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Colombian neighborhood stores: strategic adaptation in the hard discount era

Tiendas de barrio colombianas: adaptación estratégica en la era del hard discount

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Abstract

Introduction: the accelerated growth of Hard Discount chains (D1, Ara) in Colombia presents significant challenges to the competitiveness and sustainability of traditional neighborhood stores. **Objective:** to propose a strategic framework for their survival against this dominant retail model. **Methodology:** employing a qualitative and documentary approach, the study systematically reviewed secondary sources such as market reports, academic articles, and specialized retail publications. **Conclusions:** findings indicate that neighborhood stores must transform weaknesses into strategic opportunities. Key recommendations include fostering partnerships, integrating appropriate technologies like electronic credit, and redefining their value proposition by combining community roots with modern management practices.

Keywords: Business Resilience; Competitive Strategy; Hard Discount; Innovation; Neighborhood Stores; Retail[1].

*Key words extract from America Economic Association System de classification JEL

Resumen

Introducción: el crecimiento acelerado de las cadenas Hard Discount (D1, Ara) en Colombia plantea desafíos significativos para la competitividad y sostenibilidad de las tiendas de barrio tradicionales. **Objetivo:** proponer un marco estratégico para la supervivencia de las tiendas de barrio frente a este modelo minorista dominante. **Metodología:** empleando un enfoque cualitativo y documental, el estudio revisó sistemáticamente fuentes secundarias como informes de mercado, artículos académicos y publicaciones especializadas en retail. **Conclusiones:** los hallazgos indican que las tiendas de barrio deben transformar sus debilidades en oportunidades estratégicas. Las recomendaciones clave incluyen fomentar alianzas, integrar tecnologías apropiadas como el crédito electrónico y redefinir su propuesta de valor combinando sus raíces comunitarias con prácticas de gestión modernas.

Palabras Clave: Resiliencia empresarial; Estrategia competitiva; Descuentos importantes; Innovación; Tiendas de barrio; Comercio minorista.

1. INTRODUCTION

Since 2009, the food retail sector in Colombia has undergone a profound reconfiguration driven by changes in consumption habits, the emergence of new commercial formats, and competitive pressures. This phenomenon has challenged the survival of iconic neighborhood stores, forcing them to reinvent themselves in the face of an increasingly segmented and efficient market. The expansion of low-cost chains such as D1, Ara, and more recently, Isimo, has redesigned market dynamics, imposing a model based on competitive pricing, aggressive expansion, private labels, and efficient logistics operations, which in 2023 accounted for 40.7% of total retail sales in the country (Flores, 2025). In line with Studerus (2024), discount stores have achieved a dominant market penetration, skyrocketing from 36% in 2015 to 99.5% in 2024, while annual household spending escalated from $261,000 pesos to $2.2 million during the same period. This leap is largely explained by the 17% increase in the average purchase ticket during 2023-2024, reflecting changes in consumption habits and the operational efficiency of this commercial format.

On the other hand, neighborhood stores, historically rooted in communities, have been much more than mere points of sale. According to Ávila et al. (2020), these stores represent an irreplaceable economic, social, and cultural axis, offering personalized service tailored to the immediate needs of consumers. However, their ability to compete has been compromised by the expansion of low-cost supermarkets, which not only rival in prices but also strategically establish themselves in the same neighborhoods, altering the proximity dynamics that characterize local merchants.

This competition has generated tensions between two antagonistic economic models: hard discount, based on globalized efficiency and standardization, and neighborhood stores, which operate under proximity and reciprocity economies. According to the Dichter & Neira study (as cited in Colorado, 2024), 41% of merchants perceive these chains as their main threat, surpassing even modern chain supermarkets (10%) and neighborhood supermarkets (32%). This data not only evidences an unbalanced competition but also a shift in the perception that small merchants have about their place in the market.

In terms of employment generated, 72.1% of microbusinesses employed only one person in 2023. Of the 774,692 workers identified for that year, more than 70% were also the owners, and only 14% were paid employees (Delgado Gómez, 2025). Therefore, the decline of neighborhood stores would have profound economic and social implications. This scenario also demands reflection on the role of public policies and the private sector in their preservation.

A deep look into recent dynamics in Colombian retail reveals two strands. The first includes modern retail businesses characterized by economic power, technology use, qualified human talent, and a wide variety of commercial formats of different sizes and ways of presenting their product and service offerings (Ávila et al., 2020). From large supermarket chains to specialized stores and e-commerce platforms, each type of establishment provides a particular experience that attracts different consumer profiles. This variety expands the customer base and allows retailers to innovate with new strategies and adjust to emerging trends.

As low-cost supermarkets consolidate their position as the largest players in retail sales, even displacing actors from the modern channel such as Éxito stores, the second strand is the traditional T to T channel, where neighborhood stores face increasingly complex challenges. Fenalco (2024) identifies factors such as declining sales, high utility costs, rent, and the health tax as the main threats to their survival. According to this source, in the last semester of 2024, 82% of stores experienced a reduction in sales, with 53% reporting a decline and 29% maintaining stable figures. In light of a critical analysis, all of this reflects a perfect storm: fiscal pressure, unbalanced competition against the hard discount model, and limited adoption of technological tools for efficient store management

Despite this scenario, neighborhood stores play an essential role in Colombian communities. According to Vargas et al. (2021), the neighborhood store is not an abstract space; the interaction between buyers and sellers must consider a physical context that includes the place, territory, and specific environment within a region and, therefore, a country. With this in mind, it is not surprising to assert that neighborhood stores are imbued with the DNA of Colombia's popular sectors, which is why their decline cannot be analyzed solely from an economic perspective. As emphasized by Femsa (2024), these businesses are spaces of collective memory and community ties that transcend commercial aspects. Consequently, their disappearance would represent a significant cultural loss, altering the social interactions that have historically characterized popular sectors.

Certainly, there is a structural transformation in consumption habits, favoring chains with competitive prices, efficient logistics, and aggressive marketing strategies, in contrast to the family and community model of neighborhood stores. In this context, it is key to understand the current situation of the fiado. The practice of 'fiado' in neighborhood stores, where products are sold on credit with deferred payment, is a traditional and deeply consolidated custom in Latin America. While it might superficially appear to be a high-risk commercial strategy, a detailed examination reveals its continued existence is driven by complex economic and cultural factors that extend beyond simple transactions (Piedrahita Lopera, 2025).

Therefore, it is crucial to strengthen 'fiado' as a fundamental instrument that cultivates community loyalty toward merchants. This practice, rooted in trust and flexibility, provides a distinct competitive advantage over low-cost retailers. However, Fenalco (2024) highlights that the economic crisis and low sales have led to a decrease in 'fiado' by up to 54%. Due to this situation, an additional element emerges that unveils the current landscape of neighborhood stores: a useful tool for fostering community loyalty and differentiating them from hard discount supermarkets is going through a gray stage.

To address the key strategic questions that arise for the future of neighborhood stores, and to establish robust strategies ensuring their survival and competitiveness in the Hard Discount era, this article will rely on a solid conceptual framework detailed in the following section, which integrates the perspectives of competitive forces and disruptive innovation. Specifically, how can neighborhood stores formalize and strengthen 'fiado' to leverage existing customer loyalty? What collaborative networks might enable merchants to achieve greater scale and improve supplier negotiations? And what technological solutions are essential for optimizing inventory management and enhancing their competitive standing? Addressing these questions is crucial for developing robust strategies to ensure the survival and long-term competitiveness of Colombian neighborhood stores amidst a golden age for Hard Discount retailers.

2. METHODOLOGY

The methodology focuses on a qualitative-documentary analysis, combining systematic review with thematic triangulation. Secondary sources from the last 10 years were prioritized, filtered by geographical relevance (Colombia) and thematic relevance (retail). The process included: (1) mapping sector trends; (2) critical contrast between HDS models and neighborhood stores; and (3) strategic reflection based on theories of innovation and competitiveness. Limitations were mitigated through cross-verification of data and consultation with local experts.

This reflective article arises as a result of the training process developed within the framework of the Master's in Management. Throughout the program, there was an in-depth understanding of how innovation acts as an essential engine for organizational transformation and adaptation in dynamic business environments.

3. THEORETICAL FRAMEWORK

Hard Discount Store (HDS)

The origin of the Hard Discount Store (HDS) model dates back to 1948 in Germany, emerging as a response to the economic crisis following World War II. This context of scarcity and the need for basic products at low prices drove the creation of commercial formats focused on efficiency and low-profit margins. In the small town of Essen, brothers Karl and Teo Albrecht, motivated by the difficult living conditions of their neighbors and the limited access to basic products, founded Aldi, recognized as the world's first hard discount supermarket chain (Martin, 2024).

In Colombia, the history of HDS begins in 2009 in the municipality of Itagüí, specifically in the San Pío neighborhood. "With a branch in Medellín, Tiendas D1 was the main initiator of this trend 16 years ago" (Flores, 2025, para. 4). Today, Botero (2024) highlights that Tiendas D1 has established itself as a key player in the Colombian retail sector, particularly within the hard discount format. In just over a decade, it has expanded to 2,400 stores across 29 of the country's 32 departments, notably absent only in Guainía, Vaupés, and Vichada. In 2023, the chain reported operational revenues of $17.39 trillion, underscoring its substantial impact on the national market.

Beyond competition in the retail sector, the figures confirm that the HDS model acts as a catalyst for formal employment, especially in regions with fragile labor markets. "A study by the Banco de la República concluded that the presence of these establishments in a municipality can increase formal employment by 2.9%, representing a 10% increase in intermediate municipalities" (America Retail, 2025a, parr. 11).

Neighborhood Stores

While HDS represents a new paradigm, it is crucial to understand the long-standing role of traditional neighborhood stores. For decades, neighborhood stores have been a fundamental element in the economic and social structure of the country. They emerged as small family establishments that, in addition to offering basic products, became meeting points for communities. In Bogotá, there is Guymaraez, "the oldest store in the country, founded in 1819, and due to its age, it has witnessed numerous events in national history" (Herrera, 2024, parr. 2).

Neighborhood stores continue to be a fundamental pillar of the national economy. There are approximately 500,000 such establishments, which account for 40% of the total volume of commerce in the country and sustain the source of income for about 575,000 people directly employed in this segment (Fenalco, as cited in Pinzón Lemos, 2025).

Conceptual Framework

According to Toledo et al. (2020), the Hard Discount model is primarily defined by its focus on low prices and narrow margins as the central tenets of its commercial strategy. This vision is complemented and expanded by Piedrahita's (2024) operational perspective, which identifies key pillars that make this pricing policy viable: reduced product offerings, a preference for private labels, and minimized operational costs. The connection between both definitions lies in the fact that the operational elements described by Piedrahita (2024) are the concrete mechanisms that allow the materialization of the principle of low margins proposed by Toledo et al. (2020).

In the HDS model, diverse store formats exist, particularly classic hard discount stores and newer iterations. These formats exhibit substantial differences in their product portfolios and retail area sizes (Molina Valencia et al., 2019).

From an operational perspective, neighborhood stores are typically characterized by a service counter that physically separates the seller from the customer, thereby preventing direct consumer access to products. Furthermore, in these establishments, over half of all sales are for products consumed outside the premises, highlighting their role as rapid supply points for immediate needs. This business model is commonly managed by one or more employees who provide personalized customer service (Teamcore, 2022).

To understand and address the key critical factors and pressure components of the HDS model on the traditional channel, this article is based on Porter's Five Competitive Forces model (1979). Additionally, principles of disruptive innovation (Christensen, 1997) are integrated to propose an adaptive resilience strategy aimed at Colombian neighborhood stores.

Figure 1.
The Five Forces That Shape Industry Competition

Note: (Porter, 2008, p. 2).

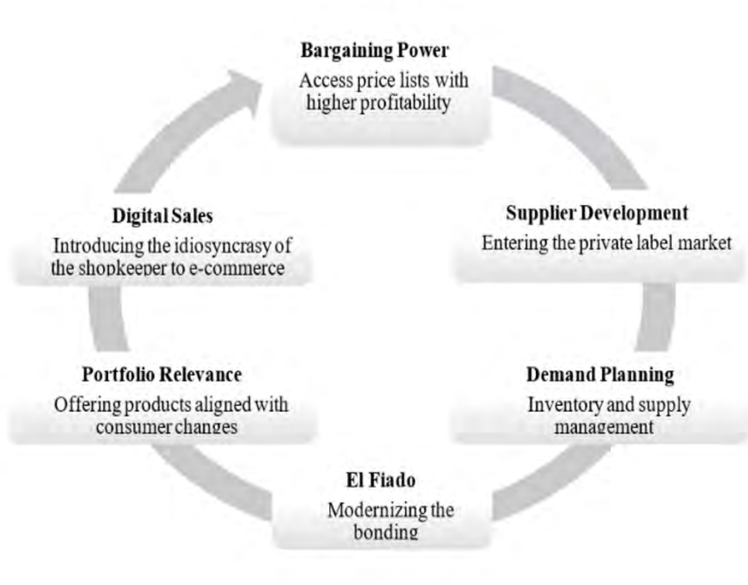
When considering exogenous and endogenous variables that present themselves as the key critical factors in the neighborhood stores' environment, the following are identified: 1) bargaining power with suppliers, 2) supplier development, 3) demand planning, 4) credit sales, 5) portfolio relevance, and 6) digital sales.

In the following table, the relationship between the critical factors identified in this article and the conceptual bases that support the proposed strategy for the survival and competitiveness of neighborhood stores in Colombia is observed.

Table 1.
Relationship Between Critical Factors, Porter, and Christensen

Critical Factor	Linked Porter Force	Contribution of Christensen (Disruptive Innovation)	Example Applied to Neighborhood Stores
1. Bargaining Power with Suppliers	Supplier Power (Force #1)	Simplified technologies to reduce dependency.	Networks of merchants buying directly from producers, avoiding intermediaries.
2. Supplier Development	Threat of New Entrants (Force #5)	"Good enough" models: Local suppliers with basic but accessible products.	Alliances with micro-entrepreneurs to supply fresh products at low cost.
3. Demand Planning	Competitive Rivalry (Force #3)	Low-cost predictive tools.	Use of simple data (seasonal sales) to adjust inventories.
4. Payment Methods	Buyer Power (Force #2)	Financial disruption: Digital payments without costly infrastructure.	Accept bank transfers or stable cryptocurrencies to compete with HDS.
5. Portfolio Relevance	Threat of Substitution (Force #4)	Focus on "jobs to be done": Sell what the customer really needs.	Include non-traditional services (bill payments, deliveries) to foster loyalty.
6. Digital Sales	Competitive Rivalry (Force #3)	Accessible platforms (WhatsApp, Instagram) as an alternative to complex apps.	Digital catalog via WhatsApp with orders by message.

Figure 2.
Factors Claves de Criticidad



Note: own elaboration.

Power of Negotiation

In the retail sector, cultivating buyer-supplier relationships founded on collaboration rather than transactional exchanges is crucial for securing advantageous financial conditions, consistent quality, and robust commercial support. Ávila et al. (2020) contend that individual merchants possess limited bargaining power to implement effective competitive strategies. Recognizing this, they propose association or cooperation among merchants as a viable alternative. However, their research reveals a clear divergence in perception: only 29.9% of merchants consider this option viable, while 30.7% reject it, and 39.4% remain undecided.

The root of this weakness is that the limited bargaining power of neighborhood stores stems from a fragmented purchasing model, where individual merchants acquire goods without leveraging economies of scale. This atomized approach prevents them from accessing preferential pricing or quantity discounts, which are crucial advantages for Hard Discount Stores (HDS) operating with centralized procurement. Confirming this, Rivera (2018), in an analysis of neighborhood stores in Usaquén, identifies their limited bargaining power with suppliers as a critical weakness. This situation directly contributes to higher operational costs, further exacerbating their competitive disadvantage against retailers with greater scale capacity.

In this scenario of unbalanced competition, neighborhood stores face increasing challenges from large discount chains and major retailers that surpass them in pricing, product variety, and promotional capacity. Their smaller operational scale restricts purchase volumes, which, in turn, inflates costs and diminishes competitiveness. This disadvantage is further exacerbated by their more limited product offerings and the absence of structured loyalty programs, features commonly found in supermarkets (America Retail, 2025b). Consequently, while Hard Discount Stores (HDS) optimize costs and flexibly adjust margins to offer low prices, traditional stores remain encumbered by a high-cost structure that severely compromises their competitive standing.

Supplier Development

This factor is pivotal for the potential creation of a unified private label or brand among neighborhood stores. Developing such a label would ensure a consistent identity across packaging, logistics, and quality standards, facilitate exclusive production adaptable to seasonal demand, and enable agile innovation responsive to local consumption trends. In her analysis, Sánchez Duarte (2018) indicates that, unlike discount stores, neighborhood stores do not feature private or own-label brands; their offerings are limited to recognized brands. This situation significantly restricts their ability to implement discount strategies for customers. This contrasts sharply with the hard discount model, which is fundamentally characterized by a predominant focus on private labels, directly developed and managed by their respective chains.

The effectiveness of this approach is reflected in the fact that the private labels of hard discounters are capturing a significant share of household consumption. Currently, 32% of the total purchase volume corresponds to private labels, with the remaining 68% attributed to manufacturer brands. Notably, the share of private labels has increased by 7 % points in the household purchase portfolio compared to the previous year (Jaime Garcia, as cited in Lorduy, 2024). Furthermore, these labels have secured substantial market presence in Colombia, accounting for a quarter of food product sales over the past decade (NielsenIQ, as cited in Montenegro, 2024). This phenomenon primarily reflects consumers' pursuit of savings, prioritizing low cost over other attributes like quality, thus demonstrating a heightened awareness in personal financial management.

Demand Planning

Inventory management and demand planning are the backbone of any retail unit; they truly represent the brain of the operation that impacts the strategic axes of the business. However, neighborhood stores, while playing a key role as providers of immediate solutions for the community, often exhibit evident shortcomings in managing their inventories. This is manifested in recurring problems such as product availability, the display of expired or damaged items, and a lack of control over stock (Hurtado, 2023).

To delve deeper into these deficiencies, Hurtado's (2023) research on neighborhood stores in Commune 3 of Girardot reveals significant inefficiencies in inventory management. Specifically, 36% of shopkeepers rely on manual 'paper sheets,' while an additional 30% operate without any formal system (p. 50, para. 2). This critical deficiency, impacting nearly two-thirds of respondents, severely constrains their capacity for informed decision-making in procurement and sales. Consequently, shopkeepers are highly susceptible to stockouts and economic losses.

This underscores an urgent need for adaptive supply management technologies tailored to their specific social and cultural contexts. Further, regarding order frequency and analysis, Hurtado's study highlighted that merely 22% of shopkeepers place orders with suppliers proactively, before stock depletion, thus compromising their ability to consistently meet customer demand

The Fiado

According to Piedrahita Lopera (2025), 93% of Colombian households regularly purchase from neighborhood stores, with 86% of merchants believing that el fiado fosters customer loyalty and encourages repeat business. Despite the inherent financial risks, this practice has become a cornerstone of the informal economy, enabling families to manage their variable incomes and ensure consistent access to essential products. In contexts where formal credit is scarce, el fiado emerges as a vital solution attuned to the socioeconomic realities of popular neighborhoods.

However, for el fiado to maintain its vitality and adapt to a changing environment, a significant dilemma must be addressed: Nielsen's analysis (2021), as cited by Hurtado Sichacá (2022), highlights a crucial dilemma for shopkeepers interested in adopting technology: the perception of high maintenance costs combined with a lack of access to formal bank accounts. Although many shopkeepers' express willingness to modernize, this financial barrier significantly limits their capacity to implement solutions that could optimize their operations.

Thus, the interconnection between these economic and technological limitations becomes evident, affecting neighborhood stores' capacity to adapt to their communities' needs and modernize. Undoubtedly, this gap in technological perception becomes a barrier that hinders the implementation of technological credit sales. Given its relevance, it is essential to ensure the sustainability of credit sales with technological tools that mitigate risks and allow for scaling, without losing their social and cultural essence.

Catalogs Relevance

The products that make up the portfolio of neighborhood stores should respond to the accelerated sociocultural transformation of consumers: pet products surpass children's products due to the rise of singlehood and childless families; electronic cigarettes displace traditional tobacco in light of anti-tobacco policies and perceptions of lower risk. This defines the objective of an optimal portfolio aligned with customer needs while maintaining healthy inventory levels.

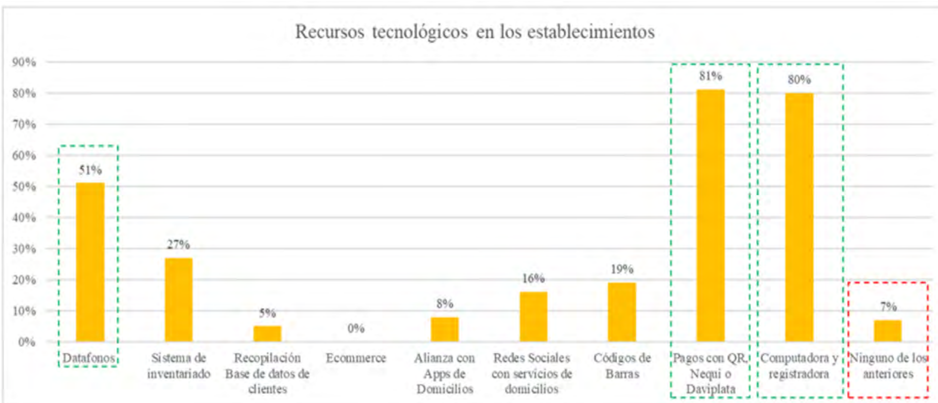
Even though Kantar (2022) highlights the predominance of soft drinks in Colombian families' store purchases, suggesting their role in satisfying basic needs, evolving habits demand product assortment diversification. For example, it's becoming necessary to include healthier products, aligning with current trends toward responsible consumption. Thus, lines such as low-alcohol, low-sugar, and low-saturated-fat beverages reflect "health as a new luxury," prioritizing practicality, sustainability, and experience. These shifts compel shopkeepers to migrate inventories toward emerging categories, combining sales data with local trends to avoid obsolescence.

Digital Sales Channel

Beyond the operational and technological challenges faced by neighborhood stores in portfolio relevance, another critical factor disadvantaging neighborhood stores against traditional and modern retail channels is their limited adoption of digital sales channels. Research by Hurtado Sichacá (2022), focusing on 4.0 technologies and digital marketing adoption in Chapinero, underscored the imperative of identifying effective strategies for implementing an omnichannel presence in these stores. This involves leveraging resources and partnerships with private entities or associations to facilitate such digital integration.

Figure 3.

Technological Resources in Establishments



Note. (Hurtado Sichacá, 2022, p. 56).

In this sense, and as illustrated by Figure 3, an analysis of the accompanying graph indicates that the adoption of e-commerce, social media, delivery applications, and customer data collection is currently negligible among neighborhood stores. Supporting the potential of such tools, Vega Oñate et al. (2024) suggest that these digital applications, whether developed in-house or by third parties, offer functionalities such as comprehensive product catalogs, transparent pricing, diverse payment methods, and efficient delivery options. Furthermore, these platforms often enable real-time order tracking and can assist sellers in recording orders and managing inventory effectively.

Nevertheless, experiences such as those documented in Peru demonstrate that innovation through digital means is achievable even in precarious environments. According to Acuña Sillo (2021), Peruvian bodegas succeeded in receiving orders via WhatsApp and social media platforms, organizing deliveries using simple methods, and leveraging mobile technologies to facilitate contactless payments. This evidence suggests that the progressive adoption of accessible and functional digital solutions can serve as a critical entry point for these establishments to initiate meaningful digital integration.

Even so, a significant underlying factor exacerbating the difficulties faced by neighborhood stores is the prevalent lack of training and low educational attainment among shopkeepers. A study by Rivera (2018) on the competitiveness of neighborhood stores in Usaquén revealed that a significant 75% of surveyed shopkeepers lacked a professional degree, with only 10% having completed primary education (p. 19, parr. 1). This limited formal education and professional training consistently emerges as a critical barrier, significantly restricting shopkeepers' capacity to enhance their competitiveness. Without the requisite knowledge and appropriate tools, these merchants confront substantial obstacles in adapting to an increasingly demanding and dynamic market environment, thereby jeopardizing their long-term sustainability and success within the sector.

4. REFLECTION

The strategic framework proposed in this article for the survival and competitiveness of Colombian neighborhood stores in a context dominated by the Hard Discount model focuses on the following key axes:

Neighborhood Stores in a Collaborative Network

The first strategic axis seeks to replace fragmented competition with a collective force that allows for group negotiations with suppliers, creating a unified ecosystem: a Shared Distribution Center (CEDI) aimed at centralizing mass procurement by region at the national level, reducing purchase costs through economies of scale. For suppliers, the model is doubly attractive: it guarantees presence in multiple points of sale without assuming the last mile, as the CEDI takes on final distribution with optimized routes, translating into lower logistics costs and more competitive prices. Logistics operates on two levels: as an intelligent network serving both urban and rural areas, and as a consolidation hub for private labels and priority products. Thus, operational scale is achieved without sacrificing the local identity of each store.

The Chilean experience in public procurement, as documented by the OCDE (2017), demonstrates that demand aggregation enhances buyers' negotiating power through mechanisms such as framework agreements and digital catalogues. While this approach applies to the public sector in Chile, its principles may inform strategies relevant to Colombia's traditional retail sector. In this context, collaborative networks among small retailers could consolidate purchase volumes, strengthen their bargaining position with wholesalers, and promote formalization. The adoption of shared digital catalogues would foster transaction transparency, while the integration of technological tools could streamline logistical and contractual processes. Although these proposals are not directly stated in the OECD report, they are derived from an analytical extrapolation of its findings to Colombia's commercial environment, particularly in peri-urban and rural areas.

Revolution of Traditional Fiado

Parallel to network collaboration, it is imperative that the traditional fiado system transforms into a modern credit sales system supported by financial resources on a fintech platform adaptable to store networks. Inspired by cases like Sistecredito and Addi, it would integrate: 1) Community credit history with basic scoring, 2) Automated credit limits based on the shopkeeper's cash flow, and 3) Flexible payments via QR codes or transfers. The key innovation is that data is shared among allied stores, reducing delinquency through cross-early alerts while preserving personal trust. The transactional nature of credit sales supports another fundamental component, which is the supply for each store; higher sales through credit sales lead to greater financing capacity for procurement.

The transformation of traditional fiado into a modern credit system for neighborhood stores finds strong support in the growing prominence of Fintech in the financial inclusion of Colombian MIPYMES. Recent studies, such as that by Montaño Gómez and Martinez Díaz (2021), highlight how these platforms facilitate access to and use of financial services through technological innovations. This boosts the financial well-being and growth of small businesses but also, in turn, establishes the groundwork for more formal and efficient credit management, where the credit risk is assumed by the Fintech and not the shopkeeper.

Collective private label

Complementing the network strategy and the modernization of fiado, supplier development under strategic alliances is crucial for building the "Mi Barrio" brand, which can serve as a white label and a symbol of collective identity. More than generic products, "Mi Barrio" can offer assortments with local DNA: from specialty coffee for coffee-growing areas to regional fruit snacks in sustainable packaging. The realization of the white label is based on developing suppliers selected for quality, price, and agile innovation capacity, attracted by the sales volume of the network of shopkeepers. The packaging design will include QR codes linking to the stories of the shopkeepers, creating emotional connections.

Furthermore, the potential to develop collective brands adds differentiated value, while the generated data allows for more informed decision-making at both individual and community levels. This model represents a scalable and sustainable alternative for modernizing traditional commerce without losing its essence.

Intelligent Supply Management

To further optimize operations and strengthen the network, intelligent supply management is proposed. The network of stores would operate and integrate through a single integrated system that combines predictive technology with collaborative operational models. It utilizes algorithms that analyze historical sales data alongside contextual variables such as available inventory, weather patterns, or local events, enabling more accurate demand forecasts tailored to the real needs of each establishment. The system includes automated alerts notifying when inventory levels fall below established thresholds, with the possibility of adjusting these parameters according to specific seasons or consumption cycles. Additionally, it facilitates collaborative purchasing by aggregating orders from multiple stores, allowing for better negotiating conditions with suppliers thanks to consolidated volume. Consequently, in terms of impact, the intelligent supply platform optimizes operational costs and, at the same time, reduces reliance on intermediaries and improves access to quality products, creating a virtuous cycle that benefits shopkeepers, local suppliers, and consumers.

Digital Sales Channel

Finally, to ensure a comprehensive competitive advantage, the strategy contemplates the implementation of a digital sales channel. The integration of the POS system and supply management with this digital channel (that is, the externalization of the available catalog of each store linked to the network) would be based on integration and harmonization, bringing WhatsApp Business to life. This solution would allow for managing orders, updating inventories in real-time, electronically invoicing, and issuing digital receipts without requiring expensive equipment. Customers could send their orders via chat, receive automatic confirmation with prices and availability, and pay via links or QR codes using credit sales.

A fundamental aspect of this implementation is geolocation to assign each order to the closest store to the customer. Through a simple application or integration with Google Maps, the system would automatically identify the available store within a 500-meter radius, optimizing logistics and delivery times. This enhances the customer experience and equitably distributes sales among shopkeepers in the same area.

5. CONCLUSIONS

This article reveals the situation of neighborhood stores in Colombia, which find themselves at a turning point where their survival depends on their ability to transform structural weaknesses into strategic opportunities. Faced with the unstoppable advance of hard discount chains, which have captured over 40% of the retail market, these small family businesses must evolve toward a model that combines their community roots with modern management tools. The key lies not in competing directly on price, where they can hardly match the economies of scale of larger players, but in capitalizing on their differential advantages: the close relationship with customers, deep knowledge of local dynamics, and flexibility to adapt to specific needs.

To facilitate this evolution and capitalize on their advantages, the proposed strategy suggests a path based on three complementary dimensions. First, associativity emerges as a fundamental mechanism to overcome current fragmentation. By joining collaborative networks, neighborhood stores could gain scale in their purchases, access better conditions with suppliers, and even develop their own brands that reflect local identities. Second, the adoption of appropriate technologies, from basic inventory management systems to digital platforms for credit sales, would allow for optimizing operations without requiring significant investments. Lastly, redefining their value proposition by incorporating complementary services and products adapted to new consumption trends.

Collectively, the implementation of this strategy presents a viable alternative to preserve these establishments and, additionally, creates an opportunity to rethink retail from a more inclusive and sustainable perspective. Well-managed neighborhood stores can become nodes of local development, generating employment, keeping capital circulating within communities, and preserving social fabrics that mass formats can hardly replicate. However, their successful transition will require efforts from shopkeepers and support from public policies that facilitate their formalization, access to financing and training, as well as collaboration from the private sector in developing solutions tailored to their needs.

Ultimately, the resilience of neighborhood stores will depend on their ability to balance the best of their tradition with a renewed business vision. More than a problem to be solved, they represent an opportunity to build a more diverse retail model, where efficiency and warmth, scale and personalization, global and local coexist.

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