

## MYSTERY SHOP

# Health: a low priority for indie c-stores?

In the second of our new series of mystery shopper visits to convenience stores, Jason Evans visited Liverpool to find out how they were performing

With winter fast approaching, expect cold and flu remedies to be flying off the shelves of your local chemist... but not your local c-store. The plethora of Did Not Stocks throughout this week's product survey suggests that health is not a high-priority category for independents.

Indeed our shopper was able to purchase just five of the 25 products, which ranged from Beechams Active Cold Relief to a strawberry and banana smoothie.

Robbie Waite, owner of Kennelwood News in Kirkby, Liverpool, explained the rationale behind his decision not to stock an extensive portfolio of health products. "It's not that we are unhealthy. There is a chemist next door so people automatically go there for those types of products," said Waite, whose store stocked none of the five products on the list.

Most of the stores stocked the counter but not the desired brands.

Spar and Sainsbury's fared best in the survey, each providing two of the five items on the list. None of the stores stocked the Sanatogen Vitamins nor the Slim-Fast Banana Drink and only Sainsbury's satisfied shoppers' cravings for Nicorette patches.

"It can only be driven by demand," said Robert Clark, senior retail partner at Retail Knowledge Bank. "Local retailers have limited space plus they recognise that most customers would visit a neighbourhood chemist for these types of products."

"There's also an element of not wanting to tread on each other's toes. But it does seem a bit strange that they wouldn't stock basic cold and flu products."

Lemsip was the best selling cold and flu brand in 2007, according to Nielsen, with sales of £45.2m. The £110.7m category is dominated by Lemsip, Beechams and Nurses which between them accounted for over 80% of sales in 2007.

PRICE & SERVICE COMPARISON	ICELAND	SPAR	SAINSBURY'S LOCAL	MURPHY'S NEWS	KENNELWOOD NEWS
<b>10 CONVENIENCE PRODUCTS</b>					
Sliced white bread (800g) – cheapest brand	1.22	0.76	0.85	1.20	0.95
Milk (1 pint) – semi-skimmed	0.42	54	0.42	0.42	0.57
Banana	0.14*	25	0.37	DNS	DNS
Painkiller (8-pack) – cheapest brand	DNS	85	sold out	0.56	0.55
Coke or cheapest cola (500ml)	1.00	1.00	1.05	0.90	1.00
Walkers crisps cheapest brand (standard packet – 34.5g)	0.19*	43	0.45	0.45	0.40
Water cheapest water (500ml)	0.50	69	0.59	0.55	0.55
Mars bar (standard)	0.12*	45	0.45	0.45	0.45
Filter coffee (227g packet) – cheapest	DNS	2.79	1.99	DNS	DNS
Catfood (Whiskas pouch) or cheapest brand	0.30	0.32	0.33	0.35	0.39
<b>TOTAL</b>	<b>£2.90</b>	<b>£8.08</b>	<b>£6.50</b>	<b>£4.88</b>	<b>£4.86</b>

### HEALTH PRODUCTS – 1 point for each stocked

Sanatogen Gold One A Day A-Z Vitamins 90s	0	0	0	0	0
Slim-Fast banana drink 325ml bottle	0	0	0	0	0
Nicorette patches Step 1 (15mg) x7	0	0	1	0	0
Beechams Active Cold Relief 14s	0	1	0	0	0
Smoothie 250ml, strawberry and banana	1	1	1	0	0

### CUSTOMER SERVICE – 1 point for each criterion

Courteous	1	1	1	1	1
Knowledgeable	1	1	0	0	1
General helpfulness	1	1	1	1	1
Standard of dress	1	1	1	1	1
Personal hygiene	1	1	1	1	1

### SERVICES – 1 point for each criterion

Cash/bill pay	0	1	1	1	1
Lottery/bingo	0	1	1	1	1
Communication (top-up/post office)	0	1	1	1	1
Administrative (fax, photocopying, email or collection)	0	1	0	1	0
Fresh food (Deli, local produce, bakery, coffee machine)	0	1	0	0	0

### COMMUNITY – 1 point for each criterion

Bus stop/local service	1	1	1	1	1
Local events advertised	0	1	0	1	1
Personal adverts advertised	0	1	0	1	1
Charity collection boxes	0	0	0	0	1
Locally produced products (local loyalty card scheme?)	0	0	1	0	0
<b>TOTAL</b>	<b>7</b>	<b>15</b>	<b>11</b>	<b>11</b>	<b>12</b>

Notes: 1. Calculated from multipack price of £1 for 7. 2. Calculated from multipack price of £1.15 for 6. 3. Calculated from multipack price of £1.15 for 10 snack size.



Beechams ranked as the second leading cold and flu remedy in The Grocer's 2007 Top Products survey with a retail sales value of £31.4m. The overall category is in a period of strong growth, with total value up 5.5% year on year. Should the inclement summer weather of the past few years become par for the course, c-stores would be well advised to re evaluate their coverage of a potentially lucrative category.

## Kennelwood News

Address: 79 Kennelwood Avenue, Kirkby, Liverpool

Time & date: 1 October 2008 at 11.45am

An independent store carrying the Londis name, the shop was easy to navigate thanks to brightly coloured signage at the top of the walls clearly stating the different product areas. Customer service was excellent and the store's staff were happy to offer alternative options where products were not stocked. However, neither the bananas nor the filter coffee were available and supply of fresh fruit and vegetables was generally limited.

## Iceland

Address: 24-36 Walton Vale, Liverpool

Time & date: 1 October 2008 at 12.45pm

Most products were sold in multipack format. Baskets had been stacked arbitrarily throughout the store, making some aisles difficult to navigate. There was just one employee manning the checkout, resulting in a wait of about four minutes. Members of staff were friendly and helpful, however the store was let down by its lack of services.

## Spar

Address: 57 Dale Street, Liverpool

Time & date: 1 October 2008 at 3.15pm

Bold signage made it easy to locate products at this small city centre Spar. The store was clean and tidy and logically organised. While the cashier was polite, there were no alternatives offered for the out-of-stock products. The Spar was the only store we visited to score maximum points on the service criteria, offering as it did a cash machine, photocopying, top-up, lottery and a Bake & Bite.

## Sainsbury's Local

Address: 42 Castle Street, Liverpool

Time & date: 1 October 2008 at 2.00pm

The store was experiencing the lunchtime rush when our shopper visited. Apart from the volume of shoppers, the aisles were relatively easy to navigate despite being narrow. There was a queue stretching back into the aisles but the wait at the checkout was minimised by efficient cashiers. An ATM had run out of cash but both top-up and lottery were available.

## Murphy's News

Address: 151 St John's Road, Waterloo, Liverpool

Time & date: 1 October 2008 at 10.30am

Independent store Murphy's looked slightly worn and tired with worn PoS. It boasts just two aisles – one dedicated to food, with the other stocking newspapers and magazines. All but two of the products on this shopping list were purchased but the store did not stock fruit and vegetables. Murphy's did, however, score well on the community criteria.



INTERVIEW: ROBBIE WAITE, OWNER/MANAGER, KENNELWOOD NEWS

Can you tell us a bit about your shop.

It used to be a newsagent then turned into an independent as part of Londis. I've been here since it has been a shop, more than 11 years now.

How do you feel about the Mystery Shop?

I'm really excited and pleased to be a leading independent store. We strive to help our customers and the local community.

How in touch with your community are you?

Very. We are always doing sponsoring and collections; we helped a local boy raise money to go to Thailand to take part in a kickboxing tournament, where he came away with a bronze medal. There was another 13-year-old boy who was fighting this Saturday for the European title, which we sponsored.

How often do you receive deliveries?

We get deliveries once a week from Londis and they are very

good – we never have any problems. They work hard to help us compete in the marketplace.

Who are your local competitors?

Quarry Green, less than half a mile away, is our nearest independent rival. The huge Tesco that they are thinking of putting up in Kirkby will also be a killer for lots of small businesses like me if it does go ahead.

How has the mix of products and services changed at your store in the past 12 months?

We got the cash machine installed last year and it has brought a bit more custom to the store.

What is the worst thing that has happened to your business in the past 12 months?

The law on putting cigarettes underneath the counter will affect our business significantly. It will probably happen as there have been petitions circling and it is being



### STORE FACTS

Address: 79 Kennelwood Avenue, Kirkby

Title: owner/manager

Tenure: 11 years

Local rivals: Another independent within walking distance of the store. There is also the possibility of a new Tesco being built in nearby Kirkby which would be "a killer" for local retailers.

backed by local MPs.

How are you gearing up for Christmas?

We've already started stocking Christmas products. Mostly it's about chocolate gift boxes and confectionery but we do a certain amount of non-food such as tinsel, wrapping paper and other seasonal decorations.

Have you noticed a change in customers' shopping habits in the past few months?

Absolutely. We're seeing a lot more demand for economy brands and less impulse buying. People are coming in to the store with a list of items they need to buy and are sticking to that. Average basket spend has fallen in the past few weeks.

How do you feel about the future? Do you think your business will be bigger or smaller next year?

I am hoping it will be bigger, of course, but who knows how bad this credit crunch is going to get?