

# NEED TO KNOW



Both leave and remain voters are concerned about Brexit's effect on grocery prices

## Post-Brexit food prices: the consumer verdict

An exclusive survey compiled for Retail Week shows most shoppers are worried about rising grocery prices after the UK leaves the EU. **Grace Bowden** reports

In recent months, retailers' concerns about Brexit and its impact on the sector have reached new heights.

Sainsbury's chief executive Mike Coupe, who warned last year of food rotting at borders post-Brexit, stressed in March that having no trade deal in place by March 2019 would result in an unprecedented crisis in grocery.

"The impact of closing the borders for a few days to the free movement of food would result in a food crisis the likes of which we haven't seen," he cautioned.

Last month, Amazon's UK boss Doug Gurr told the recently appointed Brexit secretary Dominic Raab that a 'no deal' Brexit would spark "civil unrest" within days.

It's clear that, for retailers operating in the UK, worries about the fallout of Brexit are rapidly reaching fever

pitch – but how concerned are the consumers that shop with them?

According to data compiled by Walnut exclusively for Retail Week, the general public shares Coupe's and Gurr's concerns.

A consumer poll of more than 2,000 UK shoppers found that 56% think a scenario in which the UK leaves the EU with a 'no deal' Brexit is likely, with 14% deeming it very likely.

The likelihood of this scenario coming to pass has filtered down to consumer concerns about the availability of goods. Of those surveyed, 69% are concerned about retail prices rising generally, with 29% of those very concerned.

Walnut's retail research director Amy Nichols said: "It is not surprising to see so many people concerned about rising retail and food prices.



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Blower's cartoon

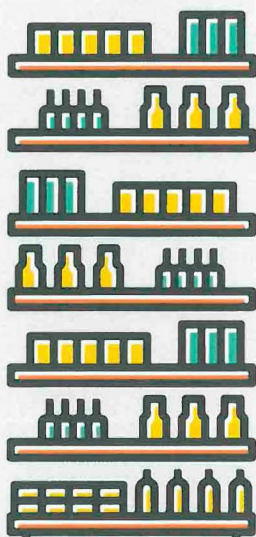


69%

of consumers are concerned about retail prices rising generally. Just over half (53%) of leave voters are concerned about rising retail prices post-Brexit, compared with

88%

of remain voters



15%

of consumers are planning to stockpile food ahead of the UK's exit from the EU

"Any period of uncertainty leaves people feeling unsure about the future and this can change decision making. In the past, financial uncertainty has changed where people shop, or how they shop.

"Continuing to move away from the big four and hunting for special offers may become more important to customers as they become more savvy in their shopping."

Worries about rising food prices post-Brexit are a particular worry for consumers, 71% of whom say they are concerned about grocery costs going up after the UK leaves the EU. Of those customers, 30% say they are very concerned about the cost of food post-Brexit.

It will come as no surprise that consumers who voted remain in the EU referendum are the driving force behind customer fears about prices, with seven in eight remain voters saying they are concerned about the cost of retail goods generally and food specifically after the UK leaves the EU.

However, perhaps more surprising is the fact that half of those who voted leave share the same concerns, with 53% saying they are concerned about retail prices generally and 55% saying they are concerned about food prices specifically.

Reassure consumers

So what can grocery retailers do to alleviate shoppers' fears?

"Grocers need to provide reassurance to customers that they are putting the customer first," Nichols added.

"Hunger and fear are very powerful human instincts, which can drive us to change our behaviour.

"Retailers need to be careful with their language and communications to avoid creating anxiety among customers."

Worries about the cost and even availability of food have led to 15% of consumers saying they are likely to stockpile additional food in the run-up to the UK's exit from the EU – a number which Nichols thinks is likely to rise as the exit date looms.

"We know from psychology that the desire to stockpile is not always based on logical or rational behaviour," she says.

"When we feel like something is out of our control (in this case, a no-deal Brexit causing delays and changes to our food supply), our primal instincts are dialled up.

"It is likely therefore that as the urgency around leaving the EU increases, more people may consider stockpiling." RW