

Small Traditional Retailers in Emerging Markets

Authors : Y. Boulaksil, J. C. Fransoo, E.E. Blanco, S. Koubida

Abstract : In this paper, we study the small traditional retailers that are located in the neighborhoods of big cities in emerging markets. Although modern retailing has grown in the last two decades in these markets, the number of small retailers is still increasing and serving a substantial part of the daily demand for many basic products, such as bread, milk, and cooking oil. We conduct an empirical study to understand the business environment of these small traditional retailers in emerging markets by collecting data from 333 small retailers, spread over 8 large cities in Morocco. We analyze the data and describe their business environment with a focus on the informal credits they offer to their customers. We find that smaller small retailers that are funded from personal savings and managed by the owner himself offer relatively the most credits. Our study also provides interesting insights about these small retailers that will help FMCG manufacturers that are (planning to be) active in Morocco and other emerging markets. We also discuss a number opportunities to improve the efficiency of the supply chains that serve them.

Keywords : small retailers, big cities, emerging markets, empirical study, supply chain management, Morocco

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