



Press Release

31st October 2007

The UK grocery sector does not meet the needs of more than 30% of the adult population – the Competition Commission fails to act.

Today, the findings of the Competition Commission's Groceries Market Investigation fail to recognize that the demise of local shops and convenience stores means that the UK grocery sector does not adequately serve four significant groups of the adult consumers.

Consumer focused research for the British Brands Group has identified four groups of consumers that are significant in size (32.8% of the adult population in aggregate) and are disadvantaged by the ongoing decline in independent and specialist stores – older people (>70); wealthier shoppers; ethnic groups; and single parents with dependent children.

The key findings of the research into whether the UK retail market serves shoppers well are:

- ▶ Supermarkets serve many of UK consumers' needs well. However, supermarkets often do not offer what other stores can offer, can be inaccessible and do not cater for all parts of society. It is clear that supermarkets alone cannot meet everyone's grocery shopping needs, and that it is in the interests of shoppers to have a thriving local convenience and specialist retail sector.
- ▶ Being close to home and being able to walk to the store are key reasons to use convenience stores. The majority in each consumer group think it's good to have a local c-store nearby. Although the majority of the population use cars or carry out their shopping, there was still 27% of the population in households without the regular use of a car in 2001. There were no cars in almost half of lone parent households with dependent children, and in 69% of single person households where the householder is over the state pension age.
- ▶ Price is an important driver of store choice, but is not the only reason for any group of consumers, and is a secondary reason for many shoppers. Quality, range and access are other key factors.
- ▶ The supermarkets' offer of "all under one roof" trumps the quality, service and convenience offered by other store types.
- ▶ The provisional findings of the Competition Commission's investigation state that a lack of competition in certain local market disadvantages consumers. In response the Commission highlights facilitating greater supermarket competition within these areas. The British Brands Group underlines that local convenience stores are also essential to provide competition, diversity and consumer choice in a local given area.

John Noble, Director, British Brands Group, said:

“Shoppers are not homogeneous. Different consumers have very different attitudes and needs from each other and these can only be met by a diversity of grocery stores. Price is important to everyone but many value quality, range and convenience more. If local convenience and specialist stores continue to decline in numbers, we can expect consumers to become increasingly dissatisfied with the choice of stores they have”.

NOTES TO EDITORS

The British Brands Group

For more information and further background briefings on this subject please visit the British Brands Group website: www.britishbrandsgroup.org.uk.

The British Brands Group was founded in 1994 as a non-profit-making membership organisation. Its primary role is to speak out authoritatively on behalf of brand manufacturers and represents them collectively when commercial and regulatory issues threaten both their value and their ability to be a positive force in society.

While the Group’s work focuses primarily on UK policy makers, it also works hard at deepening public understanding of how brands benefit consumers, society and the economy through the provision of choice, value for money and innovation. The Group also provides the prime forum for its members on brand-related issues.

The British Brands Group is part of a global network of similar brand associations, and is the UK representative of AIM, the European Brands Association, based in Brussels.

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