

# A TINY EXAMPLE OF A BIG EFFECT

## The impact of a supermarket opening on one village shop

At the RSA, we have consistently tried to point out that there is a downside to the headlines on supermarket openings. The problem is that it is very easy for a supermarket to say we are going to create X number of jobs (even if most are part time and low paid), whereas the jobs that are destroyed are spread over a wide geographical area and over a long time period. Here is a tiny case study that may help to illustrate what happens.

Ilton is a village in Somerset, about eight minute's drive from Ilminster, a market town that dates back to the minster's foundation in the 9<sup>th</sup> century. Stan and Polly Church-Morrell took over the local shop and post office in 2003. Taking advice from the Countryside Agency's retail consultant, they invested heavily in the business. With the help of a government-funded grant, they more than doubled the size of the shop through a large extension. The result was a modern and attractive village shop. The impact was very positive, sales in 2005 being up 22% on the previous year.



However, November 2007 was a key turning pointing the fortunes of the store, when a controversial

Tesco store opened in Ilminster. This supermarket, just off the high street, is huge in comparison with the town it serves. It must have more m<sup>2</sup> of sales area than the rest of the town put together.

Sales for Ilton Stores in 2008 declined by 20% compared with 2007, with a further 11% reduction in sales in 2009 compared with 2008. A key factor in this was the Tesco opening. Indeed, we would guess that the Tesco business model for their new store implicitly assumed such figures and that at some point Ilton Stores would close. If so, they were right. Although there were other possible factors, this was the killer.



A full time member of staff left and was not replaced, leaving Stan himself working punishing hours to fill the gap. Shop opening hours had to be reduced. Attempts to sell the business elicited no takers. Trying to interest the village in setting up a community shop, encouraged by the district and parish councils, failed.

Stan sums it up; "It is a bittersweet time for us, having spent a vast amount of time, effort and money in building up a village shop and Post Office that we were very proud of. Unfortunately due to competition and domination by the superstores, coupled with the downturn in the economic climate, we had to free ourselves from a burden that would ultimately have led us to financial hardship, in a business that demands your attention twenty four seven, fifty two weeks a year".



The new shop extension, built with such high hopes a few years ago, has now been demolished. At the time of writing, Post Office Ltd. are still trying to find a home for the post office

This closure, with the overall loss of 3 full-time and 2 part-time jobs, occurred over 3 years after the Tesco opened. Others job losses around Ilminster may have preceded it,

others will come afterwards. Nobody will be keeping count.

And Ilminster is just one of dozens of towns where this is happening.