

Summary of a hearing with Joanna Blythman

1. Ms Joanna Blythman is a food journalist and commentator. She has published several books on the food industry including *Shopped: The Shocking Power of British Supermarkets* (2005) and *Bad Food Britain: How a Nation Ruined its Appetite* (2006).

Local competition

2. Ms Blythman did not agree with the Competition Commission (CC) view in its Emerging Thinking that larger grocery outlets were an effective substitute for smaller grocery outlets. She was of the view that independent specialist food shops such as fishmongers, butchers and greengrocers should be protected, as these stores were not comparable with the larger multiples. Consumer choice in groceries should not be limited to a choice between different supermarkets.
3. There had been a shocking contraction in the independent sector and Ms Blythman stressed that a robust sector was important for community choice and community life.
4. She expressed concern at the use of 'drive-time' in the definition of local markets, noting that the CC should take into account government environmental policies and seek to encourage walking time within a square mile.
5. There was a perception by consumers that supermarkets were cheaper than other retail outlets, particularly in light of the supermarkets' marketing and advertising campaigns. Supermarkets were not necessarily cheap places to shop: research had shown that supermarkets were consistently more expensive for fruit, vegetables, meat and fish than small shops and markets. Ms Blythman referred the CC to a study by Dominic Prince published in the *Evening Standard* in 2005 that showed a 39 per cent difference between supermarket prices and independent prices on fresh unprocessed food.

Effects on consumers

6. While there was a role for one-stop shopping, it was alarming that these stores were becoming the only place where one could purchase food. Ms Blythman cited several factors for the lack of choice in town centres, such as in Edinburgh, including high rents and rates, the limited availability and high costs of parking in urban areas. She also noted that supermarkets of all formats (one-stop and convenience) affected the potential of the independent sector.
7. Ms Blythman believed that the CC had a very narrow view of costs and traditional financial and economic considerations and argued that wider considerations should be taken into account, including environmental arguments.
8. Ms Blythman was of the view that supermarkets responded to ethical concerns selectively. She considered that they responded to the organic and fair trade movements as they were useful from a public relations point of view and were also high-value products with a premium price.

Buyer power

9. The big multiples had significant power in the market as there were too few buyers. Ms Blythman cited the example of a potato farmer whose customers had reduced

from 25 to 4 over a ten-year period. This also led to a lot more wastage as the supermarkets had detailed cosmetic specifications for food.

Land and planning

10. Ms Blythman was of the view that the planning system was ineffective in dealing with supermarkets. She suggested that an 'overbearing presence', 'undue dominance' or 'fascia' test could be used by planning committees considering applications for planning permission for new supermarkets. The planning system had a knock-on effect on competition. Attention had to be paid to cutting down the supermarket presence by capping the number or size of the stores.

Supermarket Code of Practice

11. Ms Blythman told us that she had reviewed the previous CC reports on the supermarket sector. She would have expected matters such as caps on supermarket size and improvements to the planning system (particularly for objectors) to have been included in the report recommendations. She had been particularly concerned at the use of 'reasonableness' and other caveats in the Supermarket Code of Practice (SCOP).
12. Ms Blythman would like to see enforceable contracts between the suppliers and supermarket buyers: reliance should not be placed on either self-regulation or complaints by suppliers. She was also of the view that the SCOP should apply to all supermarkets.
13. Solutions advocated included strengthening the planning laws and the needs test, particularly in high street parades. Small shops were disadvantaged by the lack of on-street parking. Ms Blythman also suggested rent rebates for specific shops and stressed the intrinsic value in having small specialist shops for diversity of choice and support of smaller producers and growers.