



# PRESS RELEASE

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## CUSTOMERS NEED LOCAL SHOPS – AND THE STATISTICS PROVE IT

The recently published figures from the Office for National Statistics on recent retail sales make fascinating reading. In July, food prices were 5.7% higher than July 2010. This meant that although sales values in the food sector rose by 4%, this actually represented a fall in volumes by 1.6%. This followed a decrease in food sales volumes in June of 4.1%.

Looking at predominantly food store sales volumes, in July large businesses showed a volume decrease of 2.1%, whilst small businesses actually increased by 1.1%. This is a very significant difference, which could be the start of a significant new trend. In July, the large supermarket chains were soundly outperformed by their smaller competitors. This is despite their new store development programmes, all their special offers and their own label developments. All that expensive new supermarket real estate may not have been such a good investment after all. We are also seeing the big chains redouble their efforts to develop smaller outlets, such as Asda's purchase of the Netto stores in the UK.

The remaining discounters in the market, notably Aldi, are performing very well, whilst in the mainstream supermarkets the proportion of sales made up of own label products has reached a record high. There are reports of customers buying fewer items on their big supermarket shop and then topping up at their local convenience store later in the week.

Ken Parsons, Chief Executive of the RSA, said, *"The current trend for customers to want to shop more often in convenience stores is only possible where those shops still exist. Unfortunately, in many places they do not. Shortsighted policies in the past have meant that, in thousands of villages and small towns, there are no longer local food shops to provide an alternative to a trip by car to the nearest supermarket. It is important that Government planning policies reflect the new reality that seems to be emerging and do not disadvantage smaller shops and High Streets just at the time they are fighting back"*.

Notes for editors:

**The Rural Shops Alliance (RSA) is the national voice for about 7,500 rural retailers. We campaign on their behalf and also help these shops to become more competitive with practical advice and support, to the benefit of thousands of rural communities. Many 'blue chip' suppliers and county councils sponsor and partner the work of the RSA. Our**

direct contact with rural shops and with these organisations means that we keep in close touch with emerging issues and concerns in our fast changing business sector.

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