

# Rural Retailer

The Journal of the Rural Shops Alliance



Rural Shops Alliance



## Your contacts...

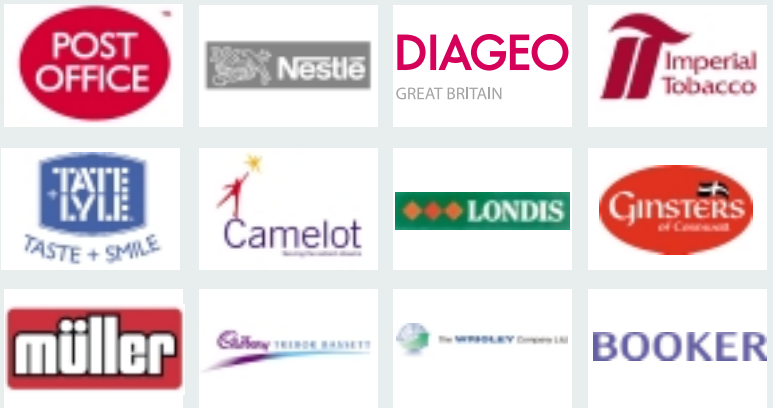
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## Our partners...

The RSA Partners' Programme consists of major blue-chip suppliers and retail services suppliers. The aim of the programme is to build long-term relationships, to the benefit of all rural shops.



- **For more details of our partners please go to the RSA website**

### RuralRetailer

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# Passing laws is easy; making them happen in the real world is hard

Every month, the RSA has the opportunity to respond to consultations on some new government initiative that would affect our members, all claiming to deliver remarkable benefits with negligible downsides.



*RSA chief executive,  
Kenneth Parsons*

The first big problem is that each of these proposals taken in isolation usually does make some sense, although the devil is often in the detail. However, taken together they do make it progressively harder to operate a small shop. Proposals that a large company with its specialist departments can take in its stride cause major headaches when the owner is also manager of their own finance, human resources, I.T., H&S, security, trading standards, marketing and legal departments.

The second big problem is that the issue being addressed often seems well covered by existing legislation. Where there is a problem then the answer from government usually seems to be further laws, “guidance” or regulations.

But coming up with a new policy or law is actually the easier part. It is implementing it, day after day, year after year, in a world of staff working for national minimum wage and customers in all their variety, which is so very hard.

One classic example is the use of fixed penalty notices for shop crime. In itself it seemed a fairly sensible policy, replacing laws that were not

working well. However, many under-resourced police forces treat retail crime as a low priority, there is no system to track repeat offenders and no efficient system to actually collect the fines (in Liverpool, for example, two thirds go unpaid).

What seems a good idea in a smart Westminster office can seem very different to a young female assistant faced with a menacing group of young men in hoodies in an otherwise empty shop.

There are a lot of other examples. New laws pour out from the E.U. and Westminster. Today no individual can hope to read, yet alone digest, all the legislation that might conceivably apply to their shop.

There are so many citizens breaking the laws that the courts cannot cope, so we invent fixed penalties, a criminal system that works without creating criminals and administered by computer.

Is it any wonder that ordinary people get so frustrated when Whitehall policies, established with the best of intentions, contribute to the closure of local shops?

Where there is a problem then the answer from government usually seems to be further laws, “guidance” or regulations.

# The R Word...

Whether or not we are technically in recession, many people feel poorer than they did even a few months ago. As a result, trading conditions are generally not good for retailers – now is not the time to be trying to sell carpets, furniture, cars or other high-ticket items.

For the convenience store sector the figures hide a lot of variation – some shops are doing really well from the economic downturn, whilst others are suffering badly. There has been some down trading by customers, with some farm shops in particular facing lower sales of expensive lines and organic produce. Customers are less prepared to pay a price premium, as you would expect when they feel they have less money to spend. Often the convenience stores that are doing well are those most distant from competition, places where the cost of driving to a supermarket is highest. As a general theme, there have been two competing trends, with higher fuel prices tended to make people shop locally, whilst higher food prices pushed them to shop at supermarkets. The national figures show that the supermarkets, particularly the limited assortment discounters (Aldi, Lidl, Netto – the LADs), are performing far better than the convenience store sector.

## So what impact is the downturn having on rural shops?

There is no simple answer. One shop can be doing very well, whilst another a couple of miles away is suffering. One fact that everyone is facing is that price inflation is currently very high for food – in October food prices were 7.5% higher than the previous year, although now they are expected to fall rapidly. So you need to be

showing a reasonable increase over last year in money terms, just to stand still in real terms.

Our advice is not revolutionary; it is not saying anything that you would not expect. A key part of it is:

**Do not bury your head in the sand and hope the national trends will pass you by. The chances are that they won't.**

Shop owners must actively manage their businesses. In good times you can allow the odd inefficiency, in bad times it is those little flaws that together can make a large difference.

This really is the time to make sure you have the basics right – the shop is clean and tidy, you are stocking the correct lines, you are in-stock of key ranges. It's back to the old saying, "retail is detail". Now, as perhaps never before, you need to make sure that your business is right, in all its facets. And that means right for 2009, not right for 2007.

## Here are a few aspects to look at:

**Offers** – do not give away margin unnecessarily but when times are hard customers appreciate special offers. Even if not many customers take them up, a gondola end of offers gives the feeling that your shop is working hard to provide value for money.



**Products stocked** – now is the time to be ruthless at ditching really slow sellers and investing in stock that is going to move. Keep up to date through the trade press.

**Ranges** – should you refine the product groups you stock – flowers, off licence, greetings cards, low energy bulbs, treat biscuits – do you have the right bases covered?

**Prices** – do you set prices according to what the market will bear? It may demand tighter controls if you do not have EPOS, but price at appropriate price points and move quickly when cost prices change.

**Staffing** – make sure your staff are working when you need them. Work out how much they cost you per minute (remember N.I., holiday pay etc.) and then decide how to make sure they are productive.

**Cost control** – see whether you can save on costs such as banking, electricity and telephones –

particularly when your contract is up for renewal.

**Opening hours** – are they right for your customers? Do you need to stay open an extra hour in the evening to catch returning commuters?

Do you actually need to stay open Sunday afternoon – would most customers come in the morning instead if you closed?

**Marketing** – now is not the time to cut back on marketing. Make sure your customers are constantly reminded that you exist and appreciate their business.

**Symbol group membership** – now may be a good time to review whether it is worth joining a symbol group

**Customer service** – even if your customers are feeling depressed, you have to make sure that when they come to your shop they receive a warm positive welcome.

The tough economic climate means that many consumers are now shopping more often - many 3 or 4 times a week – and are buying on a 'use now' basis.

Both the RSA 'Shop Locally' poster and the Unilever backed My Shop Is Your Shop (MSYS) 'Think Global Shop Local' campaigns encourage this trend.

The RSA poster was free with the last issue of Rural Retailer. A few copies of it are still available - contact Anne Unwin at RSA HO on 01305 259911. MSYS 'Walk & Shop' posters are available as a free download at: [www.myshopisyourshop.co.uk/think.asp](http://www.myshopisyourshop.co.uk/think.asp)

Act now and encourage even more of your customers to Walk & Shop Locally with you.



# A Shop at the heart

Hook Norton is a large village in Oxfordshire with a population of approximately 2,000. Our shop is in the centre of the High Street, the building is over 400 years old and was originally 3 houses. We are fortunate in that we are 5 miles away from the nearest town and 8 miles away from any of the big multiples.

We took over the business in 1989. We were all set to open a farm shop when our village shop was put up for sale, so we bought it. We thought we had the right skills between us to make a reasonable success. Tom's horticultural and business background was a good start, together with my employment experience and recent college course in business and finance.

The best part of running the shop is the variety of work and a different challenge each day. I enjoy wearing different hats and using a mix of skills rather than doing the same job all day. Contact with many different people is also enjoyable, and can make a big difference to my day. The worst part of the job is the spam phone calls trying to sell us something, from a new phone deal, insurance, to timeshares.

We have 1 full time member of staff, and 3 regular part-timers, together with an army of

students who work evenings and weekends. This works very well, but my staff plan sometimes resembles a jigsaw with bits missing. We all have a really good working relationship and very few problems, thank goodness, because I see employment law as very one-sided in favour of the employee. We pay for employment insurance so that we have help with making sure we get it right.

We support the local community in many ways. We provide goods and services for people who are less able to travel outside the village, such as dry-cleaning collection and a home delivery service. We donate to local charities and fund-raising events for the church, school and playgroup. The village also has an annual music festival and beer festival, to which we contribute in various ways.

We have thriving football and cricket clubs, which are our favourite sponsorships, being football fans particularly. When we were approached by the football club to provide, on a limited budget, food for the travelling players to eat on the coach, we put together a packed lunch etc., and they were so impressed that they asked us to take on the post-match catering. I had the idea that we could donate the food instead of the usual raffle prizes, programme advertising and sponsorships, as it was something we could help with practically as well as financially. Word soon spread, and we now do this for the cricket club too, and our cricket teas are famous throughout Oxfordshire.

Our son Joe, who runs the business with us, is also active in the community, having run the Youth Club when younger, served time on the Parish council including 2 years as chairman,



By Gloria Williams, joint shop owner

# of the Community



and is now chair of the school governors. He is also a retained fire fighter in the village.

We like to sell as many local products as we can; homemade cakes are a speciality, cheeses, local cream, etc. This is becoming increasingly important as a part of everyday shopping. Shoppers are gradually becoming more health-conscious, looking at ingredients on packets; I can see an ongoing gradual move toward fresh produce rather than ready meals. One of our recent investments was a new freezer just for fish. This area is a mixed marketplace, and we try to have something for everyone to keep them shopping in the village, but with many more up-market facilities in the area such as farm shops, we have to keep our budget-conscious shoppers in mind. The cost of transport has been an issue for some time now and I think will continue to be so.

Our most recent development has been a floristry department. Tom has recently completed 4 years at college doing advanced floristry and we now employ a part-time florist as well. We now have orders for weddings and funerals, and the business is gradually growing. When the economy slows down (I refuse to use the R-word) we have to be conscious of this, but continue to do what we do best, some good promotions, value for money together with the

odd treat. We trade with Nisa through Select and Save. We have a good three weekly promotion cycle, with competitive deals. I think in the future these are going to have to be even keener and we need to be kept up to date with new products and new developments, as I think the marketplace will be increasingly competitive. We have changed our stocking policy over the last year or so, with the advent of much higher food prices. We have to be more waste-conscious and keep our ordering under control, especially with fresh produce. It is very difficult balancing act.

Most of all, we deliver good old-fashioned service with a smile, which costs nothing. Most visitors to our store comment on the friendly and welcoming atmosphere that I feel is important. I think you have to want to be there for a start and I believe that is also true of staff. Staff training is important, but it is more important to employ the right people in the first place. We recently expanded our range of wines and beers after buying more refrigeration. In the future I would like to offer glass hire, special offers by the case for parties, sale or return etc., along with a delivery service, and possibly expand the catering we do, leading on from our involvement with the sports clubs.



# The OFT Report on Newspaper

The Office of Fair Trading (OFT) has recently published its findings on the newspaper and magazine distribution industry. This is obviously an area of crucial concern for many of our members. However, it is important to remember that this is only advice – the actual decisions will be made by the Department for Business Enterprise and Regulatory Reform.



The OFT has produced three separate documents. They discuss whether the industry complies with the Competition Act, review the current National Newspapers Code of Practice and conclude whether to refer the industry to the Competition Commission (the answer to this last question being “no”). To repeat, the OFT work is not binding on government but it is likely to underpin its decisions.

The current newspaper and magazine distribution agreements provide “absolute territorial protection” (ATP), with wholesalers granted exclusive areas. Hence, over much of the country W.H. Smiths, Dawsons or Menzies have a monopoly. In some areas there may be two distributors, but supplying different titles, whilst in London other arrangements apply. It is fair to say that these distributors attract more than their fair share of criticism from rural retailers, but any changes to the current system need to be looked at carefully. It could be a classic case that new arrangements could create more problems than they solve.

### Competition Act -Newspapers

The OFT has concluded that for newspapers there are good reasons to continue to exempt wholesalers from the normal competition laws:

- 1 Newspaper distribution is very time-critical.
- 2 Newspaper publishers are powerful and can help ensure the system works.

Hence, they are recommending no change to the current exemption from the Competition Act. Exclusive territories can remain in place.

### Competition Act - Magazines

The conclusion for magazine distribution is different, where they conclude that the exemption is hard to justify. In particular, the fact that timing of delivery is not so crucial allows the possibility of more competition, and probably means more companies are capable of distributing magazines than could deal with papers. The parties are now expected to “self-assess” their distribution agreements taking into account the OFT guidance.

### National Newspapers Code of Practice

The current code was introduced in 1994 after concerns that wholesalers were refusing to supply new retailers if they thought that an area had enough newspaper outlets already. The current code compels wholesalers to supply any retailer who agrees to their trading terms, including minimum weekly volumes.

The OFT thinks the market has changed and is advising the government that wholesalers should in future not have to keep to this undertaking. They have three reasons for recommending this course of action.

- 1 Carriage charges now make up a higher proportion of the wholesalers income – hence it is in

# Wholesaling

their interests to have more accounts.

- 2 The publishers are more active in monitoring wholesalers and holding them to account through service agreements.
- 3 Multiples now hold 40% of the market, reducing the need to provide protection for retailers.

## Consultation on Proposal not to Refer to the Competition Commission

The OFT has decided not to refer the industry to the Competition Commission.

## RSA Comment

It is very difficult to see where this might be going – the OFT has rather pushed the whole issue back to the publishers and wholesalers to decide what they want to propose next. The recommendation that the current newspaper distribution arrangements are satisfactory will be disappointing for many shopkeepers, who consider the service they get from their current newspaper wholesaler is inadequate, but it may be beneficial if it guarantees continuity of supply to smaller or more remote accounts.

Releasing the wholesalers from the current requirement to provide a universal service could be of concern, particularly for retailers located in remote parts of the country. It seems possible that carriage charges could go even higher for them. As regards magazines, a more competitive market (if it emerges) could be good news for many

retailers, although in rural areas the logic of one combined newspaper/magazine delivery system is quite strong. A change could lead current wholesalers to be more responsive to retailers' needs – perhaps fewer copies sent unsolicited on sale or return and provision of more ranging and merchandising advice, for example. It could result in magazines becoming more like any other product with a fixed shelf life, available from a range of wholesalers. Conversely, it could lead to the multiples grabbing more special consumer deals or better trading terms. In the same way as small retailers are at a buying disadvantage on grocery lines, so they could be in an open magazine market.

## Your Views

The RSA will be contacting Lord Mandelson, Secretary of State for Business, Enterprise and Regulatory Reform, to put forward the views of rural retailers on this important issue. Before we do, we would very much welcome hearing your comments on how the current system works and how it could be improved. Please access a short questionnaire on our website [www.rural-shops-alliance.co.uk](http://www.rural-shops-alliance.co.uk). Alternatively, phone Anne at our Dorchester office for a paper copy of it. This is an important part of their business for thousands of rural retailers and we really need your views on this matter. We shall also be making a formal representation to the government about the OFT advice. If you would like to put your own views directly to the government, you need to do so before Wednesday, 14 January 2009.

## You need to send written submissions to:

Paul Bannister,  
Competition  
Policy Directorate,  
Department for  
Business, Enterprise  
and Regulatory  
Reform,  
1 Victoria Street,  
London SW1H 0ET

The RSA would appreciate a copy of any letter you do send.

For the original OFT documents, see:

[http://www.of.gov.uk/shared\\_of/reports/comp\\_policy/oft1025.pdf](http://www.of.gov.uk/shared_of/reports/comp_policy/oft1025.pdf)

[http://www.of.gov.uk/shared\\_of/reports/comp\\_policy/oft1026.pdf](http://www.of.gov.uk/shared_of/reports/comp_policy/oft1026.pdf)

[http://www.of.gov.uk/shared\\_of/reports/comp\\_policy/oft1027.pdf](http://www.of.gov.uk/shared_of/reports/comp_policy/oft1027.pdf)

# Christmas Scratchcards are big sellers, so make sure you're well-stocked.



Demand for Scratchcards increases in the lead up to Christmas. In fact, last year total sales of Christmas Scratchcards were up 20%\*. So be prepared, stock up and make sure you display the full range of Christmas Scratchcard games which you should have received. If not, please call the Camelot Scratchcard Telesales Team and we'll top you up.



\*Camelot Sales Figures 2007/8 - % sales uplift against Christmas 2006/07. You must be 16 or over to play or claim a prize. The National Lottery Rules for Scratchcard Lottery Games and Game Procedures for each game apply. © Camelot Group plc 2008

available in small quantities...

# BAGS FOR LIFE



A number of shopkeepers have expressed interest in our bags for life offer but have not been able to order sufficient to have their own bespoke bags printed with their own details.

We now have available a very limited quantity of bags printed up with the RSA logo – see photo – which we can make available in smaller quantities. These are generously-sized, good quality jute bags with contrasting gusset and handles in green. Prices, including VAT and postage, are as follows:

Quantity	Price
5	£14
10	£27
20	£49
30	£71
40	£93
50	£112

- For larger quantities please contact Anne at our Dorchester office on **01305 259911** for a price.
- Please send your orders to **RSA, Little Keep, Bridport Rd., Dorchester, Dorset, DT1 1SQ**

## THE OTHER SIDE OF THE COUNTER

By Sue Gudgeon

This paperback is an account of how Sue and Keith Gudgeon took over the run-down shop in the Somerset village of Charlton Horethorne and brought it back to success over a seven year period, before retiring in 2003.

The book is priced at £10.00 including post and packing and is available from the author at Quarry Cottage, Charlton Horethorne, Sherborne, Dorset DT9 4NS

## An ideal Christmas Gift idea?



# WINE Ranging and

## How important is wine?

The wine market is huge overall and is a very important category within the convenience store sector. Many customers want to be able to buy wine locally for fairly immediate consumption. And from the shopkeeper's view, a bottle of wine is a relatively high value purchase with a good cash profit.

To maximise your wine sales, you need to balance the desire of customers to have a wide choice but at the same time not to overload them with too many options – a “wall of wine” can be intimidating to some buyers. The display should be easy for customers to understand and find what they want. It should also encourage impulse purchasing and encourage them to trade up to better and more expensive wines.

**Wine Sales by Colour**  
by value in convenience stores

White	47%
Red	42%
Rose	11%

## What is the perfect range?

The most obvious way to categorise wine is by colour, followed by nationality and then grape variety. Hence it is important to get the range size correct but also to have a broad mix of lines within it. As with most product categories, best sellers will make up a high proportion of sales. If you have the space, best sellers should have two facings, allowing a full case to be stocked on-shelf. For slower sellers, one facing only will suffice in a typical store. Your wine range should broadly reflect the national market shares by colour and between New and Old World wines – see tables for these breakdowns. It is also a good idea to have a range of grape varieties represented, although most customers will still probably end up choosing the popular ones, such as cabernet sauvignon or chardonnay.

**Wine Sales by Country of Origin**  
by value in convenience stores

USA	26%
Australia	21%
France	12%
South Africa	11%
Italy	8%
Chile	7%
Spain	6%
Germany	3%
New Zealand	2%
Others	5%

# Merchandising

Leading Brands	
Rank	Brand
1	<b>Blossom Hill</b>
2	<b>Gallo Family Vineyards</b>
3	<b>Hardys</b>
4	<b>Jacobs Creek</b>
5	<b>Stowells</b>
6	<b>Wolf Blass</b>
7	<b>Lindemans</b>
8	<b>Echo Falls</b>
9	<b>Kumala</b>
10	<b>Banrock Station</b>

## How should wine be merchandised?

Colours should be blocked, as customers are usually looking for a particular colour. This should be done vertically across shelves, not horizontally, with a shelf of white above a shelf of red. If possible, white and rosé should be chilled, to allow for immediate consumption. In larger displays, Old and New World wines should be split out within each colour.

Products should be placed vertically by price, with the lowest priced wines on the bottom shelf and highest on the top shelf, with the leading brands at eye level – see illustration. Wine shoppers make 50% of their decisions at the wine fixture - so Point of Sale material is key to encourage trading up to more expensive products. Examples of messages are 'we recommend', 'new' and 'top 10 brand'.

## How to get the most out of the wine fixture?

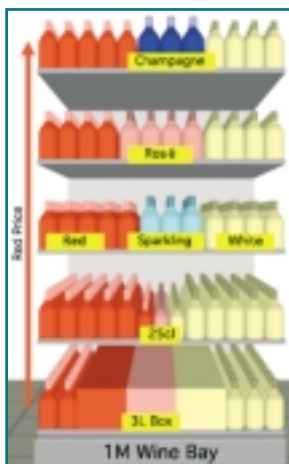
Three ways to drive sales are:

- 1 Promotions - two bottles for £X (white & red) - this will encourage customers to buy more than one bottle.
- 2 Trading up - a shelf card next to a more expensive bottle of wine (£5-£7) saying 'if you like smooth fruity reds why not try product X' will encourage consumers to trade up to more expensive wines (if possible recommend a couple of reds & whites of different tastes so it appeals to more shoppers).
- 3 Gift impulse purchasing - if you can secondary site some of your top 10 wine brands within a seasonal display (Valentines Day, Mothers Day, Easter), this can increase wine sales.



Mother's Day wine and chocolate cross category secondary siting to drive impulse wine sales

A one metre Wine Bay Layout



# But not at any price!

In the last edition of *Rural Retailer* we discussed how to save electricity costs through efficient use of refrigeration. Another major component of the electricity bill for most stores is lighting.

This is an important way to make the shop a welcoming and interesting place for customers, but often this can only be achieved through higher electricity usage. You do need to actively manage the situation to get the balance right.

### General Lighting to Sales Area

Make sure that the light fittings are in the right places. Fluorescent tube fittings running at right angles to the direction of the gondola runs leads to well lit gondola tops but areas of shadow on lower shelves. These lights really should run in the same direction as the aisles. And saving money by not replacing a needed but defective fluorescent tube is not a good policy.

Replacing standard tungsten light bulbs with low-energy use bulbs (compact fluorescent lamps or CFL's) can save up to 75% of electricity consumption and give significantly longer lamp life. Standard 38mm fluorescent tubes in switch-start fittings can be replaced with modern 26mm. triphosphate tubes of lower wattage, giving about 8% power saving plus longer lamp life.

More fundamentally, you can make long-term savings by upgrading your light fittings.

Standard fluorescent fittings can be replaced with modern ones with reflectors/louvers with high frequency electronic or low loss

control gear. These can provide 30-45% saving with much better lighting quality.

The same type of fitting can also be used to replace fluorescent fittings with opal diffusers. Light fittings do become dirty and discoloured over time and it is important to keep them as clean as possible.

### Spot Lighting

This is an area where there are often real opportunities to use lighting effects to boost sales at limited cost. Ranges such as bottles of wine can display really well with spot lighting trained on them. Such lights can be bought quite cheaply in DIY outlets.

To save energy, replace mains voltage reflector lamps with low voltage tungsten halogen or metal halide discharge lighting. Savings can be up to 80% for equivalent lighting performance.

### Basic Housekeeping

Staff training can pay real dividends. It sounds very obvious, but do make sure that lights in unoccupied rooms are turned off. If you have a bank of light switches, clearly label each of them to make sure that you and your staff only turn on those you actually need.

You may get a reputation as a moaning Scrooge, but the effect on your electricity bill should put a good smile on your face!



# The All Party Parliamentary Small Shops Group

The All Party Parliamentary Small Shops Group (APPSSG) was established in 2003 by a cross party group of MPs to raise awareness among Parliamentarians of a broad range of issues of concern to small shopkeepers as opposed to large multiples. The Group has drawn attention to the vital roles that small shops play both commercially and socially within the communities that they serve.

The APPSSG provides a forum for informed discussion of the obstacles faced by small shopkeepers and it aims to promote better and fairer laws to help preserve and foster retail diversity. Wafer thin margins, combined with the constant threat of unfair competition from supermarket behemoths, mean that small shops, an essential part of the fabric of rural and urban life, are disappearing in their thousands each year. The Group's work is underpinned by the Independent Retailers' Confederation, and through this the Rural Shops Alliance has taken a key role in defining and influencing the Group's strategy and debates. Issues that the APPSSG has discussed recently are all close to RSA members' hearts, including retail crime, excessive insurance premiums, planning reform, red tape and environmental legislation.

Since 2003 the APPSSG has been chaired by Labour MP Jim Dowd. Under Jim's Chairmanship the Group gained significant notoriety, in particular through its public inquiry into the retail sector and a subsequent report, 'The Nation's High Street in 2015', published in 2006. This report and the resulting political debate set the background for the announcement of the Competition Commission

inquiry into the UK Grocery Market, which published its findings in April 2008. Following five years of service to the Group, Jim has decided to step down and a new Chairman is to be appointed for 2009. A replacement for Jim Dowd has now been agreed and will be announced at the first meeting of the Group early in 2009. The new Chairman will be a Conservative MP who is a seasoned Parliamentarian and current member of the Group, and has a reputation for speaking out in support of small shops and the vital services they provide to their local communities.

Under the new Chairman the Group will look to re-launch its work programme and diversify its interests. The Group will hold two meetings per year with one focusing on the economic role played by small shops in their local communities and one on their social role. The APPSSG will provide a platform for retailers and Parliamentarians to debate and celebrate the positive roles that small shops have to play in the UK during this challenging period. The Group will also work to generally promote the work and importance of independent retailers throughout the UK – something RSA members will appreciate only too well!



# OUTSIDE SPACE



Space in the sales area is usually very tight – there are always too many lines competing for too little space. However, some shops do have the potential to mount displays outside in the open, on forecourts, car parks or other space.

Traditionally, these have often been displays of fresh produce. Here a location out of the sun or else under very effective shading is essential; a south-facing position will significantly reduce produce shelf life. Other ranges traditionally sold from outside include sacks of coal,

kindling wood and, with suitable security, gas bottles.

But the potential for outside displays extends beyond this. For example, some village shops do very well selling bedding plants in season. There is the potential for good margins and sometimes you can negotiate sale or return terms with local nurseries – after all, it costs them just pence to produce a few extra trays of plants.

The resulting displays can provide a colourful and interesting feature to encourages impulse purchases. It helps to know a bit about your stock – at least the names of the plants – but much more than this, although desirable, is not essential.

Have a written crib by the till for staff to refer to but they will probably quickly learn a lot more from knowledgeable green-fingered customers. But remember, unlike cans of beans, this stock can protest at the way you treat it by actually dying, which does rather reduce its value to zero.





*keep stock protected from the sun*

Appropriate watering and care is essential. It is not too late to seek out good local suppliers ready for next spring.

The other obvious garden requisites to stock are growbags or compost. Price competition from supermarkets and garden centres means that percentage margins are usually much lower, but customers do appreciate being able to buy such basic lines locally, rather than having to drive to a distant garden centre.

The key point is that if you do have outside space, then this is an opportunity to make more sales. And as these sales are all extra, the additional profit is well worth having.



Close to 200 exhibitors will be at the show at the Birmingham NEC from March 1-3, 2009. For the first time Organiser William Reed Business Media is providing a voucher booklet which entitles visitors to exclusive money-off and special deals.

There will also a new live event with information to help make retailers more profitable, called 'Take More, Make More'.

Another reason for retailers to attend is the launch of Café+, a showcase for this booming sector, but with much to offer retailers who are thinking about offering food-and drinks-to-go.

See: [www.cstoreshow.com](http://www.cstoreshow.com) for more details.

# THE ESSEX MODEL

## a blueprint for post office revival?

The Essex branches involved in the post office closure programme shut early in 2008. However, in February Essex County Council (ECC) made a surprise announcement that they were setting aside up to £1.5 million, over a three year period, to reopen some of the closed branches and to explore ways to make them more self sufficient.



Negotiations with Post Office Ltd (POL) were very difficult and protracted, with questions such as State Aid rules, contractual formats and financial issues having to be addressed. Eventually a mutually acceptable framework was agreed and the first former post office reopened its doors in September.

Station Way Post Office, in Buckhurst Hill, Epping, had closed in February. Mr Chavda, the Subpostmaster for eleven years, had kept his shop open and was delighted when the opportunity arose to reopen the post office. He said, “When we closed, a lot of my customers told me how strongly they felt about it and I had a lot of support. It was a great shame we had to close, so when the opportunity came along from Essex County Council to re-open I was pleased to accept it. Once word got around that we were re-opening I have had such positive comments from residents it has been really pleasing.”

Station Way was officially opened by Lord Hanningfield, the Leader of the

Council and the driving force behind the initiative, who bought stamps from Mr Chavda, and then posted a postcard to Prime Minister Gordon Brown to announce that the branch was once again open for business. The reopened branch also has a Community Information Point to provide information about local council services. Further re-openings are now agreed for two rural Essex branches, one at Henham in a community shop, and the other at Little Hallingbury in the Village Hall.

### The Essex Model

The RSA has regularly pointed out that a key problem in the debate on the future of Post Office Ltd. is that the Government does not have a clear vision for the organisation or its branches. Essex County Council has tried to fill this gap, summarising their ideas in a booklet entitled “Counter Measures, A new vision for local postal services”, which they believe could be a prototype for a national scheme.

ECC themselves highlight that “any new model must improve the long term sustainability of the post office network – we cannot simply change structures and repackage the same problems”. Their view is:

- A post office is a valued community asset

- The current network model is unsustainable
- Present measures are ineffective – ECC think they can do better by bringing local post offices into “the family of local government”.
- Post Office Ltd. should work as a commercial organisation whilst local government becomes “custodians” of the branch network.

### The Three Broad Strands

- 1 ECC will fund some ex-post offices to enable them to provide Post Office Ltd. branded services. ECC pay the proprietor of the business who, in turn, pays POL for the use of their brand and access to their computer system.
- 2 ECC are planning to set up and fund outreach services, separate from the POL network.
- 3 ECC plan to fund other businesses to provide some key post office services independently of POL. This would probably include the “Brockweir model”, where a shop pays Royal Mail to collect mail, including packets, from them on a daily basis. (Contact us to receive an information sheet on how this works).

### Other counties

Over 150 local authorities have been in contact with ECC to keep a watch on developments and many attended an ECC national conference in October to learn about the Essex Model. However, few other councils can even consider spending the amount of money earmarked by Essex. Stroud Town Council in Gloucestershire has put up some



funding to re-open Uplands Post Office, making it the second post office in the county to be re-opened after closure by POL. Many other councils are providing support for shops affected by the closure programme in other ways, using a fraction of the funding available in Essex.

*Lord Hanningford outside Station Way Post Office*

### The RSA View

The RSA has provided retail consultancy for a number of these schemes and we therefore have a lot of experience of supporting shops after losing their post office. A budget of £1.5million could provide a massive boost to the convenience shop sector in any county. ECC is to be commended for having a vision and pursuing it with determination but we are not convinced that spending their funds on so few outlets is the right answer in the long term.

### National Federation of Subpostmasters (NFSP) View

The Essex Model threatens the viability of the remaining 12,500 POL branches because rival/alternative services will reduce the transfer of business to the remaining branches, a key part of POL's viability plans. Instead, local authorities should support POL branches by putting services their way e.g. payment of parking fines, rents and council tax.

still not past its sell by date?...

# FOOD TO GO... ...2000 years ago



Pompeii was an ordinary Roman town on the west coast of Italy that was totally buried in volcanic lava and ash when nearby Mount Vesuvius erupted in 79A.D. This event, catastrophic for the residents, nevertheless preserved the town in a remarkable way and today you can walk its streets, visit its buildings and see what daily life was like for its residents.

One of the largest buildings is the municipal meat and fish market, located in the pedestrianised centre

of town, where carts were banned. In the residential districts, there is a huge number of small take-away or eat-in hot food shops. These premises have a very wide open frontage, facing directly onto the pavement. At night a wooden shutter would be pulled down for security to cover this opening. Most have a stonework counter, covered in colourful marble. These had a series of large circular holes in them, to encase the large pottery jars that held hot drinks, vegetables and dried or smoked foods. There would





These 2000-year-old premises still have something to teach our disposable society.

have been a stove at the end of the counter or on the backwall to cook food or heat water. Most of these premises have a backroom where customers could eat in. The owner and their family would typically live over the shop or in rooms behind the sales area.

These 2000-year-old premises still have something to teach our disposable society. The Roman shopfittings were certainly built to last – none of your chipboard gondolas replaced every few years. Their containers (pottery jars) were reusable and put our own recycling efforts to shame. And with a very limited catchment area, they certainly proved a very local and personal service to their immediate community.

**Many of the basics really don't change!**



# Legal Bits and Bobs

### Property

From 1st October 2008 an Energy Performance Certificate (EPC) must be provided for all commercial properties sold or rented out. Previously this only applied to premises of over 2500 square metres.

### Age Discrimination- Retirement

The so-called "Heyday" case challenged the legality of age discrimination laws that allow employers to force employees to retire when they reach the age of 65 years. The challenge came from Age Concern's retirement arm - Heyday - arguing that to compel people to retire at or after the age of 65 years without compensation was a breach of E.U. equality regulations. The Advocate General (AG) of the European Court of Justice has given an opinion saying the UK can have a default retirement age provided it can be justified. This opinion still has to be endorsed by the European Court which usually follow his opinions, although not in all cases. The Court's decision may not be available until 2009.

After a recent Court of Appeal decision, employees who have issued tribunal proceedings because they were forced to retire at the age of 65 can expect to have their cases put on hold until the Heyday decision is published. In the meantime, employers should continue to seek professional advice on the implementation of their retirement policies as necessary.

### National Minimum Wage

New rates applied from 1 October 2008. The Government has also announced boosted funding for enforcement of the NMW and tough new penalties for rogue employers who underpay staff, up to an unlimited fine. The most serious cases of non-compliance will now be tried in a crown court.

### Additional Maternity Leave

Following changes to the Sex Discrimination Act 1975 and the Maternity and Parental Leave Regulations, women expecting their baby on or after the 5 October 2008 benefit from the same non-pay contractual terms and conditions of employment during Additional Maternity Leave as they enjoyed during Ordinary Maternity Leave. The Regulations also extend parallel benefits to adoptive parents taking Additional Adoption Leave, subject to certain date related criteria.

### Holiday Entitlement

From 1 April 2009 the minimum paid holiday entitlement for workers will increase to 5.6 weeks per annum.

### Security – Self defence and prevention of crime

Section 76 of the Criminal Justice and Immigration Act 2008 has been brought into effect to clarify the law on the use of force in acts of self defence or prevention of crime. Such force is to be considered in the light of the circumstances as they were genuinely believed to be at the time even if subsequently the belief was shown to have been mistaken. The degree of force used must not be disproportionate to the genuinely believed circumstances.

### Health and Safety

The Health and Safety (Offences) Act 2008 comes into force in January 2009. It is intended to punish criminally negligent behaviour very seriously and to deter people from cutting costs by breaking H&S laws.

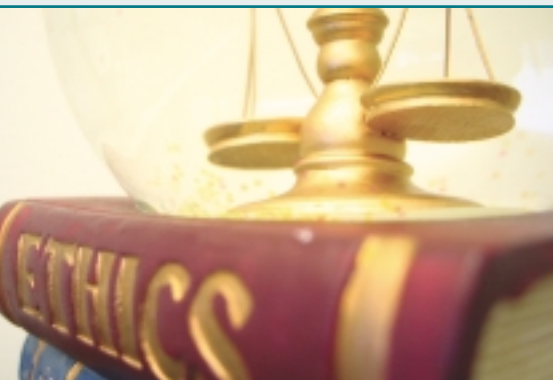
Its main impact is to introduce much tougher penalties for breaches of H&S legislation, including making prison an option for more offences and provision for much larger fines. As a key example, failure to carry out a proper H&S Risk Assessment could potentially lead to a Crown Court appearance and an unlimited fine.

### Working Time Regulations- rest breaks.

The Regulations say "where a worker's daily working time is more than six hours he is entitled to a rest break." Such a rest break is for 20 minutes where there is no collective agreement or workforce agreement in force.

A recent decision of the Employment Appeal Tribunal has established that a worker is only entitled to one break of 20 minutes for however long he works in excess of six hours and not to a rest break for each period of six hours which he works.

Further information from: [www.pbsblueprint.co.uk](http://www.pbsblueprint.co.uk)



# Retailer Services



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Send to: To: The Rural Shops Alliance, The Little Keep, Bridport Rd., Dorchester, Dorset, DT1 1SQ

Fax: 01305 259384 e-mail : [info@rural-shops-alliance.co.uk](mailto:info@rural-shops-alliance.co.uk)



## PICTORIAL HEALTH WARNINGS ON TOBACCO PACKS

### A message from Imperial Tobacco

October 1st 2008 saw the introduction of new legislation in the UK, requiring 14 different pictorial health warnings to be placed on the reverse of tobacco packs, in addition to the existing health warnings on the front. You will begin to see the new designs from mid November 2008.

Retailers have until the **30th September 2009** to sell through **cigarette** packs with just the current text warnings. Until this date, retailers can mix the two styles of pack on display. If the text warnings on the new packs are faced forward, this will not change the appearance of the display or confuse your customers in any way.

The legislation recognises that some tobacco products take longer to sell through so retailers have until the **30th September 2010** to sell through **cigars, roll your own**

**tobacco and pipe tobacco** with only the current text warnings. After these two deadlines, it will be illegal to sell tobacco products without pictorial health warnings on the reverse.

If old stock is displayed at the front of the unit and sold first, you should have no problem meeting the deadline. Effective stock rotation is vitally important to your business, especially for slower selling brands.

As category-leader, Imperial Tobacco is hugely committed to keeping retailers fully up to date on the issue of pictorial health warnings to keep your business compliant. Our renowned sales operation is on hand to offer impartial and effective advice throughout the transitional period and retailers can also gain information from our dedicated trade website at [www.imperial-trade.com](http://www.imperial-trade.com).

**This message is for the information of tobacco retailers only**