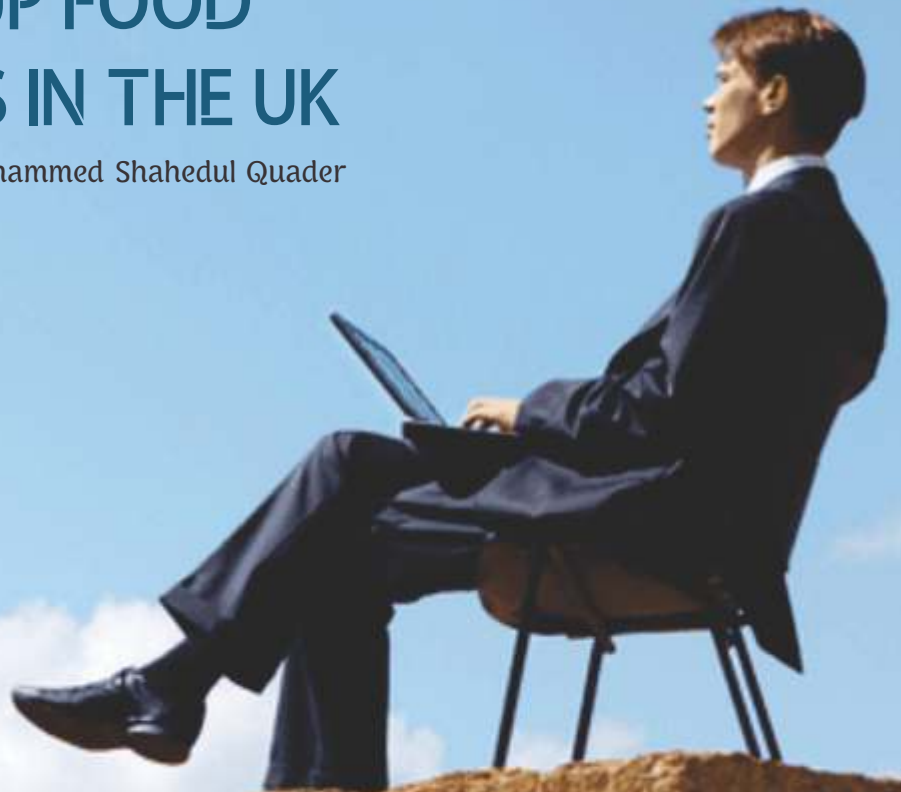


THE ENTREPRENEURIAL ATTITUDES PROCESS AND INNOVATION IN THE SUCCESS OF SMALL STARTUP FOOD RETAIL BUSINESSES IN THE UK

Mohammed Shahedul Quader



ABSTRACT

The aim of this paper is to explore the role of the entrepreneurial behaviour, process and innovation in the successful establishment and growth of food retail stores, especially convenience shops, by interviewing owners of food retail shops in the area of North West London. Previous researches revealed that entrepreneurship consists of the entrepreneurial attitudes and behaviour of the owner, the entrepreneurial process which is the progress of the business from the opportunity identification until the establishment of the business, and the changes and innovations made in order to improve and expand the business. Therefore, to examine the topic qualitative research methods and techniques were employed. The sample of food retail shops was separated into two groups, 'food specialists' and 'convenience store owners'. The analysis of the findings identified that distinctive differences exist between the two groups on the subject and specifically in the three aspects of entrepreneurship. Finally from these dissimilarities a number of conclusions were drawn for clear understanding.

Keywords: Entrepreneurial, Attitudes, Process, Innovation, Retail and Business.

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INTRODUCTION

From a broad and comprehensive picture of entrepreneurship there are three themes of great importance such as entrepreneurial attitudes and behaviour, entrepreneurship process and innovation. Each of these themes has significant contribution and association with the whole definition. Entrepreneurship attitudes and behaviour are involved with the character traits that process the entrepreneur, entrepreneurship process concerns the stages that the entrepreneur traverse to finally establish a new business and innovation is the creation of changes and exploitation of opportunities. From economic point of view it is essential to examine academic literature and thought, surrounding the area of entrepreneurship and analyzes the UK food retail market with an emphasis on small businesses. The purpose of this research is to investigate the role of the entrepreneurial attitudes, process and innovation in the strategic success of small start up businesses in the food retail industry, focusing on convenience stores and specialized food retailers. To achieve a greater insight, a survey was conducted using as samples food retail stores in the area of North West London. The findings of this survey were interpreted and related to the existing literature, in order to provide a better grasp of the main concepts of the topic under discussion.



LITERATURE REVIEW

The Entrepreneur

There are different and significant definitions of the term 'entrepreneur' and the notion of 'entrepreneurship.' Often researchers and analysts quote the definition that is relevant for their area of study (Cohin, 2002). Zimmerer and Scarborough (2007) define the entrepreneur as 'one who creates a new business in the face of risk and uncertainty with the purpose of achieving profit and growth by identifying opportunities and assembling the necessary resources to capitalise on them.' However, Drucker (1999) argues that a husband and wife who start up another Mexican restaurant in the American suburb take risk, as they gamble on the increasing popularity of eating out in their area, but

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Create neither a new satisfaction nor a new consumer demand. From that point of view they are certainly not-entrepreneurs even though a new venture is created. Moreover, Gray (2002) quoting Schumpeter (1934) defines an entrepreneur as 'someone who acts as an agent of change by bringing into existence a new combination of the means of production'. Johnson (2001) and, Craig and Lindsay (2002) assert that the entrepreneur is both open to and able to create novelty and a capacity for innovation.

By definition, entrepreneurs search for opportunities to increase profit. Often entrepreneurs perceive opportunities

where others may perceive problems. While ordinary people avoid uncertainty caused by change, entrepreneurs see change as an opportunity and the matter of uncertainty is not a major consideration for them (Burns, 2007; Drucker, 1999). For many entrepreneurs, the problem is to focus on one opportunity at a time. As they see opportunities everywhere, they have problems following one opportunity through before another one gets highlighted along. This is one reason why entrepreneurs are not able to continue developing their business after it has reached a certain size (Burns, 2007). A further characteristic of the entrepreneur is the high need for independence. That is frequently seen as 'the need to be your ownboss' (Morrison, 2000). That is the most mentioned trait of the entrepreneur, but independence means different things to different people, such as controlling destiny, accomplishing things or being in a situation where one can fulfil its own potential (Burns, 2007, Zimmerer and Scarborough, 2007). Another driving force which is very strong for entrepreneurs is the high need of achievement (Littunen, 2000).

Entrepreneurship

Some of the definitions that coin the term 'entrepreneurship' are: (a) a creative act where something is built/created that did not exist in the past; (b) capturing an opportunity that may be hidden in the environment; and (c) creation that is opportunity driven rather than resource driven i.e. if the opportunity is signaficient, the resource will be found. Entrepreneurship constantly contains a degree of risk because it is something new and different. This also makes it difficult to evaluate. It results in the creation of value for the individual, community or society. (Rae, 2000; Rae and Carswell, 2001; Johnson, 2001; Craig and Lindsay, 2002; Gray, 2002).

Entrepreneurial Attitudes and Behaviour

Entrepreneurs need to possess a wide range of characteristics, such as the ability to manage the risks and ultimately reduce them, the capacity for innovation, locus of control, the ability to recognise and capture opportunities, as well as making independent and self directed decisions. The entrepreneur is also an individual who has a high need for achievement and is able to tolerate ambiguity and uncertainty (Littunen, 2000; Morrison, 2000; Johnson, 2001; Craig and Lindsay, 2002) for the anticipated income. The majority of the population dislikes uncertainty (risk aversion), especially in the monthly income, which can be a major cause of stress. For entrepreneurs the possibility of missing a piece of business which will affect their income is a reason why they are reluctant to take holidays (Drucker, 1999; Burns, 2007). Interlinked with ambiguity and uncertainty is their willingness to take measured risks. Entrepreneurs try to avoid risks and insure against them. Choosing to establish a new business is a risky decision and from that point the entrepreneur starts to live with ambiguity and uncertainty about the future. Entrepreneurs are prepared to take more risks and employ their own resources to establish their business which may affect their personal economic situation

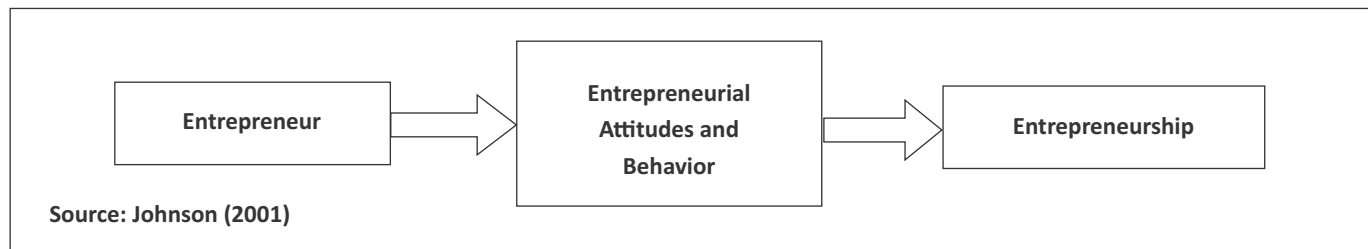
if they fail (Georgellis et-al 2000 and Hill et-al 2002).

Furthermore, the entrepreneur's abilities to identify opportunities and innovate are two of the most important features (Storey, 2007). Innovation is the principal instrument that is used to create or exploit an opportunity (Johnson, 2001). Entrepreneurs link innovation to the market place so as to develop and tap an opportunity and make the business grow. Although, innovation is difficult to define and takes

several forms, entrepreneurs are always innovative (Burns 2007). In addition, locus of control is a primary trait of the entrepreneur and is divided into internal and external locus of control. Internal locus of control is an attribute of entrepreneurs who believe that they can exercise control over the environment and ultimately their destiny. On the contrary, if the entrepreneur believes in fate, he has an

external locus of control and is less likely to take the risk of starting a business (Drucker, 1999). Entrepreneurship is important to business because of the value added (Craig and Lindsay, 2002), the new products or services created (Johnson, 2001), the competitive advantage and economic change provided (Gray, 2002) and the formation of ventures which bring together resources to exploit the new opportunities identified (Rae and Carswell, 2001). However, not all businesses are entrepreneurial and in fact most of them are not (Craig and Lindsay, 2002; O'Gorman, 2001). It is not surprising therefore that entrepreneurs are relatively rare and not all business owner-managers are entrepreneurs (Gray, 2002; Craig and Lindsay, 2002). Figure-1 provides a holistic view of the notion of entrepreneurship. Entrepreneur, entrepreneurial attitudes and behaviour, and entrepreneurship are three aspects which are strongly interrelated; one has to elapse through those stages to be considered an entrepreneur.

Figure 1: The Process of Entrepreneurship



Entrepreneurial Process

By definition, the entrepreneur is attempting to do something that has not been done before. Innovation implies something new and probably unknown, something that has not happened yet (Morris, 1998; Littunen, 2000; Kickul and Walters, 2002). According to Craig and Lindsay (2002), entrepreneurial events are easier to understand and achieve better results when approached by process. A great advantage of the process is that the entrepreneurial efforts can be separated into specific stages. Moreover, entrepreneurship can be easier integrated in this way into the activity in any organisation. Among the several models of the entrepreneurial process that have been put forward, the present research adopts the one developed by Morris (1998) because of its extended and multidimensional nature of the definition of the entrepreneurial process. The model is separated to the following six specific stages such as: (a) opportunity identification, (b) concept development, (c) determinant of resource requirements (d) acquisition of necessary resources (e) concept implementation and operation management and (f) harvesting of the venture.

a) Opportunity Identification:

In the entrepreneurial process there are at least two phenomena: the presence of enterprising individuals and the presence of beneficial opportunities (Craig and Lindsay, 2002;

Morris, 1998). 'This level of definition embraces the sources and processes of discovery, evaluation and exploitation of opportunities and the set of individuals (entrepreneurs) who discover, evaluate, and exploit them (Vyakarnam et-al 1999). Craig and Lindsay (2002) state that opportunities are defined in terms of attributes such as superior product or service, a market need, a large and growing market, forgoing profit, margins and a sustainable competitive advantage. Morris (1998) distinguishes that the entrepreneur must specify exactly what the opportunity consists of and has to determine the size and scope to the most accurate extent possible. In order to achieve that successfully, Drucker (1999) suggests seven major opportunity sources. These sources are separated into *internal* and *external*. The internal are signs of changes in the economy, in society, and in the knowledge content:

The unexpected: Incidents or developments that cause failures or successes, which were unexpected, and possibly because of constraints in the assumptions, vision knowledge, or understanding.

Incongruities: Differences between what is and what ought to be, or what is and what everyone assumes to be, or between efforts and expectations.

Process Need: Like the unexpected or the incongruities, it exists within the process of a business, an industry, or a

service. It improves a process that already exists, replaces a link that is weak, redesigns an existing old process around newly available knowledge. Sometimes it makes a process possible by supplying the 'missing link'.

Industry and market structure: Substantive changes in regulation, competitive entrants, power in distribution channels, technology, or market requirements that lead to industry or market restructuring.

The external changes are in the social, philosophical, political, and intellectual environment, which are:

Demographics: changes created by developments in the size, age, structure, composition, employment, income, or educational status of the population.

Changes in perception, meaning and mood: regardless of realities, general change in outlook, perception, or interpretation of the facts, this in turn influences the needs, wants, and expectations of people.

New know/edge: development of new information, insights, technological advances, or theories. (Drucker, 1999; Burns, 2007; Beaver, 2007).

Morris (1998), states that implicit in Drucker's analysis is the need to attack the conventional wisdom or the popular assumptions regarding a potential opportunity.

b) Concept Development

According to Kickul and Walters (2002) and Johnson (2001), the entrepreneur with an opportunity clearly in mind specifies a business concept. The particular concept can be a new product or service, a new process or method for accomplishing a task, or even a new application of an existing product. However, Johnson (2001), supports that if confusion between the opportunity and the business concept occurs, the product or the business concept might fail. Entrepreneurs have often highly innovative ideas for new product concepts but no opportunity exists, or the opportunity exists but the

business concept is too indistinct or unclear. Table-1 links the opportunities with the business concepts.

c) Determinant of Resource Requirements

Financial requirements are a very important factor, and entrepreneurs are not famous for their estimation skills regarding the issue (Gray, 2002). Money surely is a resource required for every entrepreneurial event. However, a review of success and failure stories reveals that money is not always the defining factor of clarifying the performance of an entrepreneurial event. Furthermore, the entrepreneur with a good idea will be able to find the necessary resources (Burns and Dewhurst, 1996; Morris, 1998). In order to identify the needed resources, which typically are not financial, insight, judgment, and patience is required. These resources include for example, established customer contacts, creative technical skills, loyal distributor, and a good location. A good location may obviously be a determining factor in the success of a concept. Bennett and Smith (2002) argued that in some cases, the excessive self-confidence of the entrepreneur, might lead him to believe that resources such as this are secondary and that is a recipe for failure.

d) Acquire the Necessary Resources:

Entrepreneurship is related to the ability to invent concepts which is the second stage in the entrepreneurial process; and the greatest attempts of entrepreneurial behaviour are when trying to locate resources and implement the concept, which are the stages two, three, four and five. When an entrepreneur begins with a concept in mind, he does not have any resources and does not know where to get them (Morris, 1998). The Entrepreneur is employing all his power while trying to discover resources (Craig and Lindsay, 2002; Gray, 2002). According to Morris (1998) resource acquisition requires creative interpretation of rules; it entails begging, borrowing,

Table-1: Linking Opportunity to Business Concept

The Opportunity	The Business
Decline of Demographic segmentation and emergence of youthful, life style based, market segment	Ford Mustang automobile- 'affordable lifestyle- sports car'
Fast pace of change and information overload experienced by many consumers	Cable News Network (CNN) with ability to provide instant information any time from anywhere
Large number of people interested in computer possibilities but intimidated because of complexities and rigors involved in the available products	Apple Personal Computer with simple icons and a playful mouse

(Source: Morris 1998)

Criteria for rating a concept as good, average or weak include the need for it to be: (a) Unique (b) Comprehensive (c) Internally Consistent (d) Feasible, and (e) Sustainable. (Georgellis et-al. 2000; Irwin, 2000; and Morris, 1998).

and/or “stealing” resources from conventional and non-conventional sources. The entrepreneur during this process of discovering resources becomes a borrower, a trader, a politician and a negotiator. At the same time, not all resources have to be owned or directly controlled by the entrepreneur. Morris (1998) used the term 'leveraging' to describe the achievement of economic or competitive advantage through the use of resources, not owned or controlled by the company. In essence, 'leveraging' is about renting, borrowing, leasing, contracting or temporarily employing resources instead of buying. Furthermore, because the company is temporally committed to those resources/assets, it has more flexibility which enables the company to manoeuvre in the marketplace more quickly (Georgellis et al 2000).

e) Concept Implementation and Operation Management

The implementation stage is challenging and however ready and well prepared the entrepreneur is he is very likely to face problems that require immediate solutions. Obstacles arise that were not anticipated and some of the assumptions made while planning prove to be unfounded. On the one hand, the entrepreneur must not lose sight of the overall vision and on the other hand, he needs to be capable of adapting, modifying, and adjusting the concept, resource requirements, the approach to resource acquisition and the operating methods as circumstances evolve (Johnson, 2001; Craig and Lindsay, 2002). Many entrepreneurs, as brilliant as they are at creating a venture and generating the ideal circumstances to implement their vision, are also poor managers (Morris 1998). Entrepreneurs try to accomplish too many tasks themselves and do not know how to delegate. Moreover, they tend to over control their employees and micro-manage the enterprise. Fear of someone stealing their innovative ideas makes them hesitant to seek for advice or assistance. Finally, once the enterprise starts to work properly, entrepreneurs fail to employ professional managers in order to obtain sustainable growth (Georgellis et al 2000).

f) Harvest the Venture

Nowadays, opportunities and product life cycles are shrinking, resources are becoming rapidly obsolete, and customer loyalties are more ephemeral. For example, Akio Morito of Sony explained that his company's primary task was to make its own products obsolete (Hill et al 2002). Therefore, one can recognise that it is as important for the entrepreneur to be quick and energetic as it is for him to have a model for the planning and implementation of a new business. Morris (1998) compares the venture with the stock market. He states that 'one example might involve looking at the business as an investment in a blue chip stock versus a high-tech stock. In the blue chip scenario, the entrepreneur is expecting a stable and acceptable income every month; this way the venture is used as a source of income into the near future. In contrast, with a high-tech stock the entrepreneur expects no income as all the capital is invested into growth and development; thus the entrepreneur anticipates profits in the five to six years.

Figure 2: Alternatives at Each Stage in the Entrepreneurial Process

Stage-1	Identifying an Opportunity	Changing Demographics Emergence of New Market Segments Process Needs New Technologies Incongruities Regulatory Change Social Change
Stage-2	Develop the concept	New Products New Services New Processes New Markets New Organizational Structures/Forms New Technologies New Sales or Distribution Channels
Stage-3	Determine the Required Resources	Need for Skilled Employees Need for General Management Expertise Need for Marketing and Sales Expertise Need for Technical Expertise Need for Financing Need for Distribution Channels Need for Sources of Supply Need for Production Facilities Need for Licenses, Patents, and Related Legal Protection
Stage-4	Acquire the Necessary Resources	Debt Equity Leveraging Schemes Outsourcing Leasing Contract Labour Temporary Staff Supplier Financing Joint Ventures Partnerships Gifts
Stage-5	Implement and Manage	Implementation of Concept Monitoring of Performance Payback to Resource Providers Reinvestment Expansion Achievement of Performance Goals
Stage-6	Harvest the Venture	Absorption of New Concept into Mainstream Operation Licensing of Rights Sell Venture Go Public Shut Down Venture

(Source: Morris 1998, p. 27)

Figure 2 presents an integral analysis of the concept of entrepreneurial process and supplies alternatives at each stage. The process can be applied in literally any organisational context. The six major stages in the process have been examined and key tools and concepts for addressing each stage have been identified. Every phase of this process has been discussed earlier in this research. It is important to keep in mind about the dynamic nature of the process. Not only do the stages overlap but also there are likely to be feedback loops between them (Morris, 1998).



INNOVATION

Entrepreneurs are defined by their use of innovation to exploit or create change and opportunity, and the purpose is to make a profit (Burns, 2007). Likewise, not all managers or owner-managers are entrepreneurs who can run a business without trying new ways of doing business (McDaniel, 2000). Change creates opportunity and entrepreneurs create value by exploiting or creating change, for instance, materials, prices or demographics. Their ability to identify opportunities and innovate are the two most important distinguishing features of entrepreneurs. Innovation is the prime tool entrepreneurs use to create or exploit an opportunity, and firms that grow do so because they innovate in some way. According to Burns (2007) and Johnson (2001) for all firms, of any size, innovation has become something of a 'holy grail' to be sought after and encouraged. Moreover, Mintzberg (1983) believes that innovation means to break away from established patterns. According to Burns (2007) innovation is many things. For example, innovation can be the substitution of cheaper material in an existing product, or an improved way of marketing an existing product or service, or a better way of distributing or supporting an existing product or service. Innovation is about doing things differently. Although, to make innovation successful, even if no change in the product is involved, it is important for it to be linked to customer demand (Burns 2007).

Gray (2002) state that entrepreneurs are competitive and always strive to gain an edge over their competitors. McDaniel (2000) defined innovation as the setting up of a new production function. The definition contains five specific cases leading to a new production function, which are: (a) The introduction of a new product; (b) The introduction of a new method of production; (c) The opening of a new market; (d) The conquest of a new source of supply of new materials; and (e) The carrying out of a new organisation of an industry (McDaniel, 2000; Johnson, 2001; and Burns; 2007). Bolton and Thompson (2007) mention that creativity is the starting point whether it is associated with invention or opportunity spotting. This creativity is turned to practical reality (a product, for example) through innovation. Entrepreneurship then sets that innovation in the context of an enterprise (the actual business) which is something of 'recognised value'.

Innovation and Small Firms

Small firms that introduce new products in their product range are very few and even fewer are the firms that launch new products in the economy as a whole. This is more often an ability that large companies accommodate, and that is because of the resources they command (Burns, 2007). Moreover, studies propose that although small firms are less likely to perform research and development (R&D) than large organisations, they conduct it more effectively and launch new products in their product range faster than large firms (Beaver and Prince, 2002). A US study concluded that small firms produce 2.4 times as many innovations per employee as large firms; and another UK study found that small firms are more likely to introduce essentially new innovations than large ones (Burns, 2007). Beaver and Prince (2002) suggest that R & D take time before the firm has a new viable product with which to enter the market. They support that major barriers to innovation of the small business are access to finance and the presence of equity gaps.

On the one hand, Beaver and Prince (2002) and Burns (2007) agreed that innovation is an essential condition of economic growth and a critical element in the competitive struggle of both enterprises and nation states. They declare that small and medium-sized enterprises (SMEs) in their turn have a substantial contribution to provide to the process of innovation. Likewise, Georgellis *et al* (2000) concurs with them that smaller firms have unique advantages associated with efficient and often informal communications, lack of bureaucracy, along with flexibility and adaptability through nearness to markets. Burns (2007) states that, small firms are innovative in customer relationships, and try to find low costs methods of networking with customers. On the other hand, the obstacles faced by small enterprises are a lack of technically qualified labour, poor usage of external information and expertise, incompatibility of management, difficulties in attracting and securing finance and the high cost of regulatory compliance (Burns and Dewhurst, 1996; Zimmerer and Scarborough, 2007). It is clear that the advantages SMEs have are primarily behavioural while limitations are related to resource issues.

UK Food Retail Industry—Market Overview

Food retailing in the UK includes many different types of businesses but is mostly dominated by the major grocery multiples. These companies are rapidly extending their product range into non-food areas and diversifying into different store formats. This is taking them into direct competition with smaller convenience stores. The supermarket run by a major grocery multiple now often includes a bakery, a butcher's counter and a fresh-fish counter, thus it replicates the offerings of specialised food retailer. The UK food retail market was worth £103.8billions in 2007; this figure includes sales of non-food products (Institute of Grocery Distribution 2008).

Value of Food Retailing

Table 2 shows the value of each sector of the UK food retail market based on estimates from the IGD (Institute of Grocery

Distribution 2008). These figures include non-food sales. The nine major supermarket chains together accounted for 59.8% of the market in 2007, their sales having grown by 17.3% since 2003. The discounters, on the other hand, achieved a 12.8% growth in sales between 2003 and 2007, they accounted for only 0.7% of the market in the latter years. Convenience stores are a significant sector of the market, accounting for 15.7% of sales in 2007 but showing a slow growth of 7.2% over that

period. This reflects the large number of very small independent businesses in the sector. Sales by petrol forecourt retailers have grown by 10% since 2003 and accounted for 3.2% of the market in 2007 (Keynote 2008). The 'others' category covers a very wide variety of stores, including large businesses such as frozen-food chains, regional and local supermarket chains, and wholesalers which are likely to be the main drivers of growth.

Table 2: The UK Food-Retailing Market by Sector at Current Prices (£m and %) 2003-2007

	2003	2004	2005	2006	2007
Supermarkets *	52,896	55,420	57,477	59,481	62,072
% of total	59.5	59.4	59.5	59.6	59.8
Discounters	671	708	725	742	757
% of total	0.8	0.8	0.8	0.7	0.7
Convenience Stores	15,200	15,600	15,800	16,000	16,300
% of total	17.1	16.7	16.4	16.0	15.7
Petrol forecourt retailers	3,000	3,100	3,200	3,200	3,300
% of total	3.4	3.3	3.3	3.2	3.2
Others	17,133	18,472	19,398	20,377	21,371
% of total	19.3	19.8	20.1	20.4	20.6
Total	88,900	93,300	96,600	99,800	103,800
% change year-on-year		4.9	3.5	3.3	4.0

Note: * *Tesco, Sainsbury's, ASDA, Sfeway, Somerfield (including Kwik Save), Marks & Spencer, Iceland, Morrisons and Waitrose*

Source: Institute of Grocery Distribution 2008.



CONVENIENCE SHOPS

For the purposes of this research, convenience stores are defined as small newsagents with a product range based around essential grocery items such as milk and bread, sweets, cigarettes and newspapers, and often also an off-license range of wines, beers and spirits (Keynote 2008). They tend generally to serve a small neighborhood area. Most convenience stores are located in sites where they can serve a local community of residents. Convenience stores can be divided into several distinct groups. According to Keynote

report (2008) *unaffiliated independent stores* are independently- run convenience stores, which are often family owned.

Table 3.0 shows unaffiliated independents account for 74.5% of store outlets in the convenience sector, but in table 4 their share of sales is forecasted 51.5% in 2008. This share will be the target for the symbol groups and convenience multiples, which have increased their collective share of the market from 38.7% in 2006 to a forecasted 41.7% in 2008 (Institute of Grocery Distribution 2008).

Table 3: UK Sales by Non-Specialised Food Stores and All Retail Sales at Constant Prices (£bn and %), 2004-2008.

	2004	2005	2006	2007	2008
Non-specialized food stores	66.1	67.9	69.7	71.5	74.5
% change year-on-year	-	2.7	2.7	2.6	4.2
All retail sales	180.8	86.2	192.7	201.4	213.4
% change year-on-year	-	3.0	3.5	4.5	6.0
Non-specialized food stores					
as a% of all retail sales	36.6	36.5	36.2	35.5	34.9

Source: Office of National Statistics 2008

Table 4: Value of Food Retailing Through Convenience Stores by Type of Outlet at Current Prices (£m and %), 2006-2008

	2006	2007	2008
Unaffiliated independents % of total	8,850 55.3	8,770 53.8	8,750 51.5
Symbol groups % of total	4,009 25.1	4,230 26.0	4,630 27.2
Convenience multiples % of total	2,171 13.6	2,270 13.9	2,458 14.5
Co-operatives % of total	970 6.1	1,030 6.3	1,162 6.8
Total	16,000	16,300	17,000

Source: Key Note 2008

Number of Stores

According to table 5 (IGD 2008), there were 45,343 'dedicated convenience stores' (excluding petrol forecourt stores) in the UK in 2008. This represents a decline of 2.3% since 2006. Although, as the table shows, unaffiliated independent stores still account for 74.5% of the sector. Their numbers have fallen by 4.8% over the last 2 years.

Table 5: Number of Convenience Stores in the UK by Type, 2006-2008

	2006	2007	2008	2006-2008
				% Change
Unaffiliated independents	35,500	34,250	33,787	-4.8
Symbol groups	6,961	7,175	7,371	5.9
Convenience multiples	2,715	2,756	2,804	3.3
Co-operatives	1,236	1,297	1,381	11.7
Total	46,412	45,478	45,343	-2.3

Source: Institute of Grocery Distribution 2008

There was a 1.4% decline in the number of stores run by unaffiliated independent retailers between 2006 and 2008 (Institute of Grocery Distribution, 2008). Although independents still represent the majority of convenience-store outlets, they are the least effective at generating sales revenue, while convenience multiples and co-operatives are the most effective, as Table 6 presents.

Table 6: The Convenience-Store Market by Type of Outlet (£m, number of store £ and £), 2002

	Sales	Number	Average Sales
	(£m)	of Stores	Per Store (£)
Unaffiliated independents	8,750	33,787	258.975
Symbol groups	4,630	7,371	628,137
Convenience multiples	2,458	2,804	876,605
Co-operatives	1,162	1,381	841,4193
Total	17,000	45,343	74,920

Source: Institute of Grocery Distribution 2008

Independents are finding it increasingly difficult to manage their businesses in the face of increased competition. Many owners are selling out as they near retirement age. There has been an estimated 23% fall in the number of small UK corner shops run by people of Indian, Pakistani and Bangladeshi descent over the last decade, from 15,000 to 11,500. Further improvements to product ranges and the increasing professionalism of food retailers, along with UK consumers' taste for variety in their food basket, will continue to drive the market forward. The increasing number of single-person households will favour the further development of the

convenience sector, while the major grocery multiples will continue to increase the proportion of non-food items sold in their stores (Keynote 2008). Table 7 forecasted that the value of the food retail market will grow from £108 billions in 2009 to £126.5 billions in 2013, an increase of 17.1% (The Office for National Statistics 2008). Supermarkets will continue to dominate the grocery market, but their growth is likely to be tempered by continued price competition and by the planning restrictions that will limit the development of new stores.

Table 7: The Forecast UK Food-Retailing Market by Sector at Current Prices (£m and%), 2009-2013.

	2009	2010	2011	2012	2013
Supermarkets	64,584	67,088	69,700	72,000	74,500
% of total	59.8	59.9	59.5	59.0	58.9
Discounters	771	800	820	850	870
% of total	0.7	0.7	0.7	0.7	0.7
Convenience stores	17,000	17,750	18,700	19,500	20,100
% of total	15.7	15.8	16.0	16.0	15.9
Petrol forecourt retailers	3,500	3,700	4,000	4,300	4,600
% of total	3.2	3.3	3.4	3.5	3.6
Others	22,145	22,662	23,980	25,350	26,430
% of total	20.5	20.2	20.5	20.8	20.9
Total	108,000	112,000	117,000	122,000	126,000
% change year-on-year		3.7	4.6	4.1	3.7

Source: The Office of National Statistics 2008.



METHODOLOGY

It was identified that research has been undertaken by theorists to examine the value of entrepreneurship to SMEs in the UK food retail market, using qualitative and quantitative primary research methodologies and techniques. Therefore, primary research was also thought to be necessary to achieve the objectives of the present study. To obtain primary sources of information, qualitative research methods and techniques were applied. Interviews were based on previous qualitative and quantitative published researches concerning entrepreneurship in the retail industry and were conducted through a selected sample of North West London's food retail shops, an area which has been characterised by an abundance of convenience stores. For the analysis of the primary research findings, the sample has been separated into specific themes enabling comparisons to be made with theories, arguments, models and concepts identified via the secondary research.

'The purpose of interviewing is to find out what is in someone else's mind. Researchers usually interview people to find out from them those things that researchers cannot directly observe or find out (Greenfield, 2007: Zikmund, 2006). According to Gubrium and Holstein (2008), 'qualitative interviewing is based on conversation with the emphasis on researchers asking questions and listening and respondents answering. The present research required the kind of detailed information that such interviews generally supply and it was also thought to be reasonable to rely on information gathered from a small number of informants because the author aimed to investigate experiences, emotions and feelings of the respondents (Denscombe, 1998). For this reason the author decided that semi-structured or non-standardised interviews methods are the most appropriate type (Zikmund, 2006) to be employed in this research (see Appendix A). The researcher identified a small number of food retail shop owners to participate in the survey which were selected randomly from a list of food retail shops obtained from yellow pages. The technique was thought to be the most suitable as the decision

on sample size was governed by the need to provide rich information to investigate the issues thought to be involved in this study and enable subsequent analysis. This further enabled the author to attempt and acquire a representative sample of the characteristics of those being studied and elicit reliable and valid responses from them.



INTERVIEWS

The interviews were held in the shops, and were conducted by interviewing seven owners of retail shops who accepted to participate in the survey in the North West London area. The retail shops were divided into two categories: firstly, shops that offer only food products and secondly, shops that trade both food and non-food products. The fact that the researcher decided to conduct the interviews in the specific area turned out to be of great importance as it reduced costs that would have arisen in time and travel. Moreover, accessibility to the interviewees was considered important and as such no particular constraints were faced as the researcher got direct contact with the interviewees. Table-8 below presents the detail of the interview.

Table 8: Details of the Interviews and Interviewees.

Owner No.	Organisations	Duration	Contract No.	Category
1	Casa Giovanni	35-40 minutes	02074354913	Food only
2	Oriental Foods	40-45 minutes	02077940777	Food only
3	Western Food Stores	30-35 minutes	02073283788	Food only
4	Royal Food & Wine	35-40 minutes	02074310072	Food and non- food
5	Lob ins Food & Wine	35-40 minutes	02074830521	Food and non- food
6	Daniel's Delicatessen	30-35 minutes	02077947206	Food only
7	Costcutter	40-45 minutes	02079167414	Food and non- food

As the author conducted the interviews it was identified by him that retail shops which sell food fall into two categories on the one hand, shops in which the product range consist of food items only, and on the other, stores supplying food products along with other items. The interviews were conducted with seven shop owners. Three of them suggested that their shops offer convenience to their customers, and four stated they were food specialists. In order to understand and explore the differences between these categories the interview design was based on the literature review and was separated into three sections. The first is the 'entrepreneurial process' each of the owners undertook to establish the shop;

the second is the entrepreneurial attitudes and behaviour' they possess; and finally, 'the degree of innovation' they exercise. According to the literature review those are the basic three aspects that characterise the entrepreneur (Drucker, 1999; Georgellis *et-al* 2000; Morrison, 2000; Burns, 2007 Johnson, 2001; Colin, 2002; Craig and Lindsay, 2002; Zimmerer and Scarborough, 2007).



ANALYSIS OF FINDINGS

The author decided to separate the food retail shops into two groups; food retail shops that offer both food and non-food products, and shops with food commodities only. The responses were examined and divided into three themes, which derived from concepts used in the literature, and these are: (a) The entrepreneurial process; (b) The entrepreneurial attitudes and behaviour, and (c) Innovation (see Appendix B and Appendix C). It was decided to do so because Saunders *el-al* (2007) mentioned that categories must have both internal and external aspect, i.e. must be meaningful both in relation to the data and to the other categories.

The 'process' theme:

To understand and explore the entrepreneurial process, six questions were studied. The purpose of the first two questions was to classify in which of the two groups the interviewee was included, and once this was clear, the interviewer had to identify the initial scope for the establishment of the business. The respondents number four, five and seven offered food and non-food products. When asked to classify their service between 'food specialist' and convenient shop they chose convenient shop, and so constitute group one. Likewise, the

owners with numbers one, two and three who operate shops offering only food products respond that food specialist better characterises their business: thus they are in group two. However, the respondent number six expressed that the business is 'a bit of both' but the author analyses this case with the food specialists group. As pointed out by Craig and Lindsay (2002), entrepreneurial events can be explored thoroughly when approached by process, thus, they were separated into stages. The entrepreneurial process is divided into six stages. Morris (1998) states that opportunity identification is the first stage where the entrepreneur must specify the source of the opportunity perceived. Drucker (1999) argues that seven major opportunity sources exist; the unexpected, incongruities, process need, industry and market structure, demographics, changes in perception meaning and mood, and new knowledge. Each of these sources has particular characteristics.

Furthermore, the owners of both groups were asked to explain the reasons why they decided to establish a new business. The responses between the interviewed owners of group one were relatively similar; owner number five and seven responded that the location was unique and no other shops were near. Similarly, owner four launched the store because it was on sale at a reasonable price and the location was fine. The results of group two were different from group one to some extent. Owner one, two and three replied that the product range available in their shops was not offered in that neighbourhood at the moment of the start up. Owner number six assumed a dissimilar reason and stated that 'I thought it was a good spot and for a little while no other shop was around.' Also, he stated that 'because the previous owner was rude with customers, it was a question of putting that right.' As a result, the opportunity source of the convenient shop's owners and food specialists were distinctive. In the former case, important drivers for the establishments of the shops, according to the replies received were the geographic area, and in a specific case the owner was attracted by the selling price of the shop. Along with the literature, this opportunity source, is the *changes in perception, meaning and mood*, which is really change in the external environment. However, sometimes entrepreneurs perceive opportunity which others perceive as problems. Thus, the nature of this opportunity is subjective.

Moreover, food retailers one and two because of the particular product range offered, perceived this as an opportunity. This opportunity source is *the industry and market structure*, because another shop does not exist in the market to provide exactly the same mix of products. In the case of owner three, two different types of opportunity sources emerged: *the industry and market structure* and *demographics*. Likewise with a previous food specialist the first opportunity source was his exclusive supplies; also he carried out a market research and the result was a change in demographics of the area. The owner observed that as a chance, and declared that 'the market could support this type of business.' Retailer six was slightly different, for the reason that the perceived opportunity was the location and that is *changes in*

perception, meaning and mood, however a second factor affected the establishment, that was the bad service provided by the previous owner. Thus, by replacing this broken link and providing high-quality customer service is also included in the *process need* opportunity source. Up to this point all the owners had the same progress in the entrepreneurial process. From the findings of the interviews it appeared that once the retailers progressed further with their businesses, the stages of the entrepreneurial process begins to overlap from case to case, and especially between the two different groups convenient shop owners and food specialists.

The next question asked was related to the development of the concept. Kickul and Walters (2002), and Johnson (2001) asserted that the concept can be new product or service, a new process or method for accomplishing a task, or even a new application of an existing product. The owners of group one answered clearly that it was something that has been done before, thus product development did not take place. On the contrary, food specialists responded that they introduced and offered new products to the market, which had several consequences. Thus, this stage of the entrepreneurial process did not exist for the owners of convenience shops while deciding to set up a business. In contrast, food specialists had to introduce new products to the market, so concept development was necessary in order to establish the product and to attract consumers to purchase it. Although, respondent six, who claims to be both convenient and food specialist, did not have to develop a concept. The reason why might be that products available in his shop are available elsewhere but the quality is better, and another fact is, this owner purchased a food retail shop which existed already, something that none of the other food specialists did, thus it confirms the existence and value of the literature. The next two stages to be explored were the planning of the owners to *determine the required resources* and to *acquire the necessary resources*. The commencement of the business according to Morris (1998) and Gray (2002) involves the determination of required resources, such as need for general management, need for marketing and sales expertise, need for production facilities, need for financing, need for skilled employees and need for sources of supply. From this set of options provided in the literature, only the latter three could be examined, because the owners interviewed considered that in operating small retail shops, thus, for instance no need for production facilities would occur. In addition, the author explores how owners *acquire the necessary resources*, which according to Morris (1998) and Georgellis *et-al* (2000), can be achieved by debt/borrowing, partnerships, joint ventures leasing or control and own all the needed resources.

The literature reveals that financial requirement is an aspect of great importance, although, life stories uncover that money is not always a determining factor in the performance of a business. Discovering the needed resources, which typically are not financial, requires insight, judgment, and patience: for instance, to establish customer contacts, to obtain technical skills, to have a loyal distributor, or to select a good

location. Likewise, as discussed in the literature, acquiring the needed resources is a complex task, and when an entrepreneur has a new concept in mind, he neither possesses any resources, nor has information as to where from to obtain them. Concerning the issue of determining the required resources, in the cases examined by the researcher none of the respondents claimed that they borrowed large sums of money to start the firm. The majority of the interviewees stated that selling their other property supported them to start with the new businesses. Only the owners number four and one required skilled employees for their shops. Additionally the findings uncovered that five out of seven owners decided to fully own their shops and needed equipment, and therefore acquired the needed resources. The results revealed that determination and acquisition of the needed resources depends on the starting point for each retailer. For instance, the owner four declared that when he purchased the shop all the essential equipment was included in the price and the only skilled personnel needed was a manager. That was his acquisition of the needed resources. Alternatively, the food specialist number three, did not employ any skilled staff because he had the experience and knowledge to manage his business. For this reason, he acquired the necessary resources differently; meaning, he rented the shop, and he both owned and leased the required equipment.



THE 'ATTITUDES AND BEHAVIOUR' THEME

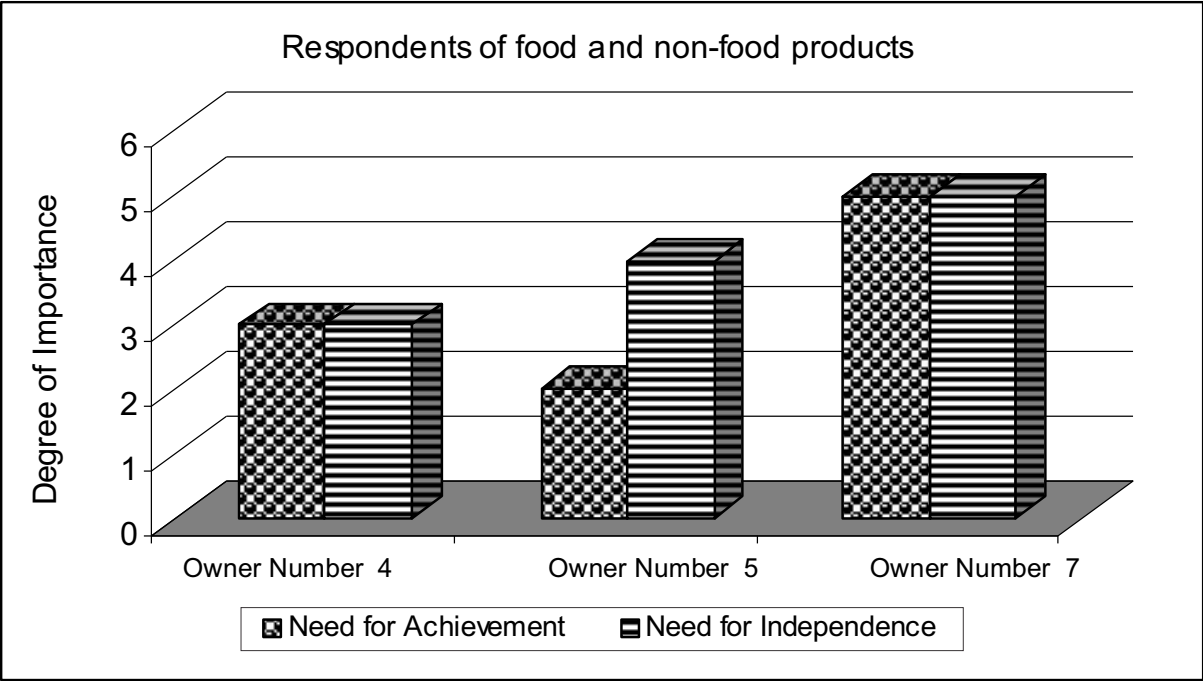
The literature suggests that entrepreneurs possess a wide range of characteristics, such as ability to manage risks, an internal locus of control exercising and tolerance over ambiguity and uncertainty (Littunen, 2000; Morrison, 2000; Johnson, 2001; Craig and Lindsay, 2002). The author employed in this case two questions to explore the risks faced by the owners both in the start up and during the progress of the business, and examined the locus of control that characterised each interviewee. The literature points out that entrepreneurs have the ability to manage risks and exercise an internal locus of control. The responses obtained on the risk issue were described by the interviewees in financial terms. All of the respondents linked the risks with financial risks. Only in one particular case, the interviewee 'number four' raised a dissimilar paradigm and asserted that 'he had undesirable customers who threatened the staff of the Central Wine Stores. Likewise, the majority of food specialists' related their risks with financial constraints, and one owner classified the particular sources of supply needed as a risk. The author identified that most of the respondents correlated the risk taking mainly with financial issues and also how they overcame these. From the interviews conducted it occurred that most of the owners sold their property to avoid borrowing

huge amounts of money for the start up to acquire the needed resources. Only the shop owner number four replied that the initial risk when the business was started was 'undesirable' customers, and is still a serious problem. Similarly food specialists expressed that risks were mainly financial but the owner of Casa Giovanni declared risk and difficulty was in the sources of supply, because the products provided in the shop could only be imported from Italy, therefore, correct planning had to take place in advance in order to locate suppliers abroad.

In relation to the locus of control, all of the respondents had very similar views on the subject. Respondents from both groups answered that one can exercise control over the environment and decide his actions, however, fate at the same time as they say is influencing life, and sometimes dominates it. Convenient shop owner number seven offered a very representative answer; she said 'to a point you can control your life, but finally you are in fate's hands' (COSTCUTTER). The widely held opinion was that on the one hand, life is not entirely predetermined but on the other, one can not control life completely. Thus the locus of control is neither internal nor external but is located in between. The literature described that the entrepreneur is more likely to have essentially internal locus of control, and that was not the case according to the findings of the research; none of the respondents had an articulate internal locus of control. The purpose of the following two questions is to identify the importance of the need for independence and achievement of the respondents, in order to explore association between these characteristics and their decision to create a new venture. The literature argues that a typical entrepreneur holds high need for achievement and high need for independence (Littunen, 2000; Morrison, 2000; Burns, 2007; Zimmerer and Scarborough, 2007). The scale used was numbered from one to five, with one as not important at all and five as extremely important. The literature concludes that entrepreneurs have high need for both characteristics and that they are extremely important factors in starting a new firm.

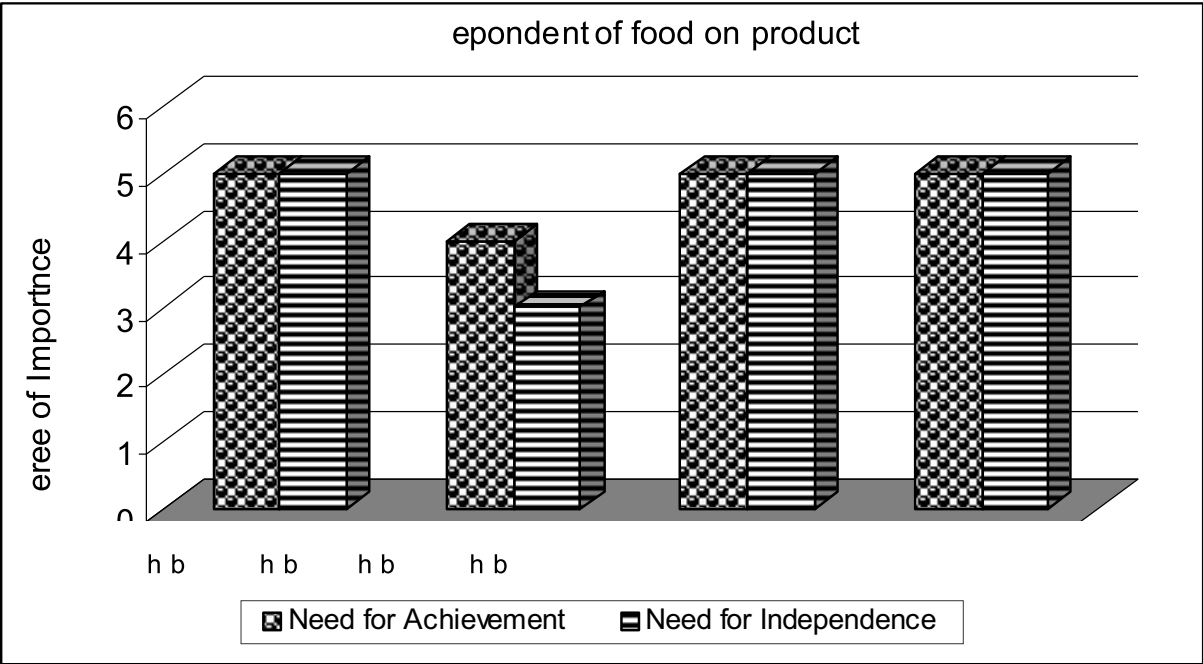
It is better to present the findings in charts in order to analyse, discuss and compare the results accurately. The first group of respondents are the owners of retail shops with both food and non-food items product range. As presented in chart-1 owners four and five have an average of three out of five, concerning the need for achievement and independence to establish a new firm. Obviously, these needs were important for them to take the decision of creating a business but were not extremely important. In the same group, owner seven, responded that both aspects are extremely important in the decision to establish a business. The explanation for the differences on the issue between owners in the same group might be the fact that she always used to be her own boss and that factor influenced and increased these needs.

Chart 1



In the food specialists group the findings are contradictory. Chart 2 clearly reveals that in this category the need for independence and achievement are at higher levels and in fact three of the four respondents chose that both aspects are extremely important to start a business. Therefore, one can conclude, that these feelings of independence and achievement, are stronger in the food specialists, and possibly that it is related with the fact that they had to introduce new products in the market, something that did not happen with group one. However, owner number two appears to have slightly different attitude than the others. One can surmise that on the fact that this retailer came into the business accidentally and had not planned to start this shop based on to the interview (Oriental Foods).

Chart 2



Drucker (1999) and Burns (2007) reveal that entrepreneurs have the ability to live and manage ambiguity and uncertainty concerning the performance of the firms. The author attempted to explore this fact. It was identified in the interviews conducted that for all the shop owners in both the groups, ambiguity and uncertainty, was part of their lives. These two aspects do not differentiate and change in businesses offering dissimilar product ranges. Every retail shop owner from the sample felt that they could tolerate and live with ambiguity and uncertainty, and it is needed. This information verifies the literature, and specifically the existence of these feelings in the interviewees.



THE 'INNOVATION' THEME

Burns (2007) suggested that innovation is a significant entrepreneurial characteristic. For that reason, McDaniel (2000) argued that owners or owners-managers can operate without offering new products or services, or changing the way they do business, therefore not all owners can be recognised as entrepreneurs. It is demonstrated in the literature that businesses grow due to innovation, and innovation means to break away from established pattern (Mintzberg, 1983). However, innovation can fail if it is not related to customer demand; even if change in the product is involved (Burns, 2007). Most of the responses on the topic were positive; to be precise most of the interviewees claimed that they often try to enhance their product range with new products, but they mentioned several constraints in doing this. The reasons given were that some suppliers do not deliver in the specific area, or if products are not introduced by the suppliers, they do not have the power to locate new products. In other situations because the size of the shop is not enough, changes in product range means replacing new products with others in the shop (Royal Food and Wine, COSTCUTTER, Daniel's Delicatessen).

The results of the research were similar in both groups of owners. To some extent owners attempt to innovate but constraints such as size, sources of supply and limited market power do not allow them to achieve the desirable level. However, none of the interviewees was considered to be employing any new service as a method of innovation. Even though all of them are still surviving and operating in the market but if the degree of entrepreneurship is measured in terms of innovation, as presented in the literature, the interviewed owners cannot be considered as entrepreneurs. In the light of innovation Drucker (1999) and Gray (2002) asserted that if a person creates a new business, but does not produce a new satisfaction or a new consumer demand in the market in which he entered, then he cannot be considered as an entrepreneur. The purpose of this question was to explore this issue from the interviewees of this research and so to evaluate the literature. The convenience shop owners clearly declared that they created neither a new consumer demand nor a new satisfaction. Distinctively the owner of Lobins Food

and Wine said 'I cannot say that it is a new satisfaction like Coke for example, but I provide convenience'. In contrast, three food specialists asserted that they formed a new satisfaction in the area, in the food retail market because of the special product selection they provide. In addition, the owner of Daniel's Delicatessen stated that he created satisfaction to the customers in terms of shopping pleasure. He added that *'I agree that my shop is not a supermarket but it is comfortable, warm; you are friendly and you know your customer's names.'*

One can identify from the answers that there exists a difference between the groups in this topic. Convenience shop owners do not feel that they have created any new satisfaction or consumer demand, but food specialists have a different view of their businesses. From that point of view food specialists did create a new satisfaction and a new consumer demand to some extent, therefore, the food specialists groups are more innovative. This fact confirms the value of the literature on the topic, and based on that statement one can assume that, up to a point, food specialists are entrepreneurs. According to Gray (2002) entrepreneurship is important to the business because it provides a competitive advantage, and entrepreneurs always fight to gain an edge over their competitors. Two of the convenience shop owners responded that they cannot do anything to stay ahead of their competitors, and the important thing for them is to keep loyal customers from the people who live near their shops. The owner of the Lobins Food and Wine said along with the products available he also rents movies, and that is a competitive advantage.

Alternatively, the group of food specialists described their products as a competitive advantage, because they are not available in other shops. The owner of Western Food Stores shop perceives as advantage that he sends letters and informs the customers about new products available, and he offers advice on how to cook his products, and keeps customers loyal to his stores. Similarly, the owner of Daniel's Delicatessen claimed that 'my competitive advantage is that I know all my customers by name, and in some cases I do the shopping for them and call them a taxi also to go home.' One can assert that nowadays there are millions of options and new ideas available in order to stay ahead of the competitors and therefore to behave as an entrepreneur. Innovation and entrepreneurship are interlinked, so the more innovative owners are, the more fruitful results will be obtained. Food specialists on this issue perceive it as a competitive advantage due to their special products as well as customer service and relationship. The product range available in their shops cannot be purchased anywhere else, therefore is a benefit, but they are losing market share from other food retail shops in the area. According to the literature, the owners of Lobins Food and Wine as well as Western Food Stores and Daniel's Delicatessen are more innovative and are attempting several methods to gain a competitive advantage, and hence, possess some entrepreneurial characteristics.



CONCLUSIONS

The conclusions drawn concerning the entrepreneurial process, which owners followed while establishing their new venture are distinct between the two groups viz, the convenience shop owners and food specialists. In the former case two owners were attracted by the exclusive locations of the shops, and one by the selling price of the existing business, and therefore decided to establish their retail shops. In the latter case, owners identified that some products were not available in their area, and decided to supply these and fill this market gap. Food specialists had to develop a new concept for their businesses, which convenience shop owners, had not needed to do, because they produced a concept which was already known to the local consumers. In the light of the findings it was clear that determination and acquisition of the required resources for the establishment of the new venture were dissimilar between the interviewees, irrespective of the type of retail shop they owned. Specifically, this fact was mainly influenced by the starting point of each researched case. For instance, the owner Royal Food and Wine Store, took over the business; therefore he owns both the shop and all the important equipment from the beginning and he hires a person as manager. Alternatively, the owner of the Western Food Stores rents the shop and leases part of the equipment while not needing any skilled employees. Consequently, the two cases mentioned made different progress in the determination and acquisition of their resources.

However, the majority of the respondents associated risks with financial limitations, with the exception of two cases, owners one and four, who respectively described their business risks as the need for exclusive sources of supply, and trouble with undesirable customers. Although none of the interviewees stated that financial or any kinds of risks were a major constraint on the progress of the business during its establishment and after, as all respondents appeared to have the ability to manage their risks. Taking into consideration the findings of the research, the majority of the owners had neither internal nor external locus of control. This contrasts with the literature in which the characteristic of the entrepreneur is described as being a strong internal locus of control. Thus, one can assume that the respondents of this study did not significantly possess this trait of the entrepreneur. Furthermore, from the analysis of the interviews it was clear that food retailers in comparison with convenience shop owners had a stronger need for independence and higher need for achievement. One can link this to the different approaches which these owners had to implement in order to enter the specific market: that is to say that convenience shop owners were starting a new venture, although, they did not identify a new opportunity or they had to develop a new concept for the success of the business. Alternatively, for food specialists who attempted to place new

products and influence the local consumer demand, their need for independence and achievement grew into higher levels. The typical ability of the entrepreneur, that is, to tolerate ambiguity and uncertainty was a feature that all of the interviewees of this research shared. Consequently, the validity of the literature and the entrepreneurial attitudes and behaviour of the respondents were confirmed.

RECOMMENDATIONS TO FOOD RETAILERS

- Firstly, some owners mentioned that sources of supply and space of the shops are sometimes constraints to introduce new products. These problems must be effectively solved in order to make change, thus innovate.
- Secondly, the service of delivery is an innovative method and can create a competitive advantage; consequently owners should consider this aspect and develop it.
- Thirdly, small business owners can rent, lease, contract or temporarily employ resources/assets instead of buying them, that could provide more flexibility and enables the business to manoeuvre in the marketplace quickly and thereby the retailer will be able to perform tasks beyond the capabilities of currently owned fixed assets.
- Lastly, all owners or owners-managers should be more opportunistic, meaning to discover and develop opportunities and new concepts frequently. Also they must be self confident and self motivated, with the willingness to take greater risks and live with greater uncertainty.

RECOMMENDATIONS FOR FURTHER RESEARCH

- In order to examine thoroughly entrepreneurship in the food retail sector this research can be undertaken in more than one area. If one explore and investigate the topic in nearby areas and neighbourhoods, this will increase reliability and representativeness. Also, the approach employed in this subject, that is the identification and examination of the entrepreneurial process, entrepreneurial attitudes and behaviour, and innovation of the owners of food retail shops can be used to explore another retail sector, for instance fashion retailing.
- Furthermore, one can investigate the possible relation and cooperation of entrepreneurship and innovation, with the marketing activities of the SME's in order to sustain and grow in the market and the marketing efforts used by these firms.
- Finally, to research and identify the entrepreneurship employed by founders of organizations whose activities encompass the Internet and conducting transactions merely online. Therefore to determine the progress of these entrepreneurs from the evaluation of opportunities to the establishment of the e-business.

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APPENDIX-A. THE INTERVIEW QUESTIONS

The Entrepreneurial Process:

1. Which of the following two categories better characterises your business? Food Specialist Shop or a Convenient Shop?
2. How did you decide to start your business? For example, you identified an opportunity in the market, you perceived a change in the demographics of the area, you inherited it, or something else?
3. Did you have to develop a new concept for the establishment of the business? For example, did you develop new products, or identify a new market?
4. Did you think about determining the required resources for the start up of the business? (i.e. a need for skilled employees, need for general management,

or need for sources of supply?)

5. How did you acquire the necessary resources? By debt, equity, leasing or renting schemes, joint ventures, partnership, or something else?

Entrepreneurial Attitudes and Behaviour:

- 1) How did you manage the risks you faced and which of your actions do you think assisted in the reduction of these risks?
- 2) Do you believe that you can exercise control over your environment, and ultimately your destiny as a person, or are you a fatalistic?
- 3) How important is the high need for independence, for example to be your own boss, in the establishment of the business on to a scale 1 to 5 (where if one is the least important and five the most)

Not at all important		Important		Extremely important
1	2	3	4	5

- 4) How important is the high need for achievement to the establishment of the business to a scale 1 to 5.

Not at all important		Important		Extremely important
1	2	3	4	5

- 5) Do you feel that you can tolerate ambiguity and uncertainty concerning the performance of the business?

Innovation

- 1) How often do you introduce new products and/or services offered by the business?
- 2) Do you think that you created a new satisfaction or a new consumer demand with the products you provide?
- 3) Which of your actions supports your business to stay ahead of the competition and what is your competitive advantage?

APPENDIX-C: RESPONSES OF OWNERS OFFERING FOOD PRODUCTS ONLY

The Entrepreneurial Process

Q. No.	Owner No.4	Owner No.5	Owner No.7
1 st	'It is a convenience shop which sells from magazines and cigarettes to food.'	'Is a convenient shop.'	'More convenience.'
2 nd	'I heard that this place was on sale so I decide to take over the business.'	'Well as there was no any other shop around to sell magazines, food, groceries and I did it.'	'There is no many small shops in the middle of the town.'
3 rd	'No, it was another corner shop.'	'I wouldn't say that I offered something new'	'No I didn't have to think about developing anything really it was something ready.'
4 th	'I just hired a person as a manager and I don't think other skilled employees are needed.'	'Yes, I had to think how to organise everything and open the shop from staff to suppliers.'	No you don't need anything in particular to run this shop neither professional skills nor special suppliers.'
5 th	As I said I bought the shop.'	I own both the shop and the equipment. And that is the best way I think.'	'We rent everything that is in the shop.'

APPENDIX-B: RESPONSES OF OWNERS OFFERING FOOD AND NON-FOOD

The Entrepreneurial Process

Q. No.	Owner No. 4	Owner No.5	Owner No.7
1 st	'I had some undesirable customers who were threatening the staff, which is inherent when you sell alcohol.'	'I had to be careful where to locate the shop. That is all.'	The most important thing was that we did not have to borrow any money.'
2 nd	'I believe in fate but I do think to some extent you can control your environment.'	'I believe that you control your life and only you can change it.'	'To a point yes I believe that you are in fate's hands.'
3 rd	Independence is good for you so I would give 4. Because it is great	'It Is 5. That was the reason I opened a shop on my own.'	I have never known anything else, I always my own
4 th	'That Is extremely important that is 5.'	'It is as important as the factor of independence. Yes it is 5.'	'Achievement is as important as the need for independence, I think 5.'
5 th	As you gain experience, you understand that is natural, to live with uncertainty.'	'Yes I can stand it; I wish I would be 100% sure that my profit would increase.'	'You have to learn to live with that.'

INNOVATION

Q. No.	Owner No.4	Owner No. 5	Owner No. 7
1 st	'That is very regular, twice a week. And most of the times it happens by customer feedback.'	'I try to have every month new products. How may depends on the supplier.'	'Once every 2 months, if I had a bigger shop I would do it mere frequently.'
2 nd	'No we have maintained the satisfaction and the consumer demand.'	'I cannot say that it is a new consumer demand like Coke for example but I offer convenience.'	'Satisfaction to the households around yes, because there wasn't a shop here.'
3 rd	'I don't do many things to stay ahead of the competition but the advantage is that I have loyal customers.'	'The competition is high and my shop offers convenience to the people living around so I can satisfy them'	'Well I can't do anything to ensure that I will have new customers, but I try to keep the existing.'

APPENDIX-C: RESPONSES OF OWNERS OFFERING FOOD PRODUCTS ONLY

Q. No.	Owner No.1	Owner No.2	Owner No.3	Owner No.6
1 st	'I am a food specialist.'	'I sell Chinese, Taiwanese products as food specialist.'	'I am a food specialist.'	'It is a bit of both.'
2 nd	'I saw that nobody was offering Italian products in the area.'	'I bought the shop from a friend at a good price.'	'I did look at the population and I thought that the local area can support this type of business.'	'Only geographically I thought that it was a good spot, and for a little while no other shop was around.'
3 rd	'Yes I think I have discovered a new market.'	'10 years ago there was not any shop to sell Chinese food around.'	'It is something new for the area.'	'I bought the shop from somebody and what I did was to increase the range and expand the selling space.'
4 th	'I had the sources of supply and skilled employees before starting, so I acquired the resources beforehand.'	'No, I was planning to run the shop with my husband.'	'Supply was easier than I thought. Staffing: I didn't think I had much luck to get the right staff.'	'The owner before introduced me to his suppliers and I found something new through specialist magazines. Also, I did not think about hiring any staff at all.'
5 th	'I put my hand in my pocket and pull out money, my own resource.'	'I own the shop, so I bought everything.'	'I rent the shop, I lease the equipment, and a bit of money saved up.'	'Everything was ready, we came with the purchase of the shop.'

INNOVATION

Q. No.	Owner No.1	Owner No.2	Owner No.3	Owner No.6
1 st	At the moment every week.'	'I always try new products.'	'If I could do it everyday I would, but I do it once every 2 weeks.'	'As often as possible, once or twice a month. Problem is supplier many times do not deliver in this location.'
2 nd	'Yes, there was nothing similar to this here, at least not as organised like my store.'	'Yes I think I did, and if it wouldn't be me, it would be someone else.'	'I don't know to be honest. With one shop in one town you can't say.'	'Satisfaction in terms of people enjoying shopping. It is not supermarket but is comfortable, warm; you're friendly and you know their name.'
3 rd	'I try to bring new products and keep all the customers satisfied.'	'Well the competition is not very high, but I have very few customers. My products are my advantage.'	'I have customer database, I send them letters for new products, and try to satisfy their needs.'	'My competitive advantage is that I know all my customers with their names, and in some cases I do the shopping for them and call them a taxi to go.'

INNOVATION

Q. No.	Owner No.1	Owner No.2	Owner No.3	Owner No.6
1 st	'I believe I reduced the risks because I am supplying this shop with products, because I am importing them from Italy myself.'	'First I didn't borrow any money from the bank and second I stick with my husband is better.'	'I had to believe in what I was doing; I risk money from my pocket but I didn't manage the risks at all. It was something I always wanted to do.'	'We had financial risk but we didn't realise how big It was until we have been doing it for one year. We didn't get any loan for the start up and that support us.'
2 nd	'Up to a point I believe in fate.'	'I believe in fate, but if I was 40 years younger I could do more here.'	'I believe in fate definitely, you can't control the environment.'	'A bit of both really, I would never imagine that I would have a shop in North West London but it happened.'
3 rd	'Independence is an extremely important driver, I think 5.'	'I would say 2, but I came in this business by accident.'	'Very important, it is 5.'	'I would say 5.'
4 th	'I would say 5 again; I feel I want to do something always.'	'I imagine is sometimes important to feel you can achieve something, so I think 3.'	'It is very important I would give 5 but if I would do it again I would do it with somebody else with a'	'Yes you need to achieve something while you doing It. Let say 4.'
5 th	'Yes I think I can, you can't be always 100% sure'	'Yes I can stand is. Whatever happens you have a bad day but you got a good day in the corner.'	'Yes I can, I would rather not have it, but you have to can.'	'it is always a little bit of uncertainty, but you have to deal and get on with it.'