

CHAMBER CHATTER

How Shopping Local Can Help Your Business

by Julianne Philpott

I grew up in a small town in Newfoundland where locally-owned craft boutiques, corner stores and coffee shops adorned every corner. For as long as I can remember, my mother would take me to these businesses to indulge both our retail and food appetites, avoiding large box stores and restaurant chains at any cost. Literally.

I moved to Happy Valley-Goose Bay in May and have found the setting here to be much the same; an absence of large business chains and a thriving small business community. I have also found myself to be very much the same person, shopping at locally-owned businesses at every opportunity for both my personal and business needs.

Upon my relocation to Labrador, I began working at the Labrador North Chamber of Commerce (LNCC). Partly due to its high percentage of local small-to-medium size member businesses, the Chamber is highly committed to supporting its local business community, and residents here have been long encouraged to do the same. Here, the true support for the success and progress of the community is hard to ignore. If you live here you know that every week, no matter the season, countless fundraisers, events and benefits effortlessly attract Labradorians to the community from all over the region.

Although the determination and morale is high and communal support undeniable, when it comes to real purchase decisions, some consumers and businesses are still looking to online catalogues and larger urban centres to fulfill their buying needs. It seems as though while the many buying options are growing, the benefits of shopping in the region are becoming harder to recognize.

Job Creation and Retention

One of the most important economic benefits of purchasing goods and services in the local community is the role it plays in the fostering of job creation and business growth. Although small businesses were generally pushed aside just decades ago with large entities presumed to be the primary source of economic activity, locally-owned small enterprises have gained momentum and are now considered financial frontrunners.

According to Industry Canada, between 1993 and 2003, “small firms accounted for nearly 80 percent of net job creation [and] medium-sized firms accounted for more than one quarter,” while the total private sector employment in Canada increased by nearly 2 million jobs. Remarkably, large firms actually cut jobs during this time, decreasing the total number of net jobs created by 5 per cent.

Between 1997 and 2007, small Canadian firms accounted for 37 per cent of all jobs created in the private sector, according to the 2008 Statistics Canada Survey of Employment, Payroll and Hours (SEPH). For regional locally-owned businesses to remain competitive and sustainable, and to have the capability to attract and retain skilled employees, these firms require the steady support of customers and other organizations in the community and region.

To offset the persistent challenge of job retention and outmigration, many locally-owned businesses have committed to provide better wages and benefits to employees than most national chains. Understanding the importance of employee attraction, recruitment and retention, and with the help of business-to-business spending and steady revenue, many firms in the region are offering valuable and

practical training, competitive wages, suitable work benefits, flexible work schedules, and significant opportunities for advancement in the organization.

Stimulates Economy and Business Competition

There are a number of misconceptions surrounding business competition; the largest and possibly most hurtful to all businesses is the idea that less competition will ultimately mean more business for a particular firm. But as many are realizing, or perhaps have learned too late, business competition is essential in providing customers better products and services, competitive prices and more selection.

Local marketplace competition is essential in stimulating a vibrant and prosperous business community, while offering residents and other businesses the goods and services they require for satisfactory shopping in the nearby area. On the contrary, if companies purchase goods from businesses outside of the region or province, revenues that would otherwise cycle within a region and assist local businesses in furthering their competitive edge would be lost.

“When you buy from a local firm, even if it might be a little more expensive, money stays in the province and helps the local businesses grow and promote competition,” says Gabriela Sabau, associate professor of economics and environmental studies at Sir Wilfred Grenfell College in Corner Brook. “To explain the higher prices of local products, [these] products are usually highly differentiated for local character and are of better quality than the mass-produced commodities sold at [large chains].”

Strong Community Support

Aside from possessing a high-level of knowledge and refined expertise for the products they sell, most local business owners also possess a great level of passion for their company that is virtually unmatched by corporate employees at large retail stores. Family-owned and entrepreneurial-inspired companies are what make up this region’s business community, and this type of authentic industry model is what guarantees small local business success.

Important economic decisions are often made by local independent business owners who live in the community and who will feel the impacts of those decisions. From sitting on boards and committees to spearheading fundraisers and economic development initiatives, business owners truly understand the benefits of advocating on behalf of local causes, and the importance of community engagement and sustainability.

“The most important benefit of buying locally is the contribution to community building,” says Sabau. “The local region is no longer perceived only as a place to be used, but as a place to be shared and enjoyed, and taken care of by responsible neighbors.”

Chamber Support for Local Business

As approximately 70 per cent of the LNCC member organizations are locally-owned and operated small-to-medium sized businesses, the Chamber is working to support the economic significance of strong partnerships and shopping locally. To further develop its membership services program and to continue to meet the needs of its current members, the Chamber is creating a Member-to-Member (M2M) Affinity Program.

The M2M program guarantees Chamber members access to exclusive discounts from fellow members. This effort to support and improve local business-to-business relations will provide member companies with the opportunity to offer a variety of discounts aimed at developing new business and driving sales volume. By taking advantage of this program, members will identify significant savings on many local products and services used daily.

“The Chamber is working to promote local business partnerships within the region,” says Sterling Peyton, president of the LNCC. “There are many economic development initiatives currently taking shape in Labrador, and it’s important for our citizens and local business community to remain both competent and competitive in the years to come.”

Like other local businesspeople in the region, Carol Best, executive director of the LNCC member organization Central Labrador Economic Development Board (CLEDB), says she prefers dealing with other local businesses, particularly when purchasing larger items such as computers that may require routine maintenance.

“Due to the fact that we know the business owners, we are confident that we will receive good follow-up service on these major purchases,” says Best. “The great customer service you receive by local firms in which you deal with regularly is incomparable to that of stores located elsewhere or online. The practice of buying locally is good for both the seller and consumer.”

The LNCC is committed to working with its members on this new initiative in hopes of increasing the profile of its member organizations, as well as the economic impact of investing in the community. Spending locally ensures that money is reinvested in the community; it strives to create jobs, produce local taxes, promote competition, save consumers time and money, and build long-term economic prosperity for the region.

For more information on the M2M Affinity Program, or to request an application form, please contact the LNCC at (709) 896-8787, admin@chamberlabrador.com, or visit www.chamberlabrador.com.