



Public Petitions Committee
The Scottish Parliament
Edinburgh
EH99 1SP

January 17th 2014

Dear Convener

Petition PE01497: Supermarket expansion on local high streets

I am writing in response to the above petition in order to outline why, contrary to the assertions made in the petition, the growth of smaller format stores is a benefit to the economy and supports communities across Scotland.

As the leading trade association for the sector, the Scottish Retail Consortium (SRC) represents the full spectrum of Scottish retail, from small independents to large multiple retailers, covering town centre, out of town, rural and online.

In so many aspects, retailers are closely connected to the communities in which they operate – not least through the jobs they provide. Retail is Scotland's largest private sector employer – with approximately 235,000 jobs, around 1 in 8 Scottish households has someone who works in retail. Our flexible employment opportunities enable people from the broadest range of backgrounds and abilities to be economically active and independent.

Since the financial crash in 2008, all of the major indicators of high street health including footfall, store vacancy and, crucially, retail sales growth have demonstrated that many high streets across Scotland are struggling to attract the requisite level of custom and investment to keep them viable. Over 1 in 10 retail premises sit empty on our high streets, a situation which has been exacerbated by many small and independent retailers closing up shop but also due to some big retailer casualties. Accessibility, the cost of doing business on our high streets – specifically, unsustainable levels of business rates - squeezed household incomes and low consumer confidence have been some of the major reasons for this change.

However, fundamental structural changes in the retail sector have also played a significant part. Customers shop in different ways – for basic necessities and luxuries, as a weekly routine, on impulse or as a leisure activity – so having the broadest range of shopping channels for maximum flexibility and convenience is fundamental to modern lifestyles. That is why in Scotland today the customer can - rightly - choose from an increasingly diverse range of shopping locations and channels. The choice spans town centres and out-of-town retail parks, neighbourhood shops close to home, and the rapidly growing online and multichannel offer which now accounts for around three-quarters of non-food sales growth.



The rise of smaller format supermarket stores is a direct response to these structural changes which are being driven by changing consumer shopping habits, population increases and growth in urban and single living. These stores satisfy consumer appetite for value; they offer a range to reflect their locality, and improve the sales experience by offering fresher food, new ranges, lower prices, and better store environments. In short, they are well placed to meet changing needs.

These stores also help customers to shop locally and benefit other retailers around them by increasing footfall in their area, often on struggling high streets. They also deliver a multitude of other communal services including a central meeting-place, somewhere for local groups and politicians to engage with people as they shop, an outlet for local products, cash points, notice boards and newspapers, information on nutrition, recycling facilities, etcetera.

Above and beyond all this these retailers are also passionate about their wider social obligations, and about doing even more through their community programmes. This includes support to charities, schools, clubs and other groups by fundraising and financial support, through staff volunteering, through health, sport, environmental and educational projects. In Edinburgh, for example, one retailer has worked closely with the city's Business Improvement District 'Essential Edinburgh', contributing more than £1 million per annum to improving the city centre for the benefit of the wider community.

The entry by operators of mid-sized and larger grocery stores into the smaller store sector is not, as the petition suggests, anti-competitive. If entry by these retailers brings low prices (thanks to the larger multiple retailers, consumers in Scotland pay around 5% less than their European counterparts for a standard basket of goods) and an improved retail offer to the convenience store sector, consumers will benefit. Demonstrating value will be more important than ever within the convenience market in the years ahead and it has been this sort of competition between the larger grocery stores that has gone some way in insulting budget-conscious households from rising food prices.

Local authorities have an important enabling role in helping a more coherent vision of the high street and town centre emerge. When local authorities develop local plans, they should be open about consulting with private and public sector partners and work with neighbouring authorities where appropriate to create a wider strategic approach to development. However, in order to enable a vibrant, diverse high street or town centre local authorities must put customers first and not strike dividing lines between big names and independents or town centre and others.

It is unfortunate that the petition seems to misunderstand and misrepresent these facts of why Scottish high streets and the retail sector are changing and that it is demographic and lifestyle developments coupled with technological innovations and an increasing desire for greater value for money that is driving the change.

Please do not hesitate to contact me if you would like any further information.

Yours sincerely

David Martin
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