

SHOP OPENING HOURS – THEY'RE NOT FIXED IN TABLETS OF STONE

The RSA is frequently asked by rural retailers whether they should trade for longer hours. It is not a question they ask lightly. Many of them are already working very long hours, but the need to maximise sales and meet customer expectations drives them to raise the issue. And there is no simple answer.

It is a fact of life that we live in a world where people are used to much longer opening hours from retailers. In many villages, over half the population is leaving each day to work or be educated elsewhere. If residents are not there when the shop is open, they cannot be customers. Hence there is an obvious case for extended hours at both ends of the day. In the morning, commuters are looking to buy a paper and something for lunch; in the evening they perhaps want some milk or even a ready meal and a chilled beer. It is the norm for urban convenience stores to stay open to nine or ten o'clock at night – some even trade 24/7.

By contrast, thousands of rural shops keep traditional shop hours, say 8am to 5.30pm. Many owners work very long hours already and need some time off. The cost of staff, with the National Minimum Wage going up to £6.08 in October, can preclude paying others to work evening shifts and thus enable longer opening hours. Community-run shops find it very difficult indeed to get volunteers to give their time in the evening. One thing is certain, that when a shop extends its hours, it takes customers a long time to latch onto the new hours however well they are publicised. It is a risk. So how do you decide whether different trading hours will work?

To try to help shopkeepers make this very hard decision, we have obtained hourly sales data from a number of shops (thank you again to the retailers who provided their data). The chart shows the % of customers each hour of the day from 7am to 8pm for a particular shop with quite a lot of passing trade, exhibiting a fairly typical pattern. The two peaks in customer numbers come at the start and end of the day, with (as is typical) a low spot between 2pm and 3pm. In this case it is clear that the hours before 8am and after 6pm are contributing significantly to shop profitability.

We would emphasise that other shops can show a pattern of business that is very different from this, depending on local circumstances. Relevant factors include:

- Shops with particular trading strengths, such as very good off licence business, will tend to benefit from better evening trade as a result. Having the National Lottery means late opening Wednesday and Saturday anyway.
- History is important – if a shop depends on local customers who know its hours, they will have adjusted their shopping habits to match. Extended hours may just extend the same level of sales over a longer period, not the result required.
- If the village has a lot of commuters, then longer opening could work. If the village is mainly retired residents, then it may not be worthwhile.
- Passing trade – if there is a lot of traffic passing the door early in the morning or in the evening, longer hours could boost sales.
- If the shop depends on a Post Office facility for customer flow, then additional shop opening beyond the PO hours may not work.

Ideally rural shops should be open when 21st century customers want to use them. In some cases, operating hours have not changed for decades, having been set in a past era when most shopping was done locally during the day by non-working housewives without access to a car.

The difficulty is when the need for longer hours interferes with the owners' family life. In some locations, a partial solution may be to close the shop early afternoon – say 1pm to 3pm, during the natural low point in the day's business for most shops. This could allow extended evening opening, without increasing overall shop opening hours. It is not an ideal solution, but it is an option to be considered. Some shops, particularly in tourist areas, have longer opening hours in light summer evenings than in winter, when customers are unlikely to venture out in the dark. This can be a sensible compromise.

Talking to customers and – crucially – potential customers about the issue or even sending a simple questionnaire round the village can help measure the appetite for change. Do treat the results with caution – of course local people will say they would like their shop open longer hours, even though in practice they will seldom make use of them.

Deciding opening hours is not an easy call. The first step is to recognise that it is a conscious decision under management control, not something fixed forever. Shopkeepers do need to review opening hours every so often to make sure that they provide the right balance between the needs of the business and the demand from customers.