in the area of Kuala Pilah, Negeri Sembilan, Malaysia face unique challenges and opportunities in establishing a market position and competitive advantage theme. This paper explores various strategies that small retailers can use to position themselves effectively in their local markets and gain a competitive advantage over competitors. Small retailers face unique challenges in competing with larger chains and e-commerce giants, particularly in areas where consumer populations are limited. Based on the interview method, the data obtained examines the importance of understanding local consumer preferences, leveraging community relationships, optimizing product offerings, improving customer experience, and using digital platforms for marketing and sales. Additionally, it explores the role of differentiation, cost leadership, and niche targeting in creating a sustainable competitive advantage for small retailers. Through a comprehensive interview of this strategy, this paper aims to provide insights and practical recommendations to empower small retailers in small towns to thrive in an increasingly competitive retail environment. The interview respondents also gave a positive view of the situation, relationship, and environment because this has a great impact on the user. My contribution in this article is to interview each respondent to spend time with me to clarify all questions regarding the chosen theme. In addition, I hope that this article will benefit future readers to be used as a useful data material.

ARTICLE INFO

Keywords:

Market Positioning,
Competitive
Advantage, Retailers

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1.0 INTRODUCTION

In the fast-paced retail industry, where e-commerce platforms hold considerable sway and giants rule urban landscapes, tiny businesses in small communities encounter particular difficulties. These small firms have advantages over larger ones, like being close to their communities, offering individualized service, and being able to serve niche markets, even though they do not have the same resources or scale. But small merchants need to properly position themselves in the market and develop competitive advantages that appeal to their local consumer base if they want to survive in today's cutthroat competition. The crucial topic of market positioning and competitive advantage for small shops operating in small towns is explored in depth in this introduction. It investigates the dynamics at work, the importance of these tactics, and the consequences for the survival and growth of small businesses in localized retail ecosystems (Wikipedia,2024)

Market positioning refers to the deliberate efforts made by a business to occupy a distinct place in the minds of consumers relative to competitors. For small retailers in small towns, effective market positioning involves identifying and leveraging their unique strengths and attributes. These may include their intimate knowledge of local preferences, personalized customer service, and the ability to curate offerings tailored to the community's needs. By understanding their target market and articulating a clear value proposition, small retailers can carve out a niche that sets them apart from larger competitors and resonates with local consumers.

Competitive advantage encompasses the qualities, resources, and capabilities that enable a business to outperform rivals and achieve superior financial performance. For small retailers in small towns, competitive advantage often stems from their ability to deliver value in ways that larger competitors cannot replicate. This may include providing a personalized shopping experience, offering unique products or services, or fostering strong relationships within the community. By capitalizing on these strengths, small retailers can create barriers to entry, build customer loyalty, and sustain profitability in the face of external threat.

The theme of market positioning and competitive advantage is particularly pertinent for small retailers in small towns due to the unique dynamics of their operating environments. Unlike urban centers where consumers have access to a wide array of options, small towns often have limited retail choices, creating opportunities for local businesses to establish themselves as trusted providers. However, small retailers must navigate challenges such as limited resources, changing consumer preferences, and increasing competition from online retailers. By strategically positioning themselves in the market and cultivating competitive advantages that resonate with their local communities, small retailers can not only survive but thrive in today's dynamic retail landscape

The problem statement to be discussed in this paper is the problem faced by small retailers in small towns regarding market position and competitive advantage and emphasizes the importance of addressing these challenges for sustainable growth and survival in today's dynamic retail landscape.

The research objective for the qualitative research for this article is to explore the current market dynamics and competitive landscape within the small town, including the presence of larger retail chains, e-commerce platforms and other local competitors. In addition, Analyzing the challenges and obstacles faced by small retailers in positioning themselves effectively in the market and creating a competitive advantage.

In summary, market positioning and competitive advantage are essential themes for small retailers in small towns seeking to differentiate themselves, attract customers, and sustain long-term success. By understanding

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the unique dynamics of their local markets and leveraging their inherent strengths, small retailers can carve out a niche, build customer loyalty, and achieve profitability in the face of formidable competition.]

2.0 LITERATURE REVIEW

2.1 Introduction

Based on research on market positioning and competitive advantage for small retailers in small towns, community engagement, and brand building based on interviews. This study may emphasize the importance of community involvement and brand-building for small retailers. Participating in local events, sponsoring community initiatives, and maintaining an active presence on social media can help small retailers build brand awareness and loyalty in the community. Next, adapting to changing consumer preferences is constantly evolving, and small retailers must be constantly alert to these changes. The study can recommend collecting feedback from customers regularly, monitoring industry trends, and being agile in adjusting product offerings and marketing strategies accordingly (Researchgate,2015).

2.2 Challenges

The challenge will be limited market reach, small towns like *Kuala Pilah* often have a smaller population and limited consumer diversity, which can restrict the potential market reach of small retailers. For example, a grocery store that sells dry and wet goods for the kitchen may have difficulty finding well-stocked and inexpensive kitchen items in a small, rural town with mostly low-income residents. The second challenge is limited resources, small retailers often operate with limited financial resources, which can constrain their ability to invest in marketing, technology or expand their product offering. For example, the family-owned grocery store interviewed may struggle to invest in a modern POS system or digital marketing campaign due to budget constraints. Residents with limited spending will have an impact which is limited marketing of an item in a small market. The third challenge is lack of differentiation, without a clear and compelling value proposition, small retailers may struggle to differentiate themselves from competitors. For example, a grocery stores in *Kuala Pilah* that offers the same products as several other stores in the city may find it difficult to attract customers without offering unique services or products (LinkedIn,2018).

2.3 Strategies

A good strategy is to create a unique product offering, offering a unique product or service that differentiates your business from competitors. For example, a small retailer may offer customer-friendly services such as picking, cutting and picking for wet goods. The second strategy is online presence and convenience, the emergence of online channels to reach a wider audience and provide convenience to customers through options such as online ordering, local delivery or curbside pickup. For example, A small grocery retailer can create an e-commerce website where customers can browse their inventory and place orders for home delivery or pickup, combining the convenience of online shopping with the personalized service of a local store. The third strategy is value-added services, offering value-added services that enhance the customer experience and differentiate your business from competitors. For example, A pet supply store might offer pet grooming services or host educational workshops on pet care, providing added value to customers beyond selling products. Next, quality and reputation focuses on delivering high quality products and services to build a strong reputation in the community. For example, a family-owned grocery store can

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emphasize the use of fresh produce and ingredients, local sources and traditional baking methods, earning a good reputation and friendly service that keeps customers coming back (Academia,2024)

3.0 METHODOLOGY

3.1 Research Design

This study uses a qualitative research design. As argued by previous researchers, qualitative methods aim to deeply explore, understand, and interpret social phenomena in the environment (Neurological Research and Practice,2020). In order to gather information on local retailing strategies, semi-structured guided interviews are employed as a method of data collection for the study subject under investigation, "Challenges of small retailers in maintaining business competition with larger retailers in small towns." Structured interviews are used in this research. Using the same questions and criteria for answers, a structured interview is a means to evaluate a candidate's suitability for a certain role. Although techniques differ, researchers often use organized interviews with questions that align with the entrepreneur's values and sought strong information.

3.2 Research Sampling

The respondents are Kuala Pilah locals who manage modest retail enterprises in their sleepy community. Due to its connection to the research issue, Difficulties for Small Retailers in Maintaining Large Retailers in Small Towns, this section was selected to be finished. The study's title refers to places that are referred to as "small towns," as well as places that retain their traditional feel and feel more like villages. This research used a purposive sampling technique known as non-probability sampling. Purposive sampling is a sampling technique where a subset of subjects (small merchants) with particular qualities are chosen as research respondents based on data and the particular goal of the researcher's research. This indicates that the researcher did not choose respondent from among all other studies in the population. Purposive sampling is a useful research technique that has certain benefits that are tailored to the objectives of the study. Additionally, this method offers researchers numerous advantages, enhancing the breadth and caliber of studies by taking a thoughtful and selective approach to participant selection. Thus, the benefit of employing this approach is that data gathering time is reduced. Purposive sampling's flexibility comes in handy when conditions are constantly shifting. Researchers are able to remain focused while accommodating a wide range of needs and interests. This adaptability saves a lot of time and effort during the data gathering stage in addition to guaranteeing a representative outcome. Moreover, there is little room for error. Purposive sampling provides a smaller margin of error than random sample techniques, which could introduce bigger margins. Direct data collection from well-chosen respondents who possess distinctive characteristics leads to more accurate and consistent findings, improving the overall precision of the study findings.

3.3 Research Participant

The interview session is the method that researchers utilize to obtain data. One qualitative research strategy for gathering primary data is interviewing. The researcher uses this technique to get input from two entrepreneurs on the subject of the study. Researchers can get comprehensive data with this strategy that might not be possible with other research techniques. There is structure to interviews. In a structured interview, two entrepreneurs are asked the same pre-planned questions in the same order by the researcher

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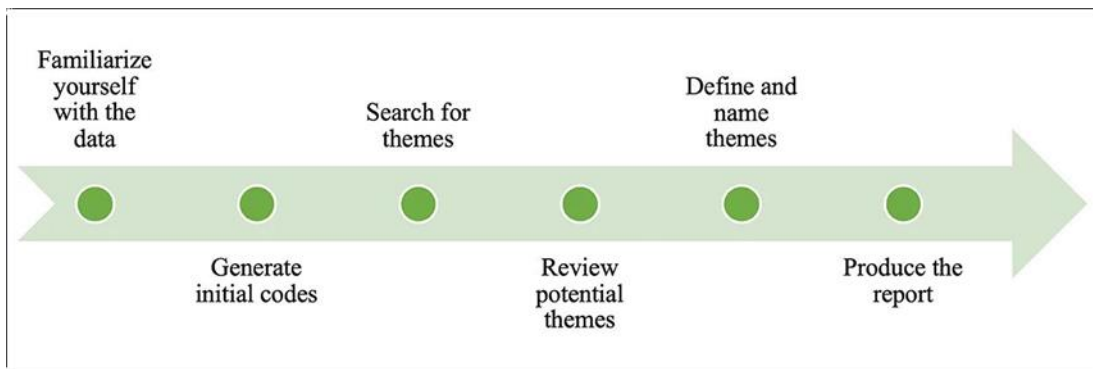
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using a methodical approach to interviewing. The researcher acquired distinct information regarding the challenges that each of the two small retailer owners faced throughout their interview. *Kedai Runcit Ambong* and *ETA MM Enterprise* are the two small retailers who were selected for an interview.

3.4 Data Analysis Approach

A well-liked qualitative research method for finding, analyzing, and summarizing patterns (themes) in data is thematic analysis. The process entails carefully classifying and coding data in order to find recurrent themes and hidden meanings. A conventional methodology for thematic analysis has multiple essential elements. In order to better understand the data, researchers first acquaint themselves with it by reading it several times. After that, they develop preliminary codes by highlighting important words or phrases associated with the study goals. Thematic analysis provides a flexible and methodical technique for identifying patterns and insights in qualitative data, making it an important tool for investigating complex phenomena and offering rich, nuanced descriptions of participants' experiences.



Process of Thematic Analysis for this study

4.0 FINDINGS AND DISCUSSION



Word Cloud Analysis

Small retailers in small towns can achieve competitive advantage through strategic market positioning tailored to the local community's needs and These findings underscore the importance of understanding and addressing the unique dynamics of urban markets. Small retailers face a variety of challenges, including competition from larger chain and online retailers, a limited customer base and resource constraints. For example, Keady is a retail respondent that competes in large markets. However, by focusing on market position and capitalizing on their existing strengths, small retailers can create a niche market and succeed in the local community. The key to market position for retailers is to identify and target the urban niche market. By specializing in a certain product category or serving a certain customer segment, small retailers can differentiate themselves from larger competitors and become a favorite target for niche offers. For example, a small hardware store can focus on serving the needs of local entrepreneurs or brick-and-mortar enthusiasts by stocking hard-to- find tools and offering expert advice. In addition, personal customer service plays an important role in the market position of small businesses. retailers. Unlike larger chains, small retailers have the advantage of building personal relationships with customers and offering personalized assistance. By offering exceptional services such as personalized recommendations, thoughtful support and a friendly atmosphere, small retailers can build a loyal customer base that appreciates the unique experience they deliver. In addition, community engagement is important for small retailers looking to strengthen their market. station by actively participating in local events, sponsoring community initiatives and supporting local efforts, small retailers can build goodwill and establish themselves as an integral part of the community fabric. This not only promotes brand loyalty, but it also creates positive word of mouth recommendations, which is invaluable in an urban environment where reputation is very important.

In addition, the adoption of digital channels and technology can improve the market position and competitive advantage of small retailers. Small towns may have little physical traffic, but an online presence can expand your reach and attract customers from nearby areas. Offering online ordering, delivery service, or click-and-collect options can provide added convenience to customers while differentiating small retailers from competitors that rely solely on traditional brick-and- mortar operations. Overall, the findings

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underscore the importance of strategic issues. operations market position and competitive advantage for small traders in small towns. By understanding local markets, providing personalized service, connecting with the community and embracing innovation, small retailers can thrive in their unique environment despite the challenges of larger competitors.

5.0 CONCLUSION

In short, it can be stated that the key to the success and sustainability of small businessmen in small towns is market position and competitive advantage. Despite challenges such as competition from large chains and online retailers, limited resources and a smaller customer base, small retailers have the opportunity to succeed by strategically positioning themselves and leveraging their unique strengths. With niche market targeting, personalized customer service and community. inclusion, small retailers can stand out and become indispensable in their local communities. By identifying undeserved segments, offering specialized products or services, and fostering strong customer relationships, small retailers can build a loyal following and establish themselves as trusted suppliers in their niche. In addition, adopting digital channels and technology can expand customer reach. small retailers. outside their immediate vicinity, allowing them to enter neighboring markets and attract customers who appreciate convenience and personal service. By integrating online platforms with their traditional brick-and-mortar operations, small retailers can improve their competitiveness and adapt to changing consumer preferences in an increasingly digital age.

Ultimately, success in small-town retail hinges on understanding the local market, meeting the unique needs of the community, and continuously innovating to stay relevant and competitive. By adopting a strategic approach to market positioning and competitive advantage, small retailers can not only survive but thrive in their local ecosystems, contributing to the vibrancy and vitality of small-town economies while building lasting connections with customers and communities.

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