RETAIL SATURATION, RETAIL LOCATION, AND RETAIL COMPETITION: AN ANALYSIS OF BRITISH GROCERY RETAILING

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Retail Saturation, Retail Location, and Retail Competition: an analysis of British grocery retailing

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Abstract: The appreciably dramatic idea that British grocery retailing is facing imminent saturation has attracted increasing attention particularly since the mid- to late-1980s. In this paper we seek to review and attempt to sophisticate the debate over saturation by providing a detailed discussion and spatial analysis of current levels of retail provision. This analysis, in itself, offers a view of the potential for future retail expansion. We argue here, however, that spatial patterns of retail provision must be interpreted carefully, particularly given the profoundly different competitive conditions that characterize British grocery retailing in the 1990s as compared with the 1980s. In considering both the spatial patterns of, and competitive processes underlying, British food retailing, we offer an account of recent retail geography in a way that synthesises approaches that are all too frequently presented as antagonistic.

1. Introduction

The fact that British food retailing is characterised by such extreme levels of capital concentration, with 30-40% of the market now in the hands of the 'Big Three' multiples (Sainsbury, Tesco, and Argyll, the last operating as Safeway), has seemingly led to a widespread acceptance of the notion that sooner, rather than later, the entire domestic market will attain a state of absolute saturation. The intuitive link between capital concentration and retail saturation relates, perhaps above all else, to the dramatic store expansion policies pursued by the large, corporate multiple retailers throughout much of the 1980s. But despite a considerable deceleration of these retailers' expansion programmes in the 1990s (Wrigley, 1994), the spectre of retail saturation continues to haunt the British grocery retail trade.

Drummond (1994, page 19) has recently suggested that the major British retailers "are counting the days until the turn of the century, which is widely regarded as the point when saturation will really take hold." This exaggerated end-of-the-century attitude is, however, symptomatic of the status afforded to retail saturation over the years. The conceptualisation of retail saturation has always remained significantly underdeveloped, with the term—referred to by Wrigley (1991, pages 1542-1543) as "that hoary chestnut of British retail analysis"—often being invoked in, to say the least, rather dubious ways. For example, the internationalization of British retailing is sometimes simplistically presented as providing a self-evident indication of saturation in the home market. The movement overseas by major British multiples cannot, however, be taken as a simple consequence of saturation, given the counter-evidence of a simultaneous influx into Britain of continental European limited assortment discount chains, such as Aldi and Netto. Indeed, the well-known historical prevalence of comparatively high retail profit margins in British grocery retailing provides for a more adequate explanation of the influx of oversees retailers.

Contrary to the scare stories of a number of retail commentators, therefore, a variety of company statements imply significant potential for further expansion in many areas of the country. For example: J Sainsbury plc have suggested that a target figure of over 150 new Sainsbury's stores across the country is realistic; Tesco have a further 200 stores planned (IGD, 1993, page 75); and Safeway have suggested some 300 potential new store locations; Morrisons plan 180 new stores, expanding from their West and South Yorkshire heartland into Greater Manchester and Lincolnshire;[1] and Asda, following their well publicised financial difficulties, opened their first new stores for 2 years in 1993.[2] Of course, such statements must be interpreted with considerable caution, given both changes in Government planning guidelines (Department of the Environment, 1993) and in particular the crises that have served almost to reverse the superstore expansion programmes of the largest players (Wrigley, 1994). The move to smaller store sizes by these players, and the expansion programmes of those operators favouring medium- to small-sized stores do imply, however, that there remains considerable potential for retail growth. For example, in terms of store numbers, the greatest expansion plans are taking place outside the superstore sector: Iceland estimate that their current store portfolio of around 700 stores represents less than half the number that they could ultimately expand to with their "go anywhere" policy (Iceland Frozen Foods plc, 1992, page 12); Kwik Save have been undergoing a considerable geographical expansion programme, reportedly opening stores at a rate of approximately one every three days in the early 1990s and ranging over most areas of the country. Similarly, the new limited assortment discounters from overseas are continuing their expansion plans (*The Grocer*, 1993): Carr (1993, page 1) suggests that the discount sector, including the limited assortment discounters and Kwik Save, may account for twenty per cent of grocery sales by the end of 1997. Thus, in spite of the major players drawing back from their 1980s' superstore expansion rates, overall retail expansion remains more buoyant than is sometimes appreciated. Table 1 provides some indication of this buoyancy, expressing small store openings in terms of equivalent superstore floorspace for 1992/3.

The impact of recent Government planning guidelines, severely restricting the potential for new out-of-town retail sites (Department of the Environment, 1993), would intuitively seem to add to the likelihood of retail saturation arriving sooner rather than later. The evident importance of the medium and small store sector, however, reveals the kinds of complexities that the saturation debate may easily hide: the new planning guidelines may, in the long run, affect the *form* of retail development as much as, if not more than, its extent. What is certain, however, is that the more restrictive planning guidelines will affect the retail property market: there is already evidence, for example, of an enhanced market in existing sites possessing planning permission for retail use. This is likely to have an impact related to the financial positions of different retailers, this factor determining which of the multiples can most afford to expand in what is effectively a zero-sum game. For example, J Sainsbury have recently purchased four Costco stores, entirely for the reason that these represent sites with planning permission for retail use.

Adding to these apparent contradictions regarding new store openings, a number of semantic difficulties surround the concept of retail saturation. First, it is a concept which is generally extremely loosely defined. The most widespread definitions identify its occurrence in situations where further retail expansion would prove unviable, as a result of overcapacity on the supply side effectively spreading available consumer demand too thinly. Of course, this

Table 1 The Extent of Small Store Openings, 1992/93

Operator	1992/93 Store Openings	Average Store Size ('000ft^2)	Total Floorspace ('000ft^2)	Equivalent No. of Superstores
Kwik Save	128	8.2	1,050	42
Iceland	110	4.8	528	21
Aldi	50	6.7	335	13
Netto	50	8.0	400	16
Total	338	6.8	2,313	92

Table 2 Expansion of Active Multiple Retail Fasçias, 1989-92

Multiple Grocer Fasçia	Floorspace ('000ft^2) Spring 1989	Floorspace ('000ft^2) Spring 1992	Net Change 1989-92	Rate of Change (% p.a.)
Tesco	8,540	10,583	2,043	**7.4**
Asda	7,700	8,278	578	**2.4**
Sainsbury's	5,965	7,573	1,608	**8.3**
Co-ops	6,800	7,193	393	**1.9**
Safeway	4,340	6,509	2,169	**14.5**
Kwik Save	4,380	6,355	1,975	**13.2**
Gateway	6,540	5,184	-1,356	**-7.4**
Iceland	2,095	2,640	545	**8.0**
M&S	2,030	2,329	299	**4.7**
Morrison's	1,350	1,798	448	**10.1**
Waitrose	995	1,225	230	**7.2**
Presto	1,980	1,124	-856	**-17.2**
Wm. Low	695	914	219	**9.6**
Lo-Cost	1,005	848	-157	**-5.4**
Savacentre	540	801	261	**14.0**
Budgens	725	663	-62	**-2.8**
Food Giant	-	643	643	-
Somerfield	-	634	634	-
Aldi	-	288	288	-
Netto	-	263	263	-
Private Multiples	600	564	-36	**-2.0**
Total	**56,280**	**66,409**	**10,129**	**5.7**

(After Myers, 1993a, page 19)

makes the largely unanalysed assumption that retail development is always demand-led. Second, naïve statements of the saturation thesis pay little or no attention to the importance of retail property and development costs, which represent highly important factors controlling superstore expansion, and in part explain the internationalization of British retailing (Wrigley, 1993). But despite the various possible refinements to the definition of saturation, the general tenets of the saturation thesis appear to carry with them a definite logic, which captures the imagination if nothing more.

In this paper we initially review some contributions to the literature that usefully clarify, nuance, and sophisticate the debate about retail saturation. In the second section we provide a relatively simple but nevertheless telling empirical analysis of the British grocery situation. Finally, we conclude by briefly reconsidering the import of the idea of retail saturation in terms of broader developments in retailing and retail geography, and the empirical results presented here. While the second section provides a particular national-level analysis of the British case, supplemented by a number of spatially disaggregated analyses, including a local-level case study of Leeds, the first and final sections take a broader ranging view of retail saturation, tied to the British case but much of which is translatable into other national contexts. The overall aim of the paper, however, is to consider the value of terms such as retail saturation, which seem to imply a historical finality, in the light of the evidence of highly significant and persistent geographical variations in retail provision, and in the context of a fundamentally dynamic, if substantially monopolistic, retail sector.

2. Retail Saturation: elements of the debate

The idea of retail saturation originally arose in relation to the growth of the multiples at the expense of other types of retailer (especially the cooperatives and independents), particularly given their preferred trading format, the superstore (see Jones, 1982). The idea of saturation was substantially heightened, however, with the dramatic superstore expansion policies followed by the leading multiples competing for an increased share of the market over the period spanning the late 1980s and early 1990s (Duke, 1989), a period Wrigley (1991) has described as the 'golden age' of British retailing. These expansion policies involved unprecedented programmes of new superstore development, a process significantly fuelled by the expectations of the City. The annual increases in turnover and profitability the City came to expect over this period were largely achieved by the multiples pursuing aggressive policies of capital investment in new store building (new stores considerably outperforming old ones in terms of efficiency and attractiveness to consumers), and adopting accountancy practices that tended systematically to overvalue retailers' assets (chiefly by means of the capitalisation of the interest on the loans used to finance store developments (Shiret, 1992a; 1992b; 1992c; cited in Wrigley, 1994). Such practices, in the short term, tended to guarantee that new store openings, often quite literally, paid dividends. The spate of superstore expansion characterising this 'golden age' should, perhaps, be placed in the context of a longer term process of the rationalization and restructuring of store portfolios by companies divesting themselves of large numbers of small stores in favour of the superstore format (Sparks, 1986). However, the expansion programmes undertaken by British multiples through the 1980s served to reinforce the perceived link between high levels of retail capital concentration and imminent retail saturation—given, for example, the doubling of the number of superstores to more than 800 in the seven years ending 1992/3 (Carr, 1993). This is important because many commentators and analysts have sought, implicitly or explicitly, to tie the notion of saturation to the superstore sector and, in effect, to define saturation in such terms (for example, Mintel, 1989; 1991). As Myers (1993a) argues, however, such a definition is extremely problematic and has itself generated a number of false impressions concerning retail saturation. Before turning to consider Myers' important work in detail, it is necessary to consider more fully the widespread notion that saturation is inevitable and, indeed, imminent.

The notion of saturation in its simplest sense captures, as noted above, the idea of a retail market where additional provision would prove "unsustainable for a retail organisation in the context of available consumer demand" (Jonathan Reynolds, cited in IGD, 1993, page 245). The logic of this argument has, for many, rendered the concept of saturation "common sense" (Peter Jones, cited in IGD, 1993, page 245). A number of factors combine to add weight to the idea that saturation follows a seemingly inevitable logic. Perhaps the most prevalent idea is that the pace of retail expansion is outstripping the rate of population growth, such that profitability must inevitably decline to the point where saturation occurs, as the ratio of shopping trips to retail space deteriorates. Thus, with a predicted overall increase in population of just 5% between 1990 and 2000 (Mintel, 1993) and figures of retail floorspace increase of the order of 20% in a single year in 1992/3 (Carr, 1993), saturation appears highly likely, even when taking into account the deceleration of superstore expansion in the 1990s (Wrigley, 1994).

In addition to simple population growth, trends in food consumption seemingly support the idea that the market is on course for saturation. Duke (1989, page 18) notes that per capita food consumption "is already regarded as excessive, which might explain the slight decline in volume with the new emphasis on health and fitness." Household expenditure on food as a proportion of total household expenditure has been declining over recent decades (Economist Intelligence Unit, 1989, page 9), but this bears little relation to what has happened to food retail profits. The important role of 'added value' products (see Wrigley, 1994) in increasing the gross profit margins enjoyed by British multiples in recent years warns against a simplistic view of saturation as resulting from a declining proportional household expenditure on food. However, as British retailing enters a new price-competitive era, the trend towards increased gross profit margins as a result of an increase in the number of 'added value' products the multiples supply is checked by falling margins on 'core' food items as a result of the competition introduced by the limited assortment discounters (MacNeary, 1993; Wrigley, 1994).

Finally, it is sometimes argued that saturation is likely given that there are limited suitable sites for continued expansion in Britain (Davidson, 1993; Mintel, 1989; 1991); and that competition is already fierce in a large number of locations (Harrison, 1993a; 1993c; Hobson, 1993a). As early as 1988 the Tesco Chairman Ian MacLaurin was arguing that "There are only a finite number of superstore sites available in the U. K. It is my job to make sure that we get our fair share of the remaining sites" (quoted in Penny and Broom 1988, 107). More recently, Archie Norman, Chief Executive of Asda stated in 1992 that "[v]ery few superstores are arriving in virgin territory anymore. Every new superstore is eating into existing superstore competition and progressive overcapacity will bring pressure on gross margins" (cited in IGD, 1993, page 229).

The notion of 'saturation' to which such a view holds is, however, very much restricted to the *superstore* sector and its ability to earn high gross profit margins. Such a view underlies the predictions of the imminence of saturation provided by a variety of commentators: Duke (1991, page 63), for example, suggested that "within the next few years" the "mathematics of the situation [will have] become an increasingly pressing reality;" Munson (1993, page 111) has suggested that saturation will occur "by the end of the decade;" and Archie Norman has indicated that profitability will be threatened by overcapacity "in the next five years" (cited in Hobson, 1993b, page 5). A study by Harris International Marketing, reported in *Super Marketing* (1993) and carrying the headline 'Saturation here says survey,' claimed that the leading five multiples are "processing fewer customers per square foot of floorspace," suggesting that new store openings are already unviable. The viability of superstore openings can, however, be influenced by such factors as superstore development costs as well as by limited levels of consumer demand. The crisis in the retail property market documented by Wrigley (1994) has arguably had at least as great an influence on superstore viability as has 'saturation.' However, as the above concerns about saturation levels make clear, it is perhaps the *perceived* existence of retail saturation that is of more importance than its actual existence. This is the crux of the argument presented by Myers (1993a), to which we now turn.

While noting that "saturation is an ill-defined concept" Myers (1993a, page 81) offers considerably more than a semantic argument. He seeks to make the case that perceptions of expansion in food retailing have exceeded actual expansion as a result of three interrelated—and—misleading assessments of recent retail change: first, attention has been paid to gross rather than net increases in floorspace, thereby ignoring the counteracting effect of store closures on new store developments; second, attention has been focused to such an extent on the Kwik Save that a false impression of rates of expansion has been generated—and such impressions require tempering with broader evidence on rates of floorspace change; and third, certain other aspects of change serve to exaggerate the figures, particularly the 'recycling' of stores from other fasçias following acquisitions and mergers. These factors have opened up a considerable gap between perception and reality: "perception is driven by the gross opening programmes of the three most active fasçias, rather than net, real average for all multiples" (Myers 1993a, page 20).

The first thread to Myers' argument is that while the larger superstore operators have been opening new stores, they have also been closing down their smaller, older, less efficient ones. These closures, however, have rarely been documented. Although the level of closures has been considerably less than the level of new store openings, which amounted to more than 6 million square feet in the three years ending 1992/3, the former does serve to offset somewhat the highly publicised gross gains in floorspace. This becomes far more significant when combined with Myers' second line of argument, that most studies of the grocery sector have focused on the 'Big Three' to the neglect of the remainder of the multiple retailers in the grocery market. The effect of this can be seen in Table 2, which provides a broader picture of the true extent of retailer expansion than the usual focus on the Kwik Save has allowed, showing a highly variable rate of change, including a number of retailers with overall floorspace *losses*. Myers' third line of argument is that whilst expansion has been taking place for, especially, the largest multiples, a number of smaller fasçias have completely disappeared, representing either a loss of retail floorspace, or a transfer to another more powerful fasçia, as in the case in Iceland's take-over of Bejam. This latter transfer of floorspace has again served to provide a misleading impression where only the largest multiples are considered, for a number of 'new' stores, especially those of Kwik Save, Gateway and Iceland have effectively been 'recycled' from other fasçias and do not represent any net increase in floorspace.

Thus Myers demonstrates how, by restricting attention to the opening programmes of the 'Big Three' (Table 3) and including the conversions from Presto to Safeway fasçias as 'new' store openings, "it feels like multiple expansion has been about 13% per annum" (Myers, 1993a, page 20), whereas, taking the average for all multiples grocers, the annual increase is only around 5.7%. To this rather more modest rate of expansion, the declining floorspace of the cooperative, independent and weaker multiple sectors must be added in order to attain an overall estimate of the percentage rate of change in grocery retail floorspace per annum (Table 4). The results of this exercise reveal an overall rate of *decline* in total grocery retail floorspace, of approximately 2 million square feet per annum over the period 1989-1992.

As Table 5 documents, multiple retailers still own less than 50% of retail floorspace, and the actively expanding multiples just 28% of floorspace. This points to considerable room for expansion by the multiples at the expense of the weaker retail players, including 'weak' multiples, such as Asda, Gateway, Budgens and Waitrose as well as other types of retail operator. However, the changed competitive conditions of the 1990s suggest a widespread slow-down in expansion by the major multiples, such that the always dubious ideas regarding absolute levels of saturation have, for the moment, been forestalled by wider circumstances (Wrigley 1994).

Even without this slow-down by the major multiples, the path toward saturation in the 1990s was always unlikely given the broader process of store rationalisation and replacement. As Jones (cited in IGD, 1993, page 245) suggests, "stores will continue to be developed throughout the 1990s to replace those that no longer meet perceived needs". In other words the 'goal posts' defining saturation are themselves always shifting as a result of changing retailer perceptions of the adequacy of their store portfolios. The recent, highly publicised 'return to the High Street' by British retailers is important here, with the major multiples looking to develop medium sized stores (for example, Tesco's 'Metro' format and Sainsbury's 'Central'). This movement away from large superstore development is very much related to the crisis in retail property values and practices (Wrigley 1994) but is highly significant as a form of "regional in-filling designed to defend existing market share" (Frank Davidson of James Capel, cited in IGD, 1993, page 230).

In this context, it is interesting that Bob Willett, former Chief Executive of Gateway, has suggested that "saturation is a company specific issue; that is, it will affect each company to a different degree, depending on [their] particular brand and fasçia strengths" (Willett, 1993, page 5). This is, in effect, a redefinition of saturation which usefully focuses attention onto the position of *individual* retailers. Willett (1993, page 6) notes that individual retailers "generally have low market shares when compared to their regional strengths" such that "there is still potential for substantial growth if the brand is positioned properly". The explicitly geographical dimension to this process which Willett identifies is significant, pointing to the importance for retailers of their specifically *regional* strengths: "Those with a compass and a clear sense of direction will emerge from the mist of saturation: the others will

Table 3 Gross Store Opening Programmes for the 'Big Three,' 1989-92

Fasçia	**Floorspace ('000ft^2) Spring '89**	**3 Year's Openings ('000ft^2)**	**% Growth per Annum**
Tesco	8,540	2,630	9.4%
Sainsbury's	5,965	2,115	10.6%
Safeway	4,430	1,660	11.4%

(After Myers, 1993a, page 20)

Table 4 Overall Rates of Change in British Food Retail Floorspace, 1989-92

Year	**Multiple Grocer**	**Independent & Small Co-ops**	**Specialists**	**Total**
1989 (million ft^2)	56.28	35.25	36.43	**127.96**
1992 (million ft^2)	66.41	30.22	29.30	**125.93**
Rate of change (% p.a.)	5.70	-5.00	-7.00	**-0.50**

(After Myers, 1993a, page 22)

Table 5 Shares of British Food Retail Floorspace, 1992

Type of Retailer	% Total Floorspace
Active Multiples	28.5
Other Multiples	18.5
Specialists	23.3
Independents	21.1
Cooperatives	8.6

(Based on Myers, 1993a, page 14)

not deserve to" (Willett, 1993, page 5). This recognition by practitioners that there is widespread geographical variation in the pattern of 'saturation' is a theme we shall take up in the next section. This geographical variability is, we argue, particularly important in the light of major study recently completed by Treadgold and Reynolds (1989). They conclude (1989, page 99):

> "We do not subscribe to the notion of 'saturation'. The idea of saturation has its origins in hydrology. A soil, for example, is said to be saturated when it can support no more water. Applying the analogy, a market is saturated when it can support no more retail activity. In both a quantitative and a qualitative sense this is not an appropriate description of large store food retailing in the U. K."

The basis of their argument is, like Myers, that it is inappropriate to discuss the possible over-supply of grocery floorspace at an aggregate level for the U. K. as a whole. They argue that there are still significant differences across the country between average levels of provision per head of population. We shall explore these variations in more detail below.

3. A Spatial Analysis of British Grocery Retailing

Much of the existing literature on retail saturation that we have discussed above treats the geography of British food retailing with considerable neglect. This is, perhaps, surprising given that spatial variations in levels of retail provision are, periodically, raised in relation to the saturation debate. For example, the Chairman of Tesco, Sir Ian MacLaurin, stated in September 1993 that "saturation only [exists] in a small number of areas" (Gilchrist, 1993, page 27). Similarly, the 'Regional Focus' series in *Super Marketing* (for example Harrison, 1993a, 1993b, 1993c; Drummond, 1993) has highlighted towns with considerable levels of competition; one report identifying Coventry as the most saturated town in the country, for instance (Harrison, 1993a).

There are, however, a number of notable contributions to the debate on the importance of geographical variation in saturation rates. Myers (1993a) and Treadgold and Reynolds (1989) have provided the most detailed geographical consideration of the variability in retail provision reported to date, and we shall consider these within the framework of our analysis. Moreover, a number of other recent studies have also concluded that the notion of saturation must be considered at the local level (Clarke *et al*, 1994; Guy, 1994). In this section of the paper we also offer an empirical analysis of the levels of retail provision in the British grocery retail market, with a view to considering the uneven geography of the prospects for expansion and saturation. This consists of a spatial analysis of existing multiple presence at four different levels of spatial resolution: the region; the county; the urban region; and, finally, the intra-urban level. This will be supplemented by interpretation based on company reports and a small number of interviews (with Tesco plc, the Asda Group plc, William Morrison plc, and Iceland Frozen Foods). The companies and fasçias included in the analysis are tabulated in Table 6, together with information on average store sizes. The study focuses primarily on variations in the potential for expansion and therefore excludes the co-operatives, independents, and specialists, given that these types of retail operation are generally in decline. There are a number of other exclusions from our analysis: first, Marks and Spencer plc and Sainsbury's hypermarket fasçia, 'Savacentre,' are excluded, given that both include substantial non-grocery floorspace such that inclusion would distort the overall analysis; second, Aldi and Shoprite are excluded for the unfortunate reason that neither operator would release the required data. This last exclusion might introduce some small underrepresentation of the true extent of floorspace in the certain areas, including the urban centres of the North of England and the Midlands where Aldi first entered the British market, which should be borne in mind.

3.1 The regional scale

At the regional scale there are a number of industry estimates of how well the major grocery multiples are performing. Table 7 shows estimated regional market shares for a number of retailers based on estimates produced by Audits of Great Britain in 1989, providing a useful indication of regional strength and demonstrating the huge variability in market share that each retailer has. It is clear from such statistics that there are considerable opportunities for companies such as Sainsbury and Tesco in the North of England. If Sainsbury's are capable of achieving 40% market shares in London is it not possible for them to achieve similar rates elsewhere? Similarly, it is not surprising that many other retailers are keen to break into the lucrative market of London and the South East, which remains dominated by Sainsbury, Safeway, and Tesco. Kwik Save have recently drawn up a 'hit list' of UK locations, many of which are in London and the South East (see Table 8). With the sorts of statistics shown in Table 7 in mind, Myers (1993) suggests the areas with the least potential for expansion by the 'Big Three' to be the South East (with the exception of Inner London), whilst the peripheral areas of Scotland, Wales, the North West and Yorkshire and Humberside provide most potential for expansion. Thus Myers (1993a, page 36) also concludes that if saturation is to arrive "it must be a local and regional phenomenon."

3.2 The county level

The most meaningful simple measure of food retail provision is mapped by county in Figure 1, which portrays multiple grocery floorspace per household. This is derived from combining retail floorspace data (Figure 2) with 1991 census data on household numbers extracted from SASPAC91 (see MCC, 1992) (Figure 3). The former data consist of actual store sizes, where these are available (those retailers highlighted in Table 6), together with store size averages multiplied by store numbers, which provides the best available approximation of food retail provision. The latter data arguably provide a better measure of consumer demand than population *per se*, given that it is common for one household member to carry out the bulk of a household's shopping. Not surprisingly, there are clear similarities between Figures 2 and 3, indicating that the most populous areas are also those with the highest retail floorspace.

Figure 1 clearly reveals considerable spatial variation in the provision of multiple retail floorspace, with the average household in Surrey, and also in Tayside and Cleveland, having 3.5 - 4.0 ft^2 of floorspace, almost three times that of Cornwall, large parts of Scotland, Dyfed and central London, which have on average only 1.5 - 2.0 ft^2 per household. Over half of Britain's sixty-three mainland counties (including the Scottish Regions) have less floorspace than the national average of 2.5 ft^2 per household: that is, at a level which may be taken to be

Figure 1: Spatial Variations in Retail Provision : Multiple Grocer Floorspace per Household (ft²)

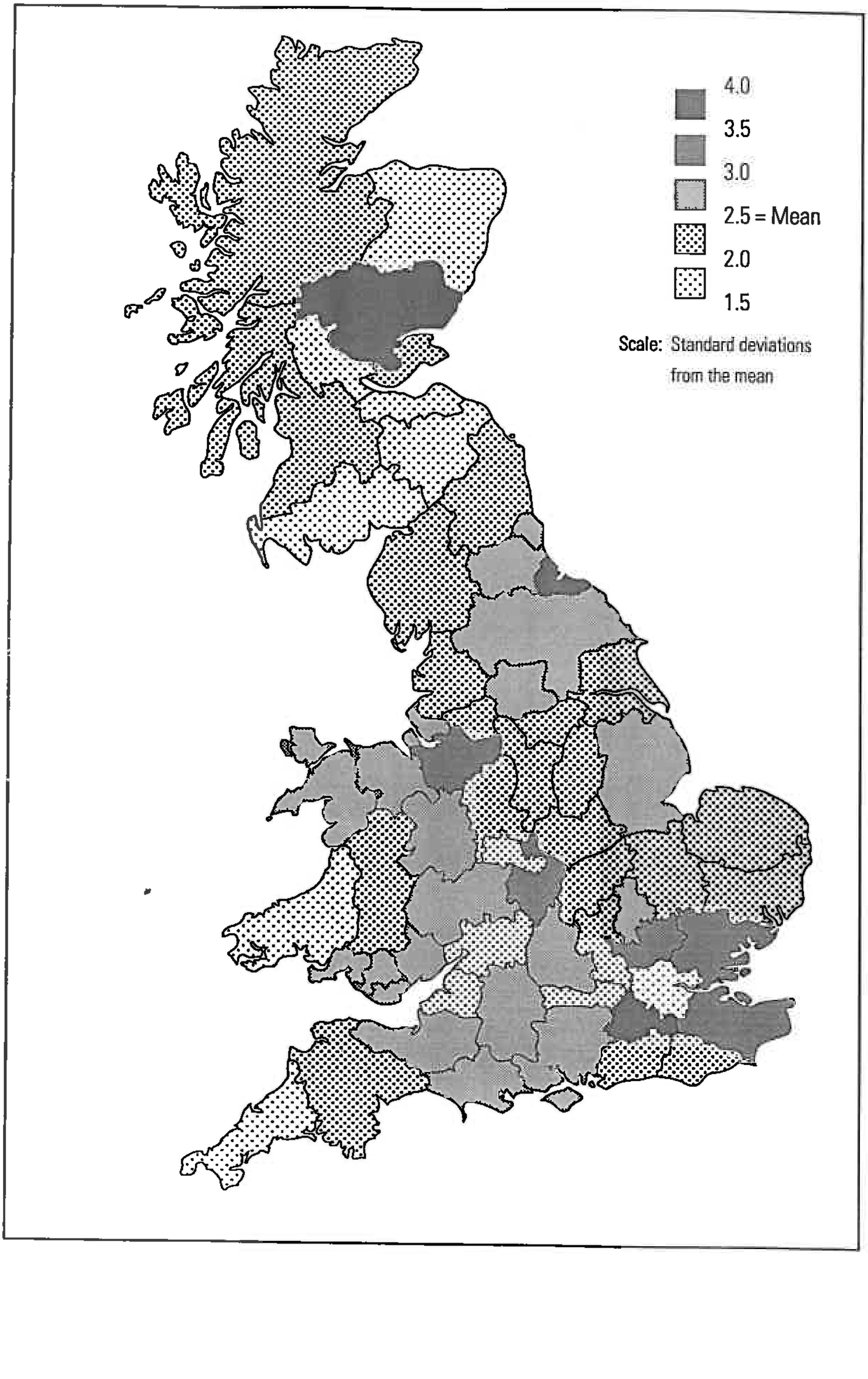


Figure 2: Multiple Grocer Floorspace by County (ft²)

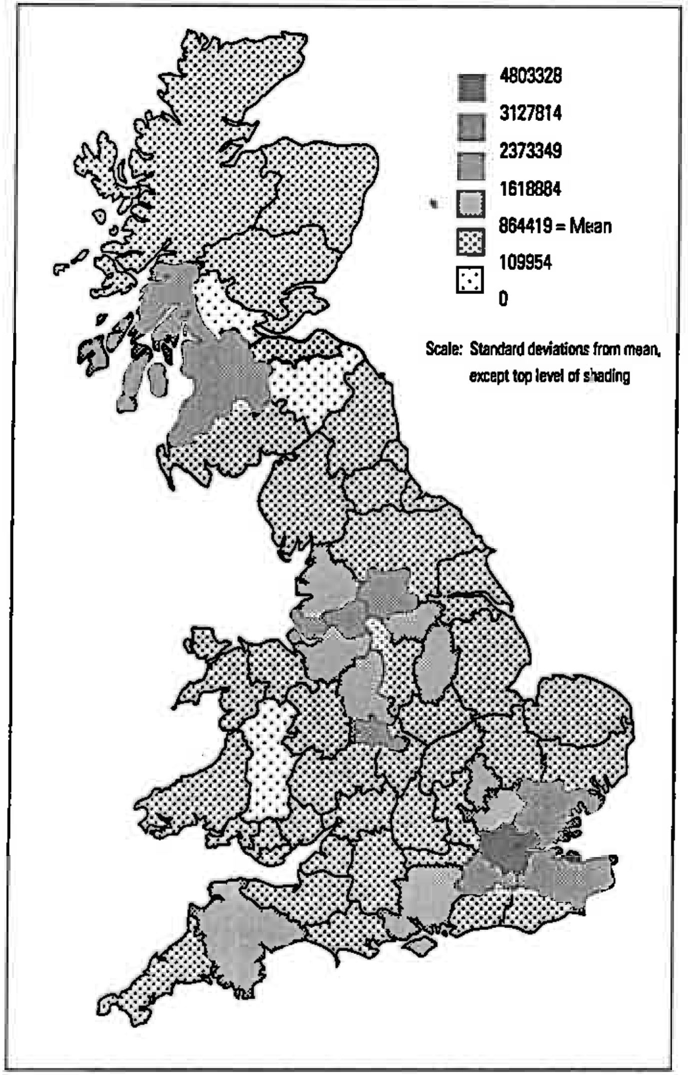


Figure 3: Household Numbers by County

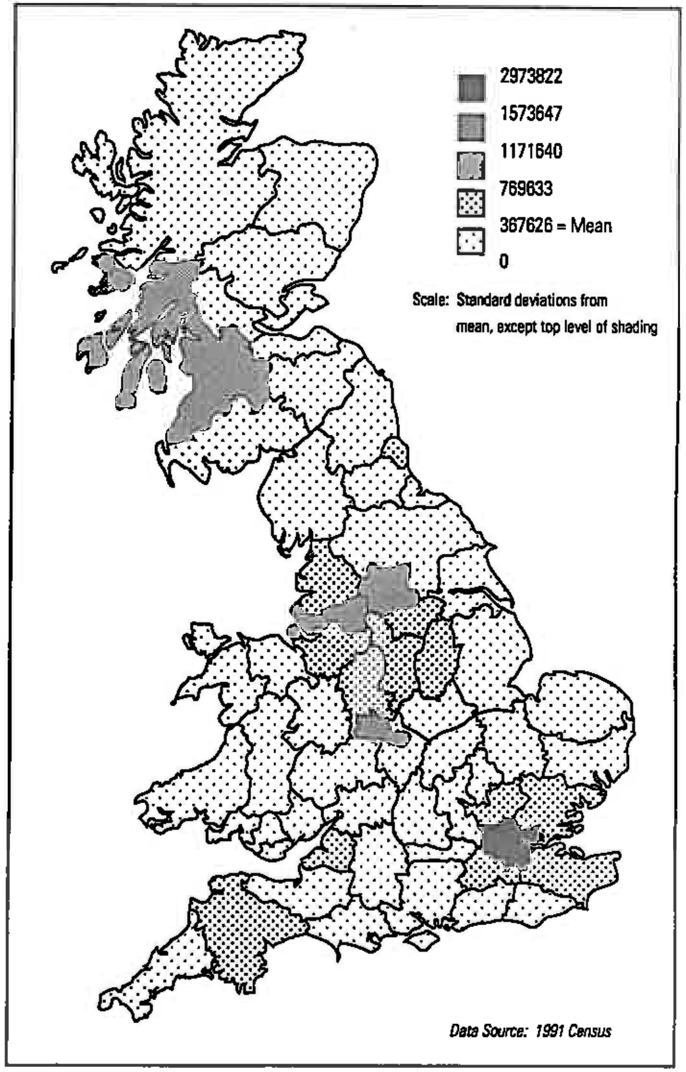


Table 6 Average Store Sizes of Fasçias Included in the Present Study[1]

Parent Company	Trading Fasçia	Average Sales Area[2] ('000ft^2)
J Sainsbury plc	J.Sainsbury	24.3
Tesco plc	Tesco	26.5
Argyll Group plc	Safeway	20.0
	Lo-Cost	3.1
	Presto	5.4
Asda Group plc	Asda[3]	40.2
Kwik Save Group plc	Kwik Save	8.2
Isosceles plc	Gateway[4]	8.5
	Somerfield	-
	Solo	-
	Gateway Vil.	-
Iceland Frozen Foods	Iceland	4.8
Wm Morrison plc	Morrison	33.9
Budgens plc	Budgens	6.9
Wm Low & Co plc	Wm Low	14.1
Netto	Netto	8.0

Table 7 Regional market shares of the major grocery retailers (%)

	Sainsbury	Tesco	Asda	Safeway	Kwiksave
London	39	20	4	9	2
Lancashire	8	12	16	5	20
East Anglia	29	19	3	2	0.5
South West	8	22	2	8	0.5
Scotland	1	7	11	24	0
Midlands	16	13	8	15	11
North East	2	5	10	28	4
Yorkshire	11	10	18	6	4
Wales/West	8	24	9	11	18
South	27	20	3	10	0.5
UK	18	15	9	12	6

(Source: AGB, 1989)

[1] Highlighted fascias indicate those for which actual store size data are available (see text).
[2] Net selling space.
[3] Including small contribution from the Asda *Dales* discount format.
[4] Including small contribution from *David Grieg* fascia.

below 'saturation' given that retailers have exceeded this ratio elsewhere in the country. Moreover, there is evidence that Surrey, the area with probably the highest level of provision, has not yet reached 'saturation-level.' Both Tesco and Safeway are actively expanding in the Surrey area: Tesco began work on a 49,500 ft^2 store at Weybridge in 1994 and Safeway are constructing a new store at Reigate. Neither of these are replacement stores, so that these developments represent an increase in the overall level of provision. In fact, 49% of Tesco's floorspace in Surrey is less than four years old, 44% dates from the 1980s, and just 7% from the 1960s and '70s, and Tesco have stated that they feel there is still room for growth in Kent, Essex and Surrey.[3] Thus, the county with the highest ration of provision of retail floorspace to households provides little evidence of saturation. Of course, this probably oversimplifies the reasons for Surrey's level of development in certain ways. For instance, a more complete picture would need to include some indication of the spatial variability in average rents. It is highly likely, for example, that the level of development in Surrey is affected by prohibitively high rent levels in London as much as, or at least in addition to, being attracted by the area's level of affluence.

A second means of assessing levels of retail saturation is to consider average household expenditure at multiple retailers. A measure of average expenditure for each multiple is obtainable by combining floorspace data (Figure 2) with information on the 'sales intensities' (sales per square foot per week) for each retail fasçia (Table 9), and dividing through by the number of households (Figure 3). Figure 4 maps these average expenditure data by county, again revealing a high degree of geographical variability. It is interesting to compare these results with the average weekly household expenditure on food in the United Kingdom which, according to the 1992 Family Expenditure Survey was £47.66 (see Table 10). The data plotted in Figure 4 show an average household expenditure in multiple grocery outlets considerably lower than this figure, which suggests that saturation is not an imminent threat in many counties. The map presents a general picture of expenditure in the South East being higher than the national average, particularly in Surrey where expenditure in multiples is above the £47.66 that represents the total national average household expenditure. This accords with the evidence on average household expenditure on food in the South of England being 9% higher than the national average (Table 10). It is, of course, probably misleading to consider expenditure solely on food, and whilst it is unlikely that average weekly sales in multiples will reach the figure of £92.47 in these Southern counties—the figure Table 10 provides as the average total household expenditure in the South East—there is little evidence that they have attained any kind of 'saturation state.'

What Figure 4, taken together with Figure 1, does usefully provide is an indication of the relative potential of the different counties for multiple retailer expansion, though this pattern must be interpreted carefully (for instance, it would be interesting to analyse this pattern in tandem with spatial variations in average property prices and land rents). Figure 4 shows the most underrepresented area in terms of multiple retail provision to be Scotland, with four of the nine mainland Scottish Regions exhibiting amongst the lowest levels of provision and the remaining four also possessing below average levels of floorspace per household. With the exception of Tayside, which is one of the three areas with the highest levels of multiple concentration in the country, Scotland appears to provide considerable potential for multiple expansion. Figures 5–7 show the regional floorspace per head of household population for, respectively, Sainsbury, Tesco and Safeway in 1994. It is not surprising, therefore, that the

Figure 4: Spatial Variations in Average Household Expenditure in Multiple Grocers (£)

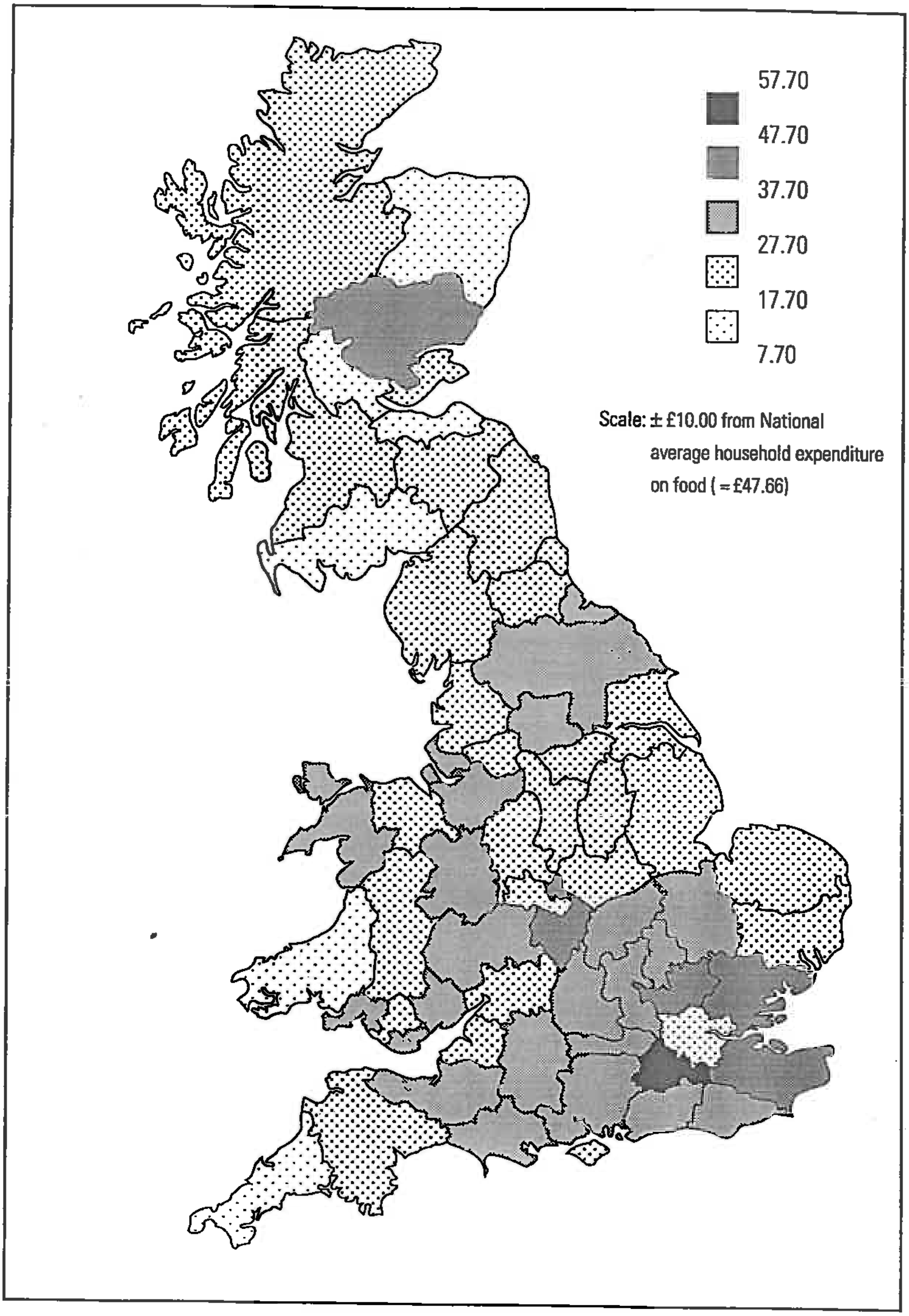


Table 9 'Sales Intensities' of Multiple Grocers

Fasçia	**Sales Intensities (£ per ft^2 per week)**
Sainsbury's	17.46
Waitrose	16.89
Tesco	13.29
Morrison's	11.60
Safeway	11.38
Somerfield	11.20
Wm. Low	9.36
Asda	9.24
Netto	9.00
Kwik Save	8.90
Lo-Cost	8.68
Budgens	8.64
Presto	8.58
Gateway	7.90
Iceland	7.31
Food Giant	4.50

(Source: Myers 1993a, page 50)

Table 10 Average Household Expenditures, 1992

Item of Expenditure	**National Average**	**Average for South East (excluding London)**
Food	£47.66	£51.77
Alcohol	£11.06	£11.06
Tobacco	£5.38	£4.49
Household Goods	£21.96	£25.15
Total	**£86.04**	**£92.47**

(Source: *Family Expenditure Survey*, 1992) battle for ownership of the Scottish retailer Wm. Low was so fiercely fought between Sainsbury and, the final victor, Tesco during this year. Such an acquisition provides instant increases in market share and is particularly suited to a region such as Scotland, which is characterised by low population densities for which superstore development is largely inappropriate. Indeed, Scotland is regarded as being "already over-shopped,"[4] as analysis at a finer level of spatial disaggregation reveals. Scotland's urban areas are generally regarded as well provided for, whilst the rural areas are underserved by superstores, given the unsuitability of the population distribution for this form of retail provision. Some indication of this can be obtained by considering the concentration around Glasgow of Strathclyde's multiple floorspace: Table 11 reveals that Glasgow contains over one half of the entire Region's multiple floorspace. A similar pattern to this is observable in the Welsh counties, where multiple floorspace is below average in all but four Welsh counties, Gwynedd in North Wales and Gwent, South, and West Glamorgan in South Wales. In the South Wales case, the presence of Cardiff and Swansea stand in a similar relation to Glasgow in Strathclyde. Gwynedd, and to an even greater extent Tayside in Scotland, however, appear to provide anomalous results. These last two provide interesting cases, which can usefully be considered with reference to Figures 8 and 9, which show the distribution of floorspace of the former Wm. Low and Kwik Save, respectively. Wm. Low's floorspace was almost entirely concentrated in Scotland, and especially in Tayside where their headquarters were located. Similarly, Kwik Save shows some clustering of floorspace around their North Wales Head Office. Whilst this illustrates the way in which, for historical reasons, retailers' stores tend to cluster around their headquarters (Jones, 1981; Sparks, 1988), perhaps more importantly it also indicates the potential for medium sized stores in these kinds of area. This is likely to be of considerable importance to both Iceland and Kwik Save, who both specialize in smaller High Street stores. For those multiples with a commitment largely to superstore development, however, the peripheral regions of Britain might appear unattractive and prompt the kind of internationalization a number of the multiples are undertaking (Wrigley, 1993). For those operating more flexible store size policies, though, such 'peripheral' regions carry considerable expansion potential.

At the county level, Figure 4 showed that two of Britain's most heavily urbanized areas, Greater London and Greater Manchester, appear to be underrepresented by the multiples. Jones (1982) suggests that this is because of high population and building densities, resulting in limited suitable space for superstore development. Greater Manchester, for example, has had a long history of planning conflict surrounding new superstore proposals (Greater Manchester City Council and Roger Tym, 1988; Bradshaw and Zalzala, 1988). This situation suggests the pertinence of smaller store sizes in such areas, and indeed Tesco's new 'Metro' format has latched onto this potential (*Super Marketing*, 1994), while the Greater Manchester area was, along with the Midlands, one of the more favoured areas for Aldi's initial move into Britain (Wrigley, 1993). (Larger scale developments in such areas are possible, such as Tesco's conversion of the old Hoover factory complex into a 37,500 ft^2 store in Ealing, but such developments are costly and such sites rare.)

Figure 5: Sainbury's floorspace per Head of Household (ft²)

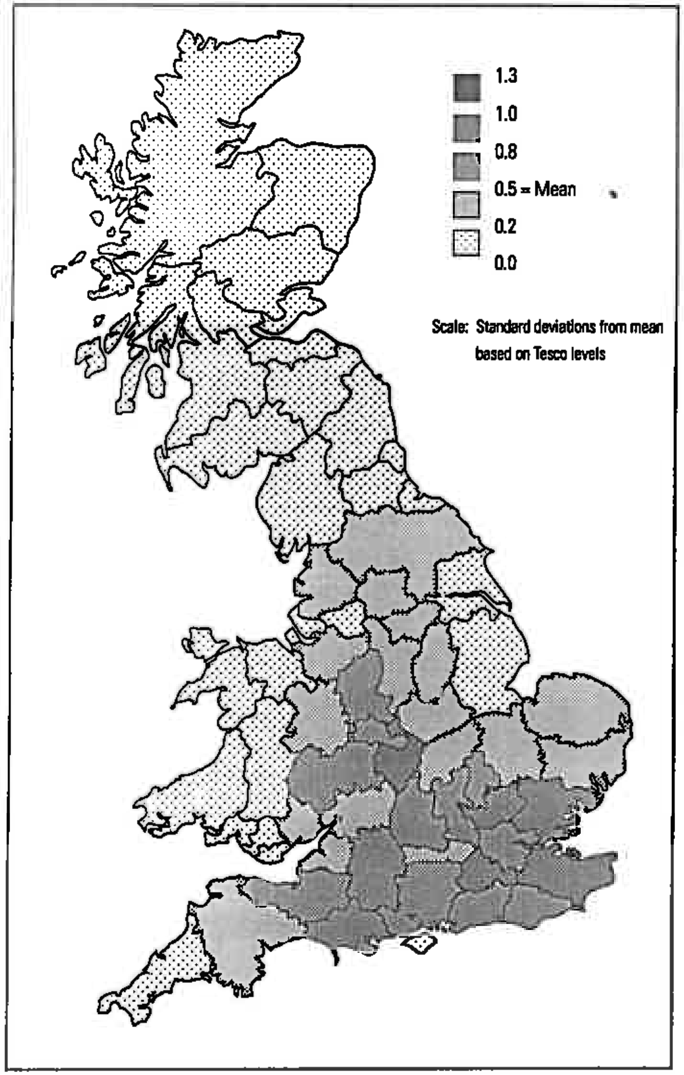


Figure 6: Tesco Floorspace per Head of Household (ft²)

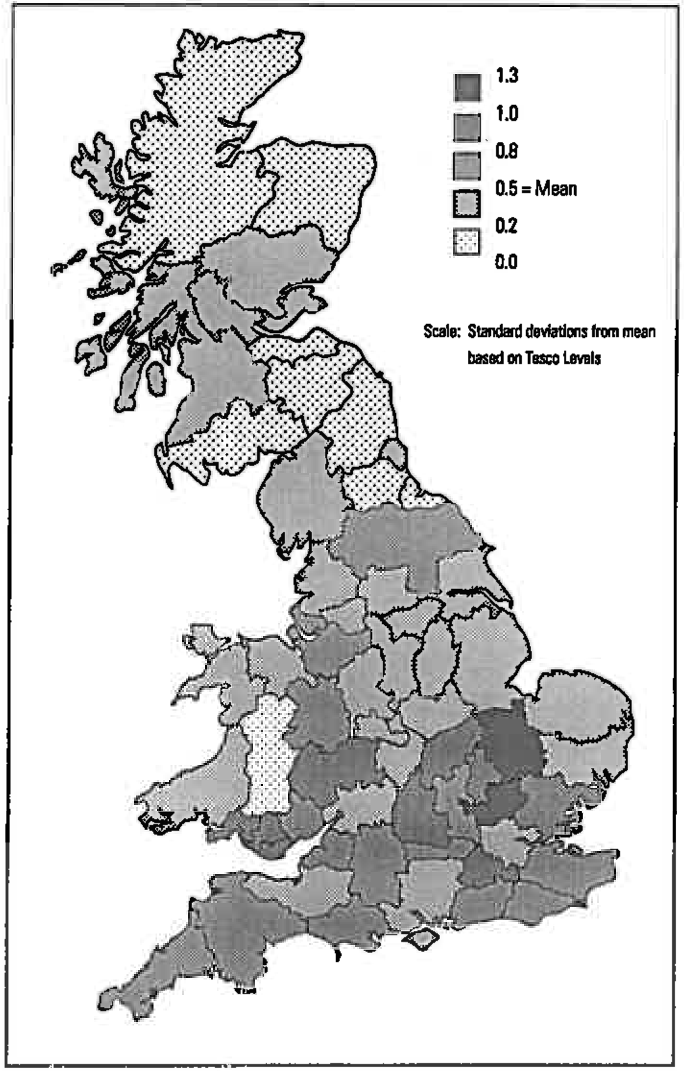


Figure 7: Safeway Floorspace per Head of Household (ft²)

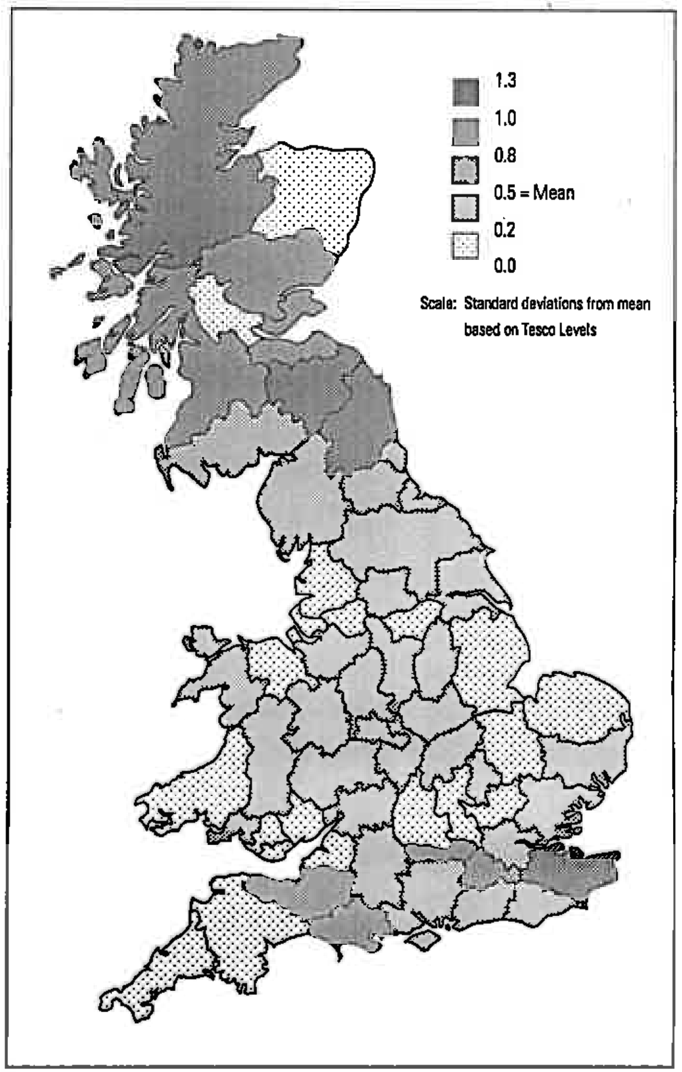


Figure 8: Grocery Floorspace per Household : Wm Low (ft²)

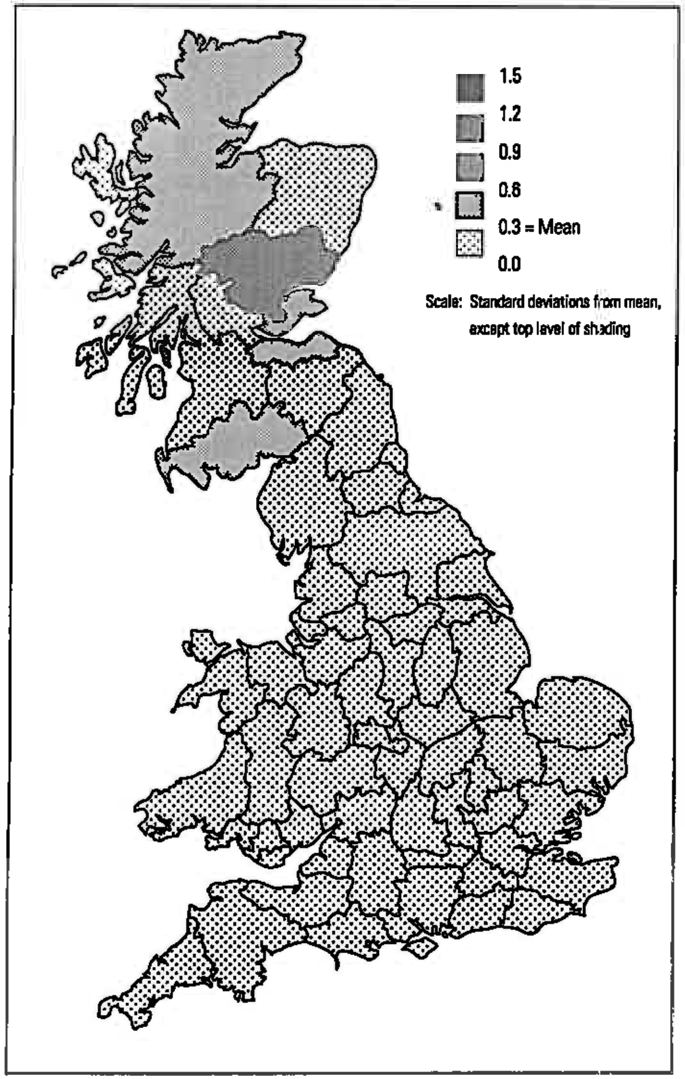


Figure 9: Grocery Floorspace per Household : Kwik Save (ft²)

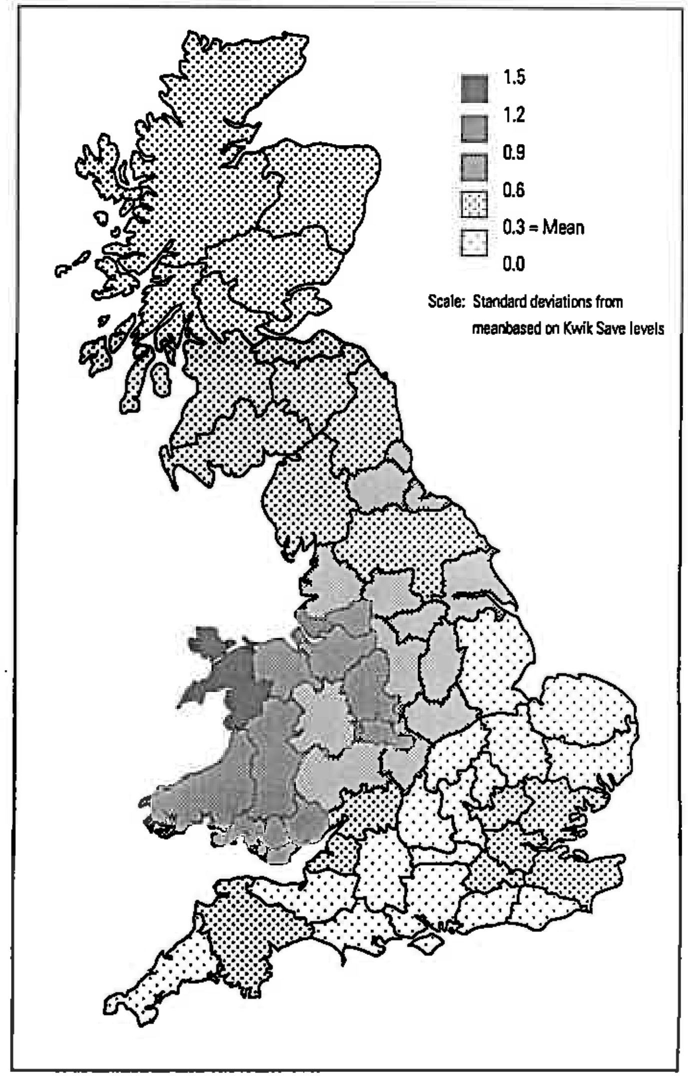


Table 11 Concentration around Glasgow of Strathclyde's Floorspace

Operator	**Glasgow Floorspace**	**Strathclyde Floorspace**	**Glasgow as % of Total**
Asda	321,600	482,400	66.7
Iceland	38,400	62,400	61.5
Isosceles	170,259	293,178	58.1
Presto	156,600	313,200	50.0
Safeway	380,000	680,000	55.9
Sainsbury's	24,300	24,300	100.0
Tesco	0	190,382	0.0
Wm. Low	82,221	193,860	42.4
Totals	**1,173,380**	**2,239,720**	**52.0**

Table 12 Areas of Highest and Lowest 'Big Three' Presence

Division 1		Division 6	
Postal Town	% floorspace owned by the 'Big Three'	Postal Town	% floorspace owned by the 'Big Three'
Sutton	45.9	Telford	8.5
Stevenage	43.0	Torquay	8.5
Medway	38.8	Falkirk	8.4
Milton Keynes	38.8	Llandudno	8.2
Romford	37.4	Blackburn	7.6
Redhill	37.2	Harrogate	6.1
North London	37.1	WC London	4.3
Bromley	37.0	Dumfries	4.2
Bournemouth	36.9	Galashiels	4.0
Tonbridge	36.7	Darlington	2.0
Hereford	36.5	Kirkwell	0.0
Hemel Hempstead	35.6	Llandidrod Wells	0.0
Enfield	35.4	Wigan	0.0
Croydon	35.2	Lerwick	0.0

(After Myers, 1993a, pages 91–93)

3.3 The urban district level

The variations within and between counties suggests that disaggregating counties into their composite urban areas may be more useful than the above county-level analysis, and there has already been some work at this finer level of spatial resolution. Taking a measure of total food retailing floorspace per 100 people that includes the independents, cooperatives and specialists as well as the multiples, Myers (1993a, page 85) shows a vast range in retail provision, varying from a high of 367 ft^2 of floorspace per 100 people East London to a low of 101 ft^2 in Hull. The geographically variable expansion potential is presented by Myers in terms of different 'divisions', of which Table 12 reproduces the upper- and lower-most. In Table 13 we plot the ratios of multiple floorspace per households for the urban districts of Greater Manchester (identified above as an area of so called under provision) and for Surrey (similarly identified as an area of over-supply). In Manchester, the shortage of retail floorspace is clearly not uniform. In fact, the districts to the north of the city have floorspace ratios comparable to many other regions of the U. K. The gaps appear to be in south and west Manchester rather than county-wide. This seems a little surprising given the affluence of south Manchester in comparison to areas to the north (especially where it borders onto Cheshire). Similarly, Table 13(b) shows that there are large variations in the floorspace ratios in a county such as Surrey, widely reputed to be the most saturated county in the country. Clearly, opportunities may still exist for development in areas such as Woking, Tandridge and Spelthorne (note our earlier discussion that Tesco are already building in Weybridge—in the Woking Local Authority District—and Reigate which already has a high multiple floorspace ratio).

3.4 The intra-urban level

Our argument thus far has demonstrated the importance of breaking down regional or aggregate spatial statistics when looking at retail provision ratios. This has demonstrated that there can be as much variation within a region as there is across regions. The logical extension to this argument is look at market variations within urban areas themselves. This micro-scale is extremely important. We would accord with Birkin *et al* (1995) that store location itself drives market share, as much as, if not more than, any of the retail marketing or advertising strategies increasingly being used by the major multiples. It is clear that consumers (on average) will not travel long distances to obtain their groceries. This means that 'intervening opportunities'—in the form of competitors' stores—become important, and it is crucial to appreciate that regional market shares are effectively little more than the products of market shares earned at the micro-scale. For example, however seductive the national 'ASDA price' TV advertisements are, it is unlikely that a consumer will shop at ASDA if there is a Tesco or a Sainsbury's store much closer to home (or work). Accordingly, we demonstrate below the importance of local market shares using a case study of Leeds.

At spatial scales such as the region, county, or urban district, it is meaningful to estimate indicators such as floorspace per household. However, we would argue that such indicators become much more problematic at the intra-urban level—though if we take Census enumeration wards or postal districts as our spatial units, then such indicators may still be

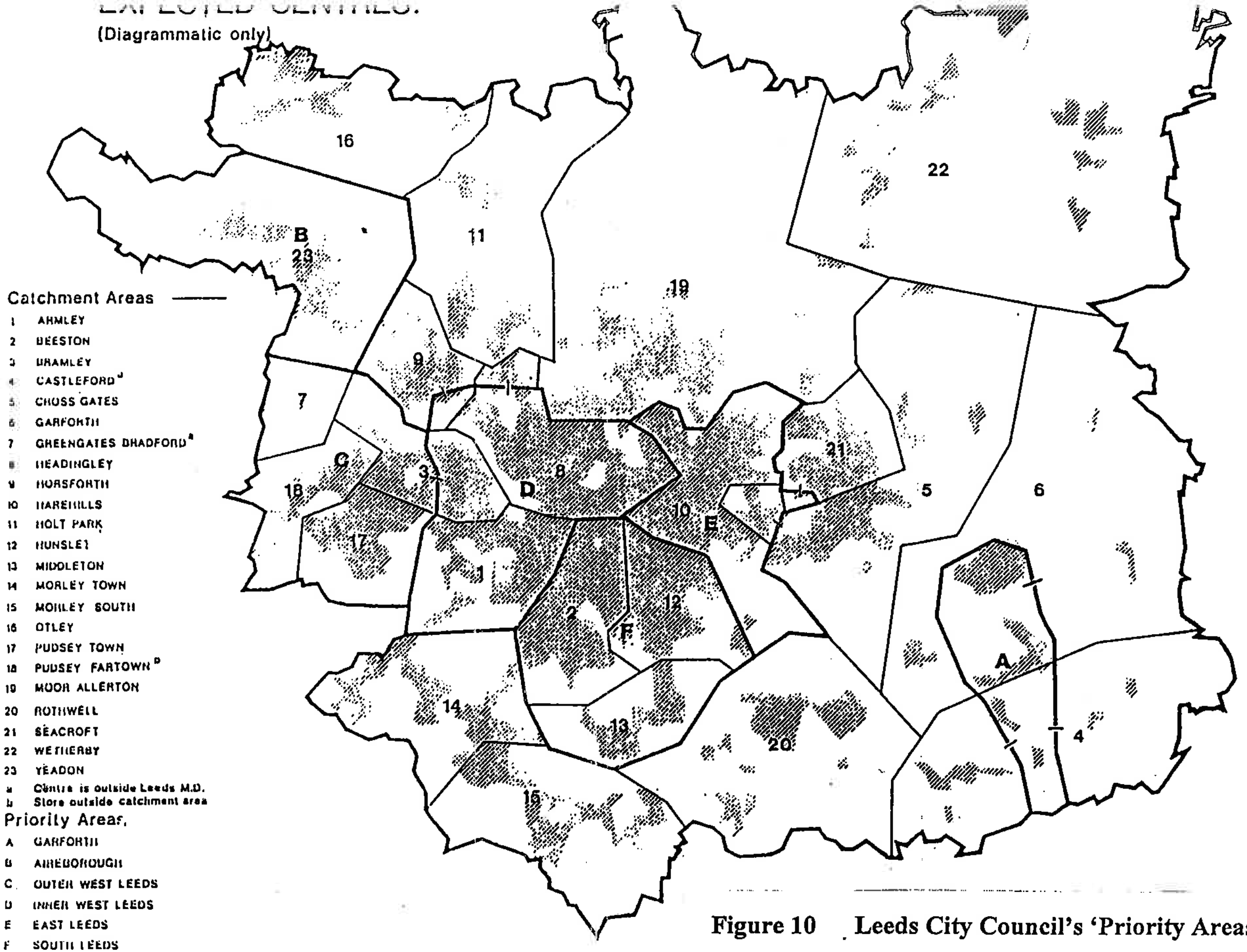
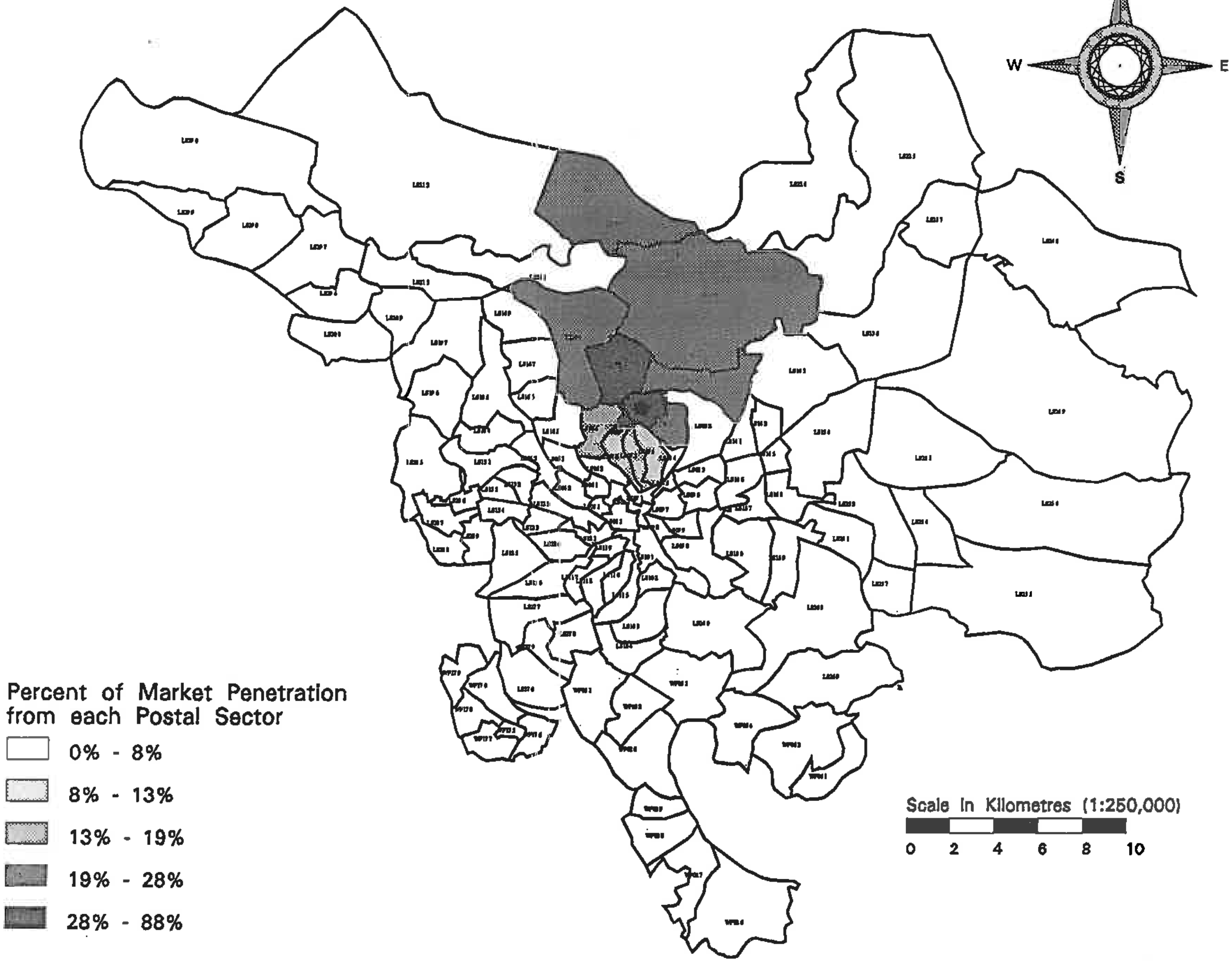


Figure 10 Leeds City Council's 'Priority Areas'

Figure 11 Market Penetration of J Sainsbury plc showing store location



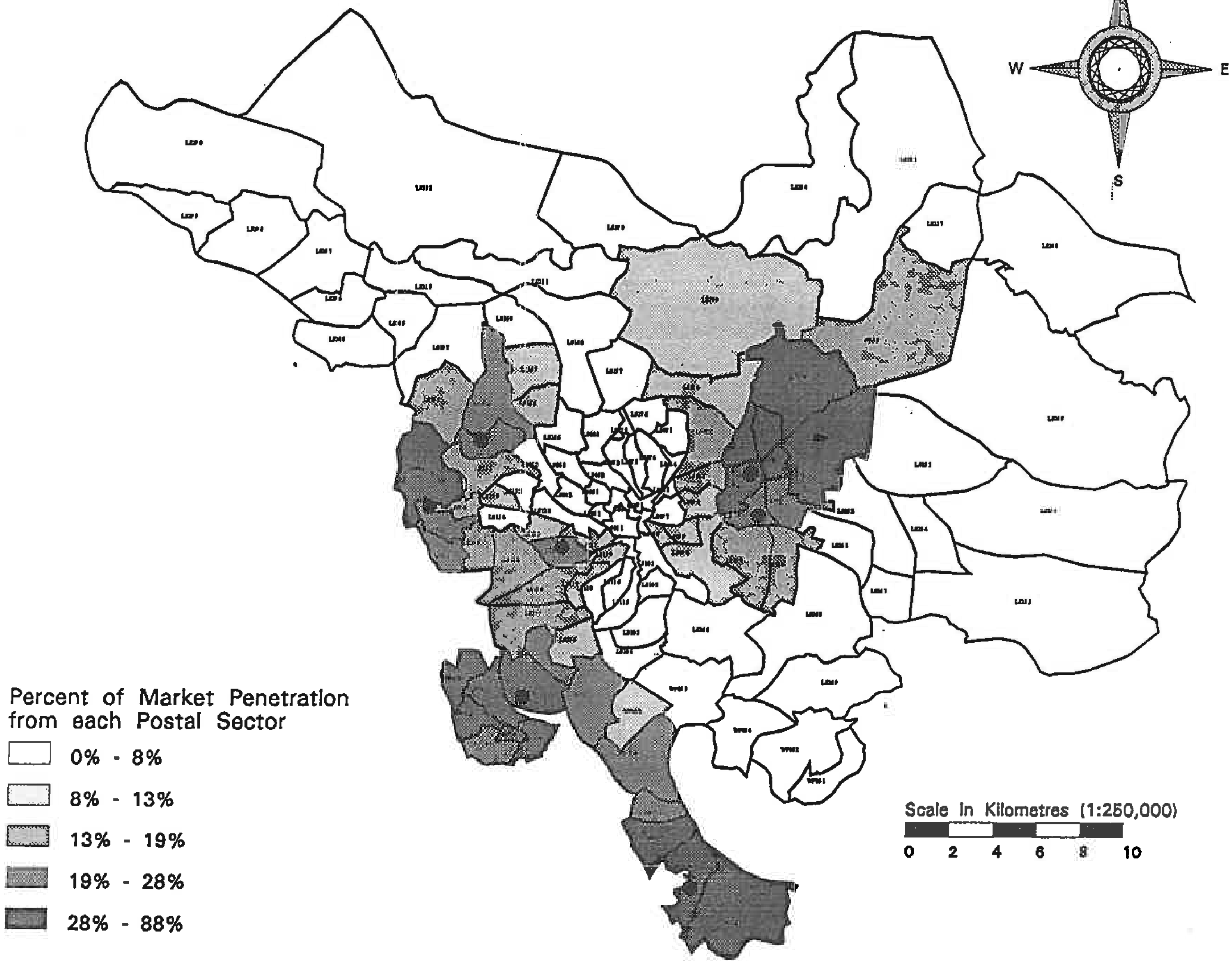
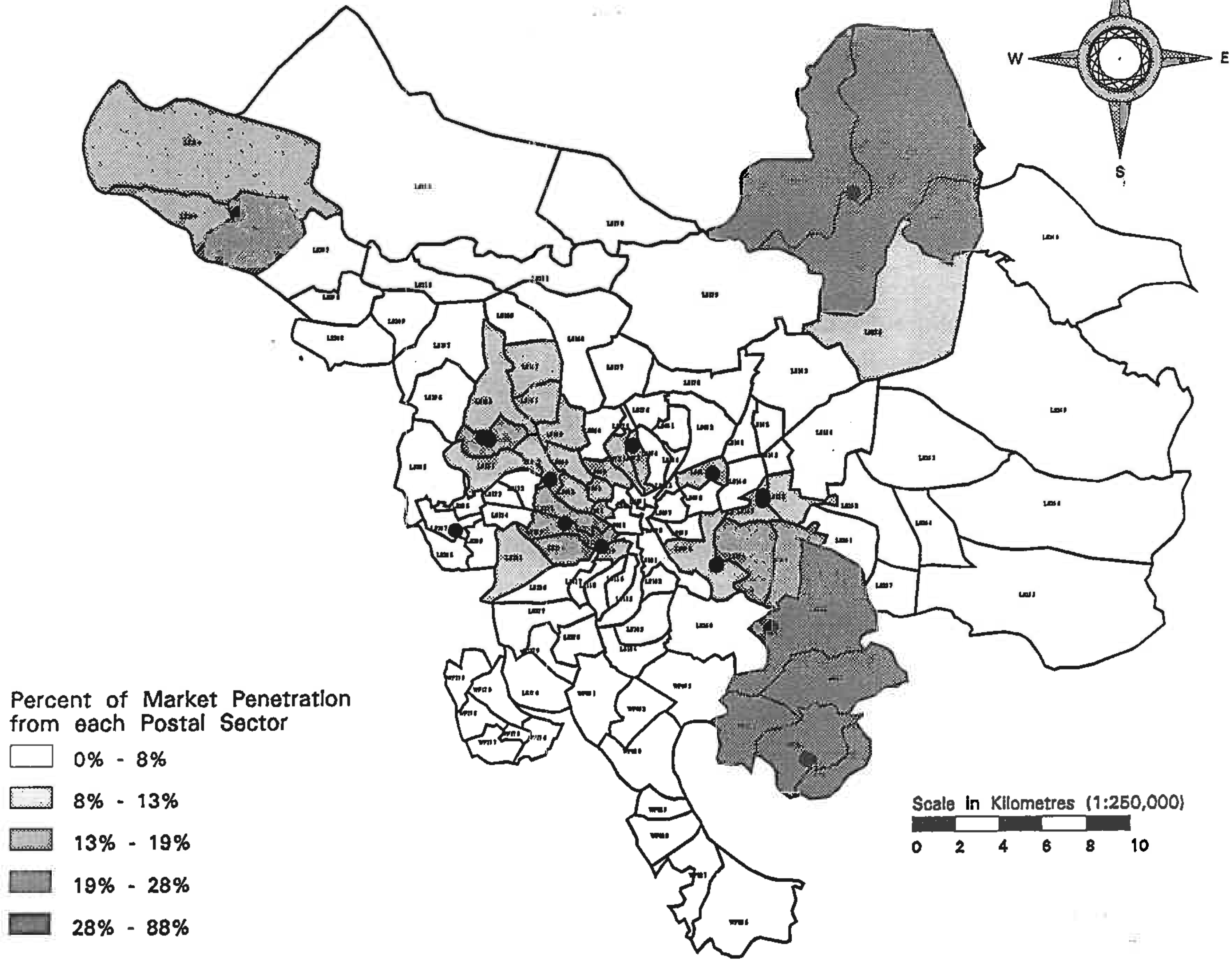

W
E
S
Percent of Market Penetration from each Postal Sector
0% - 8%
8% - 13%
13% - 19%
19% - 28%
28% - 88%
Scale in Kilometres (1:250,000)
0 2 4 6 8 10

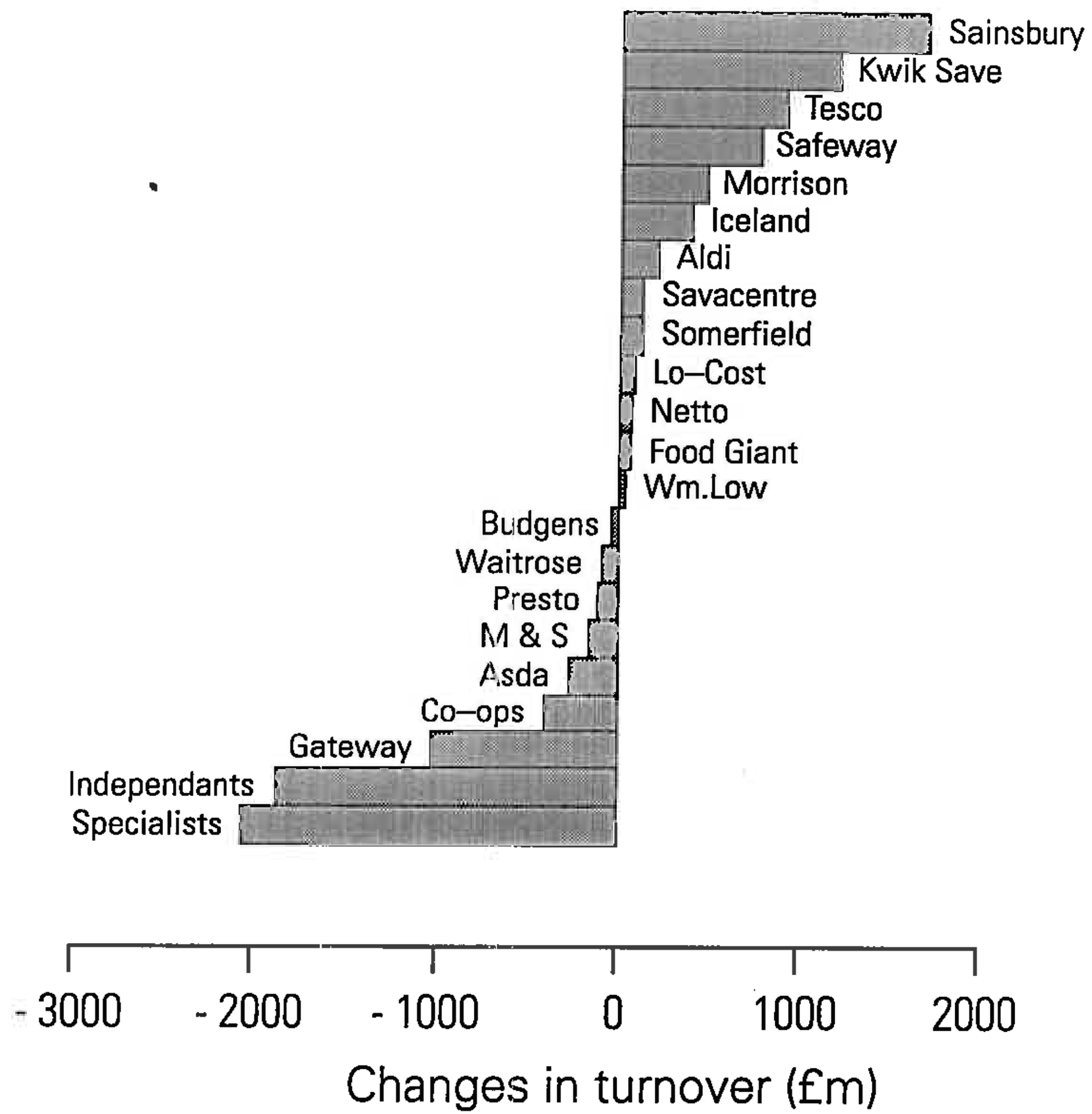
Figure 15 Market Penetration of Kwik Save showing store locations



represent 27% of all households by the year 2000 (Mintel, 1993). Given the truth of the old adage that two can live as cheaply as one, this increase in the number of single households offers potential for retail expansion. Changes in the spatial distribution of population also offer similar potential. For example, counterurbanization trends have been seen to increase the populations, and thus the development potential, of East Anglia and the South West, areas where a large number of planning applications are currently being submitted (IGD, 1993). A second way in which retail expansion might continue relates to changes in market share, with expansion in some areas of the food retail trade taking place at the expense of others—which may or may not alter the overall level of provision, and which may vary significantly over space. This may take on a number of forms, including: the continued expansion of the multiples at the expense of the cooperatives and independents; the expansion of the 'strong' multiples at the expense of the 'weak;' expansion taking the form of competition amongst the largest multiples; and the expansion of the limited assortment discounters, together with the responses to this expansion by the major multiples.

The growth of the multiple operators has, over the long term, largely been achieved at the expense of the independents and cooperatives. These operators still hold around a 10% market share (Myers, 1993a), suggesting that there is room for further erosion by the multiples. Similarly, *contra* Duke (1989), there arguably remains room for further attrition of the market shares of other, specialist retailers. Today's multiples sell a range of lines far wider than food alone and thus Mintel (1993) use a broad definition of retailers' market share, based on sales through food retailers, chemists, confectionery newsagents and tobacconists (CTNs), and off licences. On this definition, there is considerable room for growth by the multiples at the expense of specialists and independents (Table 14), who have a combined market share of around 44% (Mintel, 1993, page 85). Despite holding a 70% share of the packaged grocery market, the multiples hold only a 45% share of the wine trade, 44% of beef, 35% of toiletries and 16% of fresh fish (Mintel, 1993, page 6). There are, therefore, a number of product categories where new multiple development could capture market share, perhaps particularly using new store formats. In addition to this potential, it should be noted that the small food retailer sector has continued to enjoy sales value growth over the last decade (Table 15). Whilst considerably less than that experienced by the large food retailers, a number of sectors, notably baking and dairying, might represent attractive markets for the multiples to tap, and recent reports have indeed implied that specialist food retailing has started to lose market share to the multiples (Elliot, 1994).

Perhaps one of the most important areas for the capture of market share, however, concerns the strong multiples in relation to the weak. This contrast is dramatically illustrated by Myers (1993b, page 5; reproduced here as Figure 14), which shows that a number of multiple retailers have experienced difficulties, in addition to the specialists, independents, and cooperatives. Certain of these performances are misleading. For instance, Presto's losses may be put down to a declining portfolio as a result of suitable stores being converted to the Safeway fasçia, and Argyll now plan to expand the Presto fasçia. Also, Marks and Spencer's core clothing business and strong brand loyalty represent considerable assets, and the performance illustrated here has basically had the outcome of slowing down Marks and Spencer's food expansion plans. In the cases of Gateway (Isosceles), Asda, Budgens, and Waitrose, however, these performances do highlight real difficulties.



Source: (Myers, 1993b, page 5)

Table 14 Market Share of Sales through Food Retailers, Chemists, CTN's and Off Licences, 1987-91

Type of Retailer	Market Share (%)
Multiples, inc. co-ops	57.1
Independents	5.9
Food Specialists	12.5
Specialist Chemists	3.8
Specialist CNTs	15.9
Off Licences	4.7

(Source: Mintel, 1993, page 85)

Table 15 Index of Food Retail Sales Values, 1981-91[1]

Business Type	1981	1983	1985	1987	1989	1991
Small Food Retailers	91	95	100	105	114	118
Large Food Retailers	69	84	100	117	141	173
Dairymen	89	98	100	116	140	142
Butchers	85	93	100	98	101	98
Fishmongers	79	86	100	114	118	122
Greengrocers	74	89	100	107	114	118
Bakers/Confectioners	78	84	100	117	123	131

(Source: *Annual Abstract of Statistics*, 1993, page 218)

[1] Interview with Roger Owen, Property Director, Morrisons.
[2] Interview with Alan Preece, PR Controller, ASDA.
[3] Interview with Glen Attwell, Site Research Controller, Tesco.
[4] Interview with Roger Owen, Property Director, Morrisons.
[5] Interview with Roger Owen, Property Director, Morrisons.
[6] Interview with Katie Munson, Henley Centre for Forecasting.

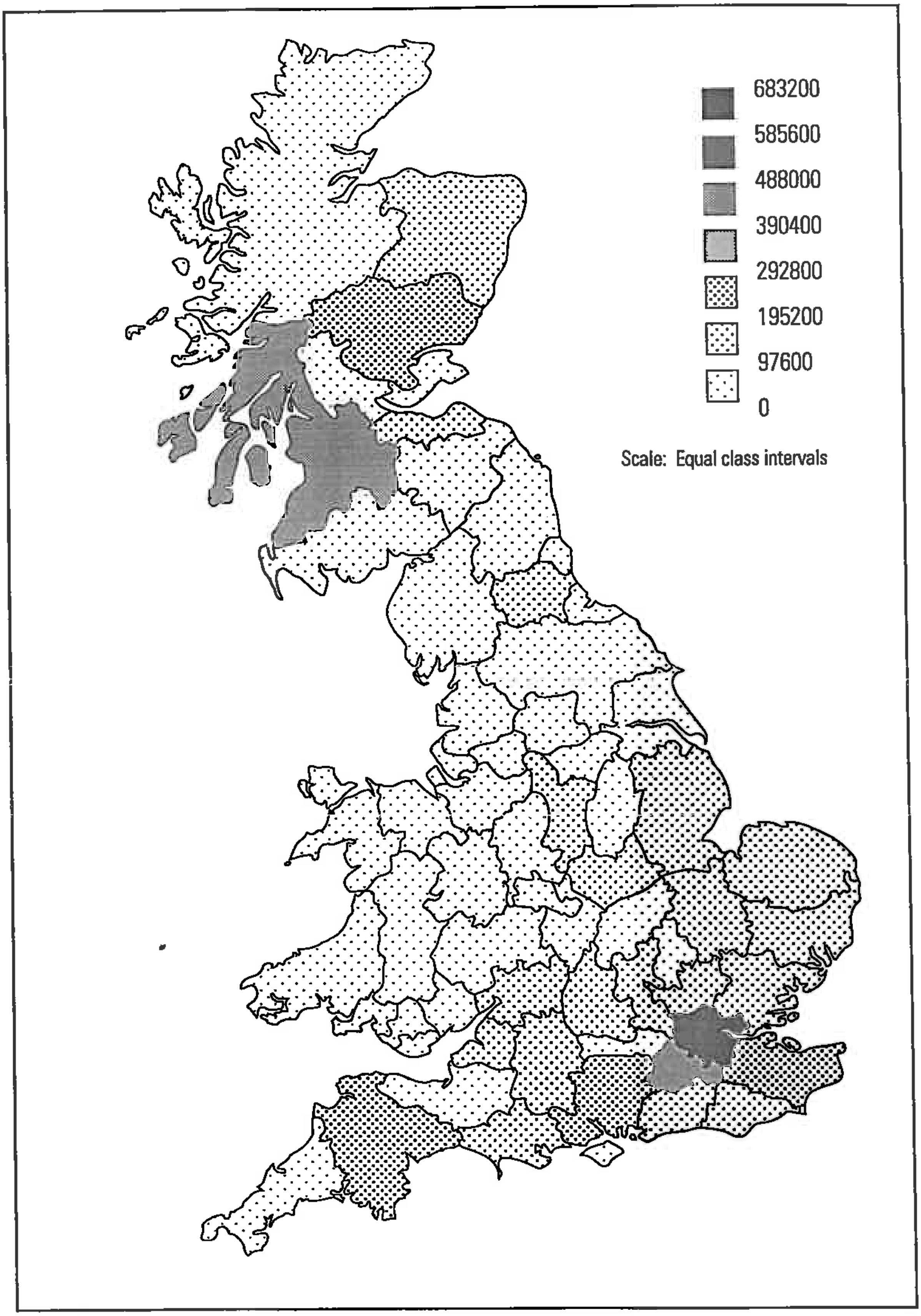
[1] Weekly average, 1985 = 100

All of these 'weak multiples' have indicated in their 1993 Company Reports that they have suffered as a result of store openings by the expanding multiples in their heartland regions, and new developments such as teleshopping are likely to exacerbate this situation. The expansion of the strong multiples is a particular problem for Waitrose and Budgens, given their geographical concentration in the South East, the heartland of the 'Big Three,' and its importance for Wm. Low has, as noted above, already passed into the annals of retail history. In the case of Gateway, it appears that the recent crisis management the company has effectively undergone has enabled it to survive, with its debt being rescheduled and the company's stores being divided into a number of targeted fasçias, such as Somerfield and Food Giant. It is commonly recognised within the industry, however, that it is possible to open stores in the catchment areas of these weak multiples without facing much difficulty, with the longer run result that the weaker fasçias' stores and sites, if not those companies themselves, are likely to be taken over by the bigger players. This means of expansion is, of course, well documented but in the future the companies being threatened are likely to be very much larger than in the past, and new technological developments, particularly those related to teleshopping and direct delivery to the home, are likely at least to reinforce already existing trends towards particularly high levels of capital concentration—even if the market penetration of such innovations turns out to be much lower than overenthusiastic market commentators have tended thus far to predict. The present geography of the weak multiples' floorspace is shown in Figure 15, which reveals a considerable amount of floorspace for the stronger multiples—and, indeed, operators such as the limited assortment discounters, Iceland, and Kwik Save—to capture.

Although this means of expansion (the strong dominating the weak) is highly important, it should be emphasised that the major multiples frequently do not shy away from seeking locations near to their strong competitors. Given the commitment to developing strong, differentiated retail brands, the major multiples are often confident that they can develop a loyal customer base, even in already well-served areas. It is not taken as overly unrealistic to envisage that, at some point in time, every town of 50 to 60,000 people may have four superstores. With such levels of confidence in their individual store offers, expansion by the major multiples into areas where a number of strong players are represented is not unlikely. However, it is perhaps the expansion of the limited assortment discounters, and the responses of the major multiples to this situation that will prove to have been the most important factor influencing the future pattern of retail provision. In particular, this relates to the new smaller store formats the multiples are presently moving into, of which Tesco's 'Metro' format has perhaps received the most publicity. It is interesting to note that, according to Myers (1993a, page 30), 57% of floorspace owned by the multiples is in stores below the 25,000 ft^2 threshold that defines a superstore. It is, however, the store offer and urban (rather than out-of-town) locations of the new formats that are of most significant. Moreover, as County NatWest note, technological advances look likely to enabled the 'downsizing' of the superstore offer to smaller sites than was possible before the High Street exodus of the 1970s and 1980s (IGD, 1993, page 231).

The significant expansionary potential of the small to medium sized store sector was noted above, particularly in relation to the appearance of the continental European limited assortment discounters onto the British retail scene. This influx has had the effect of prompting a number of changes with respect to the attitudes and practices of the major

Figure 15: The Geography of Weak Multiples' Floorspace:
Total Floorspace Trading as Wm. Low, Budgens, Waitrose and Gateway (ft^2)



multiples. For example, whilst the major multiples never formally adhered to the assumption that new store openings only impact upon operators who are targeting precisely the same type of customer, such an assumption did, at times, underlie their location policies. The emergence of the limited assortment discounters has led to something of a shift in the stance of the established British retailers, and especially the major multiples. There is often considerable overlap between grocery retail market segments such that, for instance, a new Morrisons store opening in the vicinity of a Netto would remove Netto's better off customers, in the same way that they would remove less affluent customers from a nearby Sainsbury's.[5] While it is unlikely that customers will switch straight from shopping in Sainsbury's to Netto, store openings cause change throughout the market through customers moving "through a series of intermediates" (Myers, 1993b, page 9). Moreover, there is also currently an alleged increase in the 'promiscuity' of consumers, with consumers' primary shopping taking the form of two- or three-stop shopping, rather than the pattern of one-stop shopping established at the outset of the superstore revolution.[6] It is now not uncommon for a person to do their main weekly shopping in an Safeway superstore, buy their frozen food from Iceland, and their regularly purchased goods at a local Aldi. The British grocery retail market is, arguably, becoming increasingly inter-related, with all types of store operator drawing customers from much the same pool. The price reductions on core goods the major multiples have been actively promoting are a response to this situation (compare Buckley, 1993).

The change in the competitive conditions brought about by the limited assortment discounters is, therefore, profoundly altering both the *in situ* retail marketing and the locational policies of the major multiples, the latter most notably in the form of their new medium-sized urban store formats. The retail property market crisis and the widespread withdrawal from out-of-town superstore development has, somewhat ironically, had the effect of enabling the major multiples to defend their positions against the limited line discounters. The change in Government planning guidelines (Department of the Environment, 1993), which encourages edge of town rather than out of town developments coincides perhaps a little too fortuitously with the need by the major multiples to stem their out of town superstore expansion to be taken as a pure coincidence. The battle between the incumbent retailers and the new discounters therefore looks set to increase the level of floorspace provision in many of the most obviously viable locations, at least in the short term. Whether this will have the effect of concentrating expansion in existing, already well served areas in the longer term will depend on the overall performance of the British retail trade and, importantly, the relative attractiveness to British retailers of further expansion overseas.

5. Concluding Comments: On Retail Saturation, Retail Location and Retail Competition

In this paper we have presented a picture of the British grocery retail trade which is attentive both to the underlying competitive processes shaping the geography of the sector, and the spatial patterns constituting that geography. In considering the notion of retail saturation, which has recurrently emerged as a concern within the analysis of post-war British retailing, we have aimed to demonstrate the importance of two things. First, grocery retail provision in Britain exhibits significant levels of spatial variability. The idea of saturation must, therefore, be approached with a clear appreciation that it is always only ever likely to be a contingent feature of the grocery retail market. Second, the competitive practices driving retail provision in the British context are highly changeable. The domination of British retailing by a few very powerful large multiple retailers had, perhaps, become a feature that many felt to have sealed the future of British retailing. The increasing permeability of national boundaries in relation to retail activities, however, together with broader changes in the economic environment—not least the retail property market—has served to emphasise the fundamental dynamism of the retail industry. Both these factors cast long shadows of doubt over any hypothesis, however rigorous its internal logic, which implies a fixed future destination such as 'retail saturation'.

Our analysis has revealed areas where it is certainly increasingly difficult for retail expansion to take place—particularly certain areas of the Home Counties, such as Surrey, and possibly Hertfordshire, Kent, and Essex. Equally, however, areas where retail provision appears to be low relative to the market, such as the peripheral regions of Scotland and Wales, or high, as in the heavily urbanized areas of Britain, present difficulties for certain types of expansion, which new store formats might usefully target. Whilst this might seem, in some ways, quite obvious, it is significant that the major multiples did not actively pursue such formats until this effectively became necessary as a reaction to external influences. In sum, therefore, there is considerable potential for expansion in the British grocery retail market, but this is unlikely to occur without a notable degree of change in the complexion of the grocery sector. Not only are present levels of capital concentration likely to increase at the expense of, most probably, one or several of the weaker multiples, but the regionality of British grocery retailing is also likely to change. In particular, this regionality might experience something of an 'evening out,' as a result both of further long term increases in capital concentration in the sector, and of continuing 'infill' expansion by a number of retailers. Whilst the pace of such developments are difficult to anticipate with any degree of certainty, particularly given the changes in the competitive climate of British retailing in the 1990s, it seems likely that this decade will be less dramatic, though not necessarily less interesting, in terms of its geographical dimensions.

Notes

[1]Interview with Roger Owen, Property Director, Morrisons.
[2]Interview with Alan Preece, PR Controller, ASDA.
[3]Interview with Glen Attwell, Site Research Controller, Tesco.
[4]Interview with Roger Owen, Property Director, Morrisons.
[5]Interview with Roger Owen, Property Director, Morrisons.
[6]Interview with Katie Munson, Henley Centre for Forecasting.

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