

Strengthening the future for community retailers



community
food and health
(scotland)



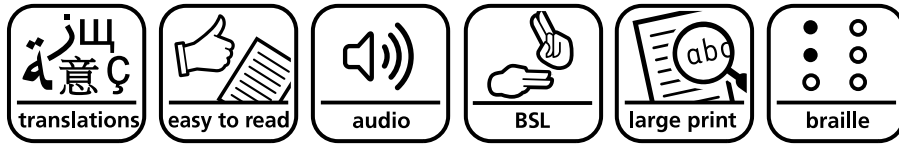
Issues affecting the sustainability of community retailing: the findings and recommendations of qualitative research


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What is community retailing?



There is no agreed definition of community retailing; however, Community Food and Health (Scotland) (CFHS) defines it as:

‘community groups selling affordable, quality foods within or for low-income communities’.

All community retailers focus on selling fresh fruit and vegetables, and many sell a small range of other healthier foods. There are also community retailers, usually community shops, that sell a wide range of food and other non-food products.

Every community retailer is different because they have been set up to meet differing and specific needs within their communities (e.g. limited access to shops, poor-quality fruit and vegetables available locally or few opportunities to meet other people). When, where and how they run, how they are managed, what they sell and what other activities they provide (if any) reflect these differing needs.

Why was the research needed?

CFHS has worked with community retailers in Scotland for over 20 years.

In the last few years, we have become aware of the range of challenges that affected their sustainability. To find out more, we commissioned research to look in more detail at these challenges, and also to make recommendations about how community retailers' sustainability could be supported in the future.

The aim of this research was to provide a starting point for community retailers to overcoming these sustainability challenges.

How was the research carried out?

The research was carried out between September 2015 and March 2016.

Researchers from the Institute for Retail Studies at Stirling Management School, University of Stirling, (Eric Calderwood, Dr Keri Davies and Professor Paul Freathy) spoke to staff, volunteers or board or committee members from 25 community retailers, and staff from six organisations that (may) support community retailers.

‘In addition to providing access to healthy and affordable fresh produce, community retailers may also provide a range of broader community benefits. They may not only influence diet and food choice, but may also represent an important vehicle for local engagement’.

What did we learn?

Different types of community retailer

As every community retailer is different, the researchers began by sorting them into different types, depending on how they were run and managed. This helped to identify and understand the challenges that community retailers may face. The researchers suggested that there are five different types of community retailer:

1. Self-managing community shops, often based in very rural or island communities where there is no other shop. They sell a range of foods and other products. They can be open up to seven days a week, and usually have some paid staff. They may offer other services, such as a cafe, a launderette, a petrol station, or run the post office.

2. Self-managing barras, stalls and mobile shops, run by and for a local community, and focusing on selling fruit and vegetables. These tend to be part time and rely on volunteers. They often have no paid staff working in them.

3. Third sector-run barras, stalls and shops run their community retailing as part of a number of other activities. Most are set up to work in a particular geographic area. These other activities may have a health or healthy living focus (e.g. walking groups or counselling sessions) but may include others that don't (e.g. benefits advice or help with applying for work). The community retailing can be run by staff or volunteers.

4. Small community food networks run a range of community food and health activities (such as cookery classes, nutrition sessions and community gardening), as well as community retailing. These can be run by staff or volunteers and can work across all or part of a local authority area.

5. Large community food networks supply fruit and vegetables and provide support to smaller community retailers, while also running a wide range of food and health activities themselves (including community retailing). These networks work across one or more local authority areas.

The research recognised that some community retailers didn't 'fit' neatly into one of these types, for example those running mobile shops alongside stalls. They may also be running other retailing activities as well as their community retailing, such as stalls in hospitals or selling to commercial customers.



Community benefits

While not part of the research aims, the researchers found that, as well as selling affordable food, the community retailers interviewed (usually members of staff) felt they were bringing other benefits to their communities.

These included:

- Customers buying from community retailers for different reasons. This included being able to **shop locally**, and **buy smaller quantities** (because of limited budgets, an inability to carry heavy or bulky items, or wanting to minimise food waste).
- Providing a space where people could meet each other helped to **reduce social isolation**.
- Providing **volunteering opportunities** to help their volunteers **develop skills and self-confidence**.
- Some community retailers saw themselves as **community hubs**; places where local people could find out about and take part in other activities, for example cookery classes. These were seen as helping local people to build new skills and develop self-confidence too. The research suggested that community retailing can act as a catalyst for other activities, and vice versa.

The research confirmed that every community retailer is unique. Retaining their 'localness' was seen as key to ensuring they work as best they can.



The challenges community retailers face

The research identified a range of factors that may affect the community retailers' sustainability.



Financial vulnerability

Most of the community retailers required funding to support their community retailing; but attracting funding was said to be increasingly difficult. Community retailers suggested that available funding may be:

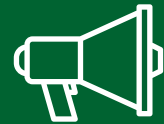
- short term, which can limit their ability to plan, and increase the amount of time spent on fundraising
- for specific purposes, which can limit their ability to deliver their service flexibly
- for new activities or services, rather than those that are up and running.

Community retailers may also be finding it difficult to generate enough income through their sales to cover their costs because they are attracting fewer customers or their customers are spending less.



Retaining staff

Uncertainties about future funding could make it more difficult for community retailers to plan for the future, and to retain paid staff (and the specialist skills and knowledge they have may have brought with them and developed).



Competition

Community retailers felt that there was increasing competition for funding, with both commercial and other third sector retailers.



Funding

Relating to funding, community retailers felt that:

- competition was expected to increase with other third sector organisations
- funders may prefer to fund larger organisations in the future
- increased competition for funding may affect the willingness of community retailers to share ideas with each other.



Commercial retailers

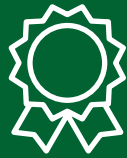
Community retailers told us that the increasing number of supermarkets, especially discount supermarkets, was affecting their customer numbers and income. This was also reflected in the research findings. Community shops in rural areas reported being particularly hit by supermarkets' home delivery services.

However, this increase in competition wasn't always viewed negatively. A few community retailers reported buying and reselling produce bought from local supermarkets, because this was cheaper than using other suppliers. And, being able to sell in smaller quantities than neighbouring supermarkets was attracting customers.



Other third sector food providers

Some of the community retailers reported they felt competition from other third sector food providers, including food banks, was affecting their sales.



Sourcing supplies

The time taken to source good-quality produce all year round, at the best possible price, can be an issue for community retailers. Depending on price and availability, they may buy from a number of suppliers, including wholesalers, farmers, local producers and community food networks. In addition, checking the quality of produce to maintain standards may take staff away from other work (which affects capacity).

The research also found that community retailers may find it difficult to work out how much produce to buy, which could result in high waste levels (between 20% and 30%).



Staff capacity

The research found that the range and amount of work involved in running community retailing meant staff often have little time to:

- take part in activities to market and promote their services
- meet other community retailers to learn and share best practice
- find or keep up with up-to-date information.

The time needed to look for and apply for funding, and report back to funders about how this is used, was also highlighted. The research found that community retailers may have more than 15 different funders.



Governance capacity

Volunteers are vital for most community retailers, to not only run their day-to-day activities, but also for their governance. The research found that it could be challenging to recruit volunteers to boards or management committees who had the skills and expertise that community retailers require to develop their services (less 'hands on' and more strategic thinking). The amount of time required or responsibilities placed on board or management committee members may deter some people from getting involved.

Furthermore, the research suggests board or management committee members may be unclear about their role.

Supporting and strengthening community retailing

The research suggested a number of recommendations for supporting and strengthening community retailing. These were arranged into two categories: strategic and operational.

The **strategic recommendations** focused on collaboration.

The research recognises that community retailers want to stay locally based and run. However, it suggests that by working together, community retailers could reduce their costs and amount of work needed to run and develop their services. This could include buying produce jointly (to reduce the cost) and working together to apply for external funding.

The research also suggests that community retailers could look at how the resources they already have (e.g. premises and transport) could be used more effectively among themselves, or with other third sector groups.

The **operational recommendations** focused on training and information needs.

The research suggests that staff, volunteers and board or management committee members could all gain from making it easier to share information between community retailers. It suggests that an online resource base could help with this.

The resource base could also include training materials to help everyone involved develop their skills and expertise. The range of material provided could include support with business skills, retail skills or governance of community retailers.



Last words

The research acknowledges that working together is not always easy, and needs a commitment from everyone involved to do things differently. However, it suggests that with this commitment, community retailing could become more sustainable, while still meeting local needs.

To help achieve this, the research suggests that a short-life working group should be set up to look at the recommendations in more detail, including if and how they could be taken forward, and how to overcome any barriers that may stop this.

