

CONFIDENTIAL SURVEY

July 2008

The 2008 Independent Retail and Speciality Food Market Census

This questionnaire asks for information about your BUSINESS and the current market conditions you are experiencing. The survey is anonymous and we urge you to complete it in full. Please send the completed questionnaire back by July 30th, 2008 to Compass, our independent research agency, which operates within the Market Research Society Code of Conduct and therefore guarantees you absolute confidentiality.

To encourage you to respond, we have arranged a prize draw. To enter, please complete the attached draw form and return with your questionnaire. Your draw form will be separated from your questionnaire on arrival at Compass to ensure confidentiality.

About Your Business

How would you describe your retail outlet?

- | | |
|---|---|
| Delicatessen <input type="checkbox"/> 1 | Food hall <input type="checkbox"/> 3 |
| Farm shop <input type="checkbox"/> 2 | Other - please specify <input type="checkbox"/> 4 |

Q1b Which of the following services do you currently provide for your customers?

- | | |
|--|---|
| Butchery counter for fresh meat <input type="checkbox"/> 1 | Eat-in café/coffee shop <input type="checkbox"/> 7 |
| Cheese counter <input type="checkbox"/> 2 | Restaurant <input type="checkbox"/> 8 |
| Fresh fish counter <input type="checkbox"/> 3 | Outside catering <input type="checkbox"/> 9 |
| Charcuterie counter <input type="checkbox"/> 4 | Internet sales <input type="checkbox"/> 10 |
| Take-away sandwiches and drinks <input type="checkbox"/> 5 | Wholesale <input type="checkbox"/> 11 |
| Your own ready-prepared meals <input type="checkbox"/> 6 | Other - please specify. <input type="checkbox"/> 12 |

Q2a If you produce food in-house as part of your retail business, please state the approx. % that each element below contributed towards your current turnover over the last 6 months (If none are applicable, skip to Q3)

- | | |
|---|--|
| Eat-in café/coffee shop <input style="width: 50px;" type="text"/> 1 | Ready-prepared meals <input style="width: 50px;" type="text"/> 4 |
| Restaurant <input style="width: 50px;" type="text"/> 2 | Outside catering <input style="width: 50px;" type="text"/> 5 |
| Take-away sandwiches and drinks <input style="width: 50px;" type="text"/> 3 | |

For Q2b to Q6, please compare your last 6 months average weekly trading to the average for the previous 12 months

If you produce food in-house, has your turnover increased, remained the same or decreased for each of the following?

- | | Up | Static | Down | Not applicable. |
|------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Eat-in café/coffee shop/restaurant | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 |
| Take-away sandwiches and drinks | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 |
| Ready-prepared meals | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 |
| Outside catering | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 |

Q3 Thinking about your trading level, has the number of customers visiting your shop each week increased, remained the same or decreased?

- | |
|---|
| Up by 1% to 5% <input type="checkbox"/> 1 |
| Up by 5.1 to 10% <input type="checkbox"/> 2 |
| Up by over 10% <input type="checkbox"/> 3 |
| Static <input type="checkbox"/> 4 |
| Down by 1% to 5% <input type="checkbox"/> 5 |
| Down by 5.1 to 10% <input type="checkbox"/> 6 |
| Down by over 10% <input type="checkbox"/> 7 |

Q4 Has the average spend per customer increased, remained the same or decreased?

- | |
|---|
| Up by 1% to 5% <input type="checkbox"/> 1 |
| Up by 5.1 to 10% <input type="checkbox"/> 2 |
| Up by over 10% <input type="checkbox"/> 3 |
| Static <input type="checkbox"/> 4 |
| Down by 1% to 5% <input type="checkbox"/> 5 |
| Down by 5.1 to 10% <input type="checkbox"/> 6 |
| Down by over 10% <input type="checkbox"/> 7 |

Q5 Have your average retail prices increased, remained the same or decreased?

- Up by 1% to 5% 1
- Up by 5.1 to 10% 2
- Up by over 10% 3
- Static 4
- Down by 1% to 5% 5
- Down by 5.1 to 10% 6
- Down by over 10% 7

Q6 Has your average gross margin increased, remained the same or decreased?

- Up by 1% to 5% 1
- Up by 5.1 to 10% 2
- Up by over 10% 3
- Static 4
- Down by 1% to 5% 5
- Down by 5.1 to 10% 6
- Down by over 10% 7

Current Business Climate

Thinking about the major issues that affect your business on a regular basis, please indicate which ones have been MOST CRITICAL in the last 12 months (Please tick any that apply)

- | | | | |
|---|----------------------------|--------------------------------------|-----------------------------|
| National and Local Government regulations | <input type="checkbox"/> 1 | Product supply | <input type="checkbox"/> 9 |
| Local/independent competition | <input type="checkbox"/> 2 | Packaging | <input type="checkbox"/> 10 |
| Multiples/supermarket competition | <input type="checkbox"/> 3 | Environmental issues | <input type="checkbox"/> 11 |
| Staff/employment issues | <input type="checkbox"/> 4 | Equipment failure | <input type="checkbox"/> 12 |
| Minimum wage | <input type="checkbox"/> 5 | Crime | <input type="checkbox"/> 13 |
| Health and safety issues | <input type="checkbox"/> 6 | Staff training and product knowledge | <input type="checkbox"/> 14 |
| Cost of property rent | <input type="checkbox"/> 7 | Other – please specify | <input type="checkbox"/> 15 |
| Business rates | <input type="checkbox"/> 8 | | |

Q8 Has the change in refuse collection (every 2 weeks) had an adverse effect on your business?

- | | | | |
|------------------|----------------------------|------------|----------------------------|
| A lot | <input type="checkbox"/> 1 | Slightly | <input type="checkbox"/> 3 |
| To a fair extent | <input type="checkbox"/> 2 | Not at all | <input type="checkbox"/> 4 |

Selection and sourcing of products

Q9 Thinking about the way you source new products for your shop, please indicate from the list below how you IDENTIFY them (Please tick any that apply)

- | | | | |
|---|----------------------------|-----------------------------------|-----------------------------|
| Editorial in trade magazines | <input type="checkbox"/> 1 | Word of mouth | <input type="checkbox"/> 7 |
| Advertising in trade magazines | <input type="checkbox"/> 2 | Consumer magazines | <input type="checkbox"/> 8 |
| Winners of Great Taste Awards | <input type="checkbox"/> 3 | Cold calling from representatives | <input type="checkbox"/> 9 |
| Guild of Fine Food accredited supplier list | <input type="checkbox"/> 4 | Exhibitions and trade fairs | <input type="checkbox"/> 10 |
| Direct mail from suppliers | <input type="checkbox"/> 5 | Other - please specify | <input type="checkbox"/> 11 |
| Requests from customers | <input type="checkbox"/> 6 | | |

Q10 Thinking about the way you source new products for your shop, please state the approx. % sourced from each type of supplier below in the last 6 months:

- | | | | |
|--|----------------------|-------------------------------------|----------------------|
| Local products from local wholesalers | <input type="text"/> | From national importer/distributors | <input type="text"/> |
| Local products direct from local producers | <input type="text"/> | Direct from International producers | <input type="text"/> |
| Direct from other British producers | <input type="text"/> | Other - please specify | <input type="text"/> |

Q11a How are your TOTAL sales split in terms of where products are sourced? Please state the approx. % of your current turnover in the last 6 months for each of the following (or 0 if not applicable):

- | | | | |
|-------------------------|----------------------|---|----------------------|
| Local (30 miles) | <input type="text"/> | Nationally/all other British food | <input type="text"/> |
| Regional (31-100 miles) | <input type="text"/> | Imported food from Europe/rest of world | <input type="text"/> |

Q11b Has your average weekly turnover for the last 6 months increased or decreased for any sectors below, compared to the average for the previous 12 months? If yes, please indicate the approx. % change for each one :

- | | UP by 1% to 10% | UP by 11% to 20% | UP by over 20% | DOWN by 1% to 10% | DOWN by 11% to 20% | DOWN by over 20% |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Local food (30 mile radius) | <input type="text"/> 1 | <input type="text"/> 2 | <input type="text"/> 3 | <input type="text"/> 4 | <input type="text"/> 5 | <input type="text"/> 6 |
| Regional food (31-100 mile radius) | <input type="text"/> 1 | <input type="text"/> 2 | <input type="text"/> 3 | <input type="text"/> 4 | <input type="text"/> 5 | <input type="text"/> 6 |
| Nationally/all other British food | <input type="text"/> 1 | <input type="text"/> 2 | <input type="text"/> 3 | <input type="text"/> 4 | <input type="text"/> 5 | <input type="text"/> 6 |
| Imported food from Europe/rest of world | <input type="text"/> 1 | <input type="text"/> 2 | <input type="text"/> 3 | <input type="text"/> 4 | <input type="text"/> 5 | <input type="text"/> 6 |

**Q12 What key factors do you take into account when choosing new products for your shop?
(Please rank the top 3 by writing in 1 for the 1st, 2 for the 2nd, 3 for the 3rd)**

Source/provenance/authenticity	<input type="text"/>	Organic	<input type="text"/>
Quality of ingredients	<input type="text"/>	Regular availability	<input type="text"/>
Taste and flavour	<input type="text"/>	Price/payment terms	<input type="text"/>
Local connection	<input type="text"/>	Minimum order quantity	<input type="text"/>
Producer's reputation	<input type="text"/>	Evidence of food safety management policy	<input type="text"/>
Producer known to you	<input type="text"/>	Traceability	<input type="text"/>
Packaging/design	<input type="text"/>	Customer(s) requests	<input type="text"/>
Point-of-sale/merchandising/advertising support	<input type="text"/>	Other - please specify	<input type="text"/>

Q13 On average, how many different suppliers do you regularly purchase stock from on a monthly basis?

1-10	<input type="text"/> 1	51-99	<input type="text"/> 4
11-20	<input type="text"/> 2	100+	<input type="text"/> 5
21-50	<input type="text"/> 3		

Q14 Thinking about dealing DIRECTLY with SMALL producers or LOCAL wholesalers, what problems, if any, occur most frequently? (Please tick any that apply)

Seasonal or limited availability	<input type="checkbox"/> 1	Goods damaged or incorrectly handled	<input type="checkbox"/> 8
Traceability	<input type="checkbox"/> 2	Slow response times	<input type="checkbox"/> 9
Unpredictable supply	<input type="checkbox"/> 3	Late deliveries	<input type="checkbox"/> 10
Poor or inconsistent quality	<input type="checkbox"/> 4	Excessive delivery charges	<input type="checkbox"/> 11
Minimum order quantities	<input type="checkbox"/> 5	Incorrect goods delivered	<input type="checkbox"/> 12
Unsuitable pack types/sizes	<input type="checkbox"/> 6	Other - please specify	<input type="checkbox"/> 13
Irregular deliveries	<input type="checkbox"/> 7		

Competition to your business

Q15 Who is your CLOSEST principal direct competitor? (Please state the name and if it is an independent or a supermarket?)

**Q16 What other competitive shops, including supermarkets, do you have within a 5 mile radius of yours?
(Please tick any that apply)**

Other delis	<input type="checkbox"/> 1	Waitrose	<input type="checkbox"/> 5
Other farm shops	<input type="checkbox"/> 2	Marks and Spencer	<input type="checkbox"/> 6
Food halls	<input type="checkbox"/> 3	Other (specify)	<input type="checkbox"/> 7
Tesco	<input type="checkbox"/> 4		

Q17 Which of these cause you with the most problems e.g. reducing your sales? (Please tick any that apply)

Other delis	<input type="checkbox"/> 1	Waitrose	<input type="checkbox"/> 5
Other farm shops	<input type="checkbox"/> 2	Marks and Spencer	<input type="checkbox"/> 6
Food halls	<input type="checkbox"/> 3	Other (specify)	<input type="checkbox"/> 7
Tesco	<input type="checkbox"/> 4		

Q18a If you have noticed local food and drink lines that you stock appearing in local supermarkets, do you automatically delist these product(s)?

Yes, delist all products	<input type="checkbox"/> 1	No, we keep them in	<input type="checkbox"/> 3
Yes, delist selected products	<input type="checkbox"/> 2	Don't know	<input type="checkbox"/> 4

Q18b If you have noticed these, are the supermarkets selling at a price above or below your prices?

Above	<input type="checkbox"/> 1	Below	<input type="checkbox"/> 3
The same	<input type="checkbox"/> 2	Don't know	<input type="checkbox"/> 4

Q19 How much impact has the supermarkets' move into local/regional sourcing had on your sales in the last 12 months?

(Please write in a number on a 10 point scale from 1 = no impact at all to 10 = great impact)

Other details about your business

Please provide these details to help Compass analyse all the aggregated responses. These figures will provide a unique and powerful set of statistics on British speciality food and drink retailing and help the Guild of Fine Food to continue lobbying Government for a fairer deal for delicatessens, farm shops, food halls and small food producers.

Q20 Please provide an indication of your current annual turnover

- | | | | | | |
|----------------|--------------------------|---|----------------|--------------------------|---|
| Below £100k | <input type="checkbox"/> | 1 | £301k to £500k | <input type="checkbox"/> | 5 |
| £101k to £150k | <input type="checkbox"/> | 2 | £501 to 750k | <input type="checkbox"/> | 6 |
| £151k to £200k | <input type="checkbox"/> | 3 | Over £750k | <input type="checkbox"/> | 7 |
| £201k to £300k | <input type="checkbox"/> | 4 | | | |

Q21 Has your average weekly turnover for the LAST 6 months increased, remained the same or decreased when compared to the average for the previous 12 months?

- | | | | | | |
|-------------------|--------------------------|---|-----------------------|--------------------------|---|
| Up by 5% | <input type="checkbox"/> | 1 | Down by up to 5% | <input type="checkbox"/> | 5 |
| Up by 5.1% to 10% | <input type="checkbox"/> | 2 | Down by 5.1% to 10% | <input type="checkbox"/> | 6 |
| Up by over 10% | <input type="checkbox"/> | 3 | Down by more than 10% | <input type="checkbox"/> | 7 |
| Remained static | <input type="checkbox"/> | 4 | | | |

Q22 Please indicate, in your opinion, the main reason(s) for any change in your current turnover

Q23 Do you anticipate your turnover will increase, remain the same or decrease over the the NEXT 12 months?

- | | | | | | |
|-------------------|--------------------------|---|-----------------------|--------------------------|---|
| Up by 5% | <input type="checkbox"/> | 1 | Down by up to 5% | <input type="checkbox"/> | 5 |
| Up by 5.1% to 10% | <input type="checkbox"/> | 2 | Down by 5.1% to 10% | <input type="checkbox"/> | 6 |
| Up by over 10% | <input type="checkbox"/> | 3 | Down by more than 10% | <input type="checkbox"/> | 7 |
| Remain static | <input type="checkbox"/> | 4 | Don't know | <input type="checkbox"/> | 8 |

Q24 How many people do you employ? (including yourself if you work in the business on a day to day basis) (Please write in a number for full time and/or part time)

- | | | | | | | |
|-----------|--|---|--|-----------|--|---|
| Full time | | <input style="width: 80px;" type="text"/> | | Part time | | <input style="width: 80px;" type="text"/> |
|-----------|--|---|--|-----------|--|---|

Q25 Do you pay your staff above or on the minimum wage? (£5.52 per hour for age 22+)

- | | | | | | |
|--------------------|--------------------------|---|----------------|--------------------------|---|
| 1 to 10% above | <input type="checkbox"/> | 1 | Over 20% above | <input type="checkbox"/> | 3 |
| 10.1% to 20% above | <input type="checkbox"/> | 2 | The same | <input type="checkbox"/> | 4 |

Q26 Thinking about the hours you work and the income you take out of your business, are you earning an equivalent hourly rate above or below the minimum wage? (£5.52 per hour)

- | | | | | | |
|----------|--------------------------|---|-------|--------------------------|---|
| Above | <input type="checkbox"/> | 1 | Below | <input type="checkbox"/> | 3 |
| The same | <input type="checkbox"/> | 2 | | | |

Thank you for completing this questionnaire. Please send the survey back FREEPOST to Compass, our independent research agency, in the reply paid envelope enclosed, by July 30th, 2008. *NOTE: If you have mislaid the reply paid envelope, please send the questionnaire back to the following FREEPOST address: COMPASS RESEARCH, FREEPOST SCE7803, SALISBURY, SP4 0BR*