

## Competitive

Retail businesses must compete in a competitive environment. This means that they are not the only business providing a particular product. Therefore, consumers usually have a choice on what they spend their money on.

Products are sold to consumers in markets and there is a market for every product. Different markets will have different levels of competitiveness, the more sellers in the market, the more competitive it is likely to be. Some markets are dominated by very few large retail businesses, so these are considered to have reduced competition.

Retail businesses compete in market by having cheaper prices, offering quality products, and offering a wider range of products. They also compete by using good levels of customer service, advertising, carrying out promotional activities, the design of the store, use of multi-channels and staff training.

## Dynamic

Retail business activity is constantly changing, in other words, it is dynamic.

Retail businesses must respond to these changes to remain competitive. To remain profitable, a business cannot just stand still. What made the business successful yesterday will not automatically make the business successful tomorrow.

Consumers needs and wants are not static. Their tastes, preferences, attitudes, demands, and expectations are constantly changing. New production techniques, new technology, new competitors, and new markets present businesses with opportunities (as well as threats) to succeed in a dynamic and competitive environment. Other drivers of change include consumer expectations, social factors, and economic factors.

The dynamic business environment should be seen by most retail businesses as an opportunity and not a threat.

If a retail business fails to recognise the competitiveness and dynamic nature of the market, it will struggle to gain the sales it needs to be successful.