

Scottish Government Consultation on Restricting Alcohol Advertising and Promotion

Response from the Scottish Grocers' Federation

The Scottish Grocer's Federation (overview)

The Scottish Grocers' Federation (SGF) is the trade association for the Scottish Convenience Store Sector. There are 5,098 convenience stores in Scotland, which includes all the major symbol groups, co-op and convenience multiples in Scotland. SGF promotes responsible community retailing and works with key stakeholders to encourage a greater understanding of the contribution convenience retailers make to Scotland's communities. In total, convenience stores provide over 49,000 jobs in Scotland¹.

Modern local convenience stores are community assets, from offering busy families a top-up shop facility on the one hand, to helping patrons (particularly vulnerable people) manage their weekly household budgets during the cost-of-living crisis and providing an essential alternative to larger or out of town supermarkets. Many people rely on their local convenience store with the average shopper visiting their local store 2.7 times per week and with 57% of customers choosing to walk as a mode of travel to stores. During the Covid pandemic in particular, local shops were on the front line, providing essential services for many vulnerable people and communities.

Local shopping has, over the years, often been replaced by large destination retail parks, gone from many areas are the local butcher, baker and grocers. The personal interaction with your local retailer is now almost uniquely reserved for your local convenience store.

Many convenience retail businesses are operating in an extremely challenging trading environment, however, and the Scottish Government has established a Joint Taskforce with business, COSLA, local authorities and agencies to consider the differing impacts of regulation on business. In addition to meeting the requirements of new regulations, such as Minimum Unit Pricing; potential restrictions to the promotion of alcohol products and foods high in fat, sugar & salt; and Scotland's Deposit Return Scheme, the sector as a whole is among the hardest hit by issues such as increasing food inflation and

¹ Figures available in the SGF Scottish Local Shop Report 2022 found at: www.sgfscot.co.uk/publications/sgf-scottish-local-shop-report-2022

interest rates, the cost-of-living crisis and rising energy costs. The cumulative cost burden of legislation on top of the pressure of these other factors are significantly adding to vulnerability of many businesses. That means fewer jobs in the community, a decreased tax take, and fewer choices for customers.

Likewise, operators may be forced to increase prices across their stock, to cope with the associated losses and extra costs. Indirectly impacting household budgets, inflation and on vulnerable people.

Being able to offer a diverse range is of paramount importance. Modern convenience stores now offer a wide range of products and services, from deli counters and coffee to collection lockers, access to cash and post-office facilities. A more restrictive range simply provides the potential customer with a reason to shop at a competitor. Whilst it is ancillary to wider ranges of grocery and retail, alcohol is an important sales category for our member's stores. A typical convenience store offers a range of at least 17 kinds of different product categories. Alcohol accounts for 18.1 % of total sales turnover². In addition, 74% of convenience stores have an alcohol licence³.

SGF recognise the associated benefits that come from a convenience store opening in a local area. A store opening will create jobs and offer access to fruit and vegetables to the local community. The SGF Healthy Living Programme (HLP) has been successful in enabling customers to make healthy eating purchases in-store and now has over 2,400 stores participating. With 5,098 convenience stores in Scotland and with 75% of independent retailers engaged in some form of community activity in the last year convenience stores have an increasingly important role in their local communities. In addition, the SGF Go Local Programme, backed by the Scottish Government, supports convenience stores provide dedicated, long-term display space for locally sourced Scottish products. On average, participating stores generated an annual local multiplier figure of £723k, based on retail scanning data provided for all Scottish products. These initiatives may be relevant Improving and Protecting Public Health and supporting local businesses.

Convenience stores provide a range of key services for their customers, and this includes that ability to be able to offer their customers a full range of products, i.e. giving the customer the chance purchase

² Figures available in the SGF Scottish Local Shop Report 2022 found at: www.sgfcot.co.uk/publications/sgf-scottish-local-shop-report-2022

³ Figures from the ACS' Local Shop Report 2022

an alcoholic beverage as an accompaniment with home dining. Providing a "full basket" for customers is an essential service for customers and retailers alike.

Consultation Questions

Below are the Scottish Grocers' Federation responses to the questions set out in the consultation. SGF has engaged with independent retailers, major symbol groups and a variety of producers in the process of responding to this consultation. This includes hosting a range of meetings and roundtables, conducting a members' survey, and gathering evidence through case studies - throughout the consultation period. However, SGF notes that it was not approached to engage with the Scottish Government on the proposals prior to the publication of the consultation. SGF also reached out to Alcohol Focus Scotland and the Minister responsible, to arrange a meeting to discuss the matters raised in the consultation, however no date was forthcoming.

SGF promotes responsible retailing, and our members comply thoroughly with the measures introduced on Minimum Unit Pricing; adhere to the regulation associated with Alcohol Licensing; and ensure compliance with all regulations regarding Age Restricted Products. Scotland presently has the strictest rules in the UK in this regard, with a total of approximately 222 products and services that are age restricted.

Section 6. Sport and events sponsorship

Question 1. Do you think we should prohibit alcohol sports sponsorship in Scotland?

Question 2. If sports alcohol sponsorship were to be prohibited, what types of marketing do you think should be covered by a prohibition?

Question 3. What, if any, sporting activities or events do you think should be excepted from a prohibition on alcohol sports sponsorship?

Convenience retailers would not be directly impacted by these measures. However, SGF note that Scotland is globally renowned for producing high quality Food & Drink, which is a vital sector for both the Scottish Economy and Scottish exports.

Banning alcohol sponsorship of sport will have unintended consequences, particularly on small, local community organisations and sporting clubs. Especially in rural areas. There is no clear evidence that banning alcohol sponsorship of sport will have any effect on alcohol consumption, particularly amongst young people. Furthermore, limiting funding for sport will likely have an impact on health outcomes in Scotland.

Our survey of SGF members highlighted that 78% of respondents strongly disagree or disagree with limiting access to alcohol marketing at sporting events, including while watching it remotely. Funding for local support and investing in local communities/clubs/charities, is related to financial viability of the sector. For example, alcohol sponsorship is worth on average around £1500 a year for grass roots clubs, and 15% of total sponsorship for large clubs. If these proposals are put into legislation, many communities will be directly impacted by the reduction in funding available.

Question 4. Do you think we should prohibit alcohol events sponsorship in Scotland?

Question 5. If alcohol events sponsorship were to be prohibited, what types of marketing do you think should be covered by a prohibition?

Question 6. What, if any, events do you think should be excepted from a prohibition on alcohol events sponsorship, and why?

(See answers to Questions 1-3)

Convenience retailers would not be directly impacted by these measures. However, SGF note that restricting sponsorship would have a significant impact on funding for events, festivals, and the cultural sector in Scotland. Furthermore, SGF is concerned with the limited evidence provided to support the effectiveness of the measure proposed.

There are numerous worthy benefits from alcohol sponsorship at a community level. Which is crucial for many local areas. Many events/sports/cultural events could not take place without the sponsorship of the alcohol industry.

Question 7. If alcohol sponsorship restrictions are introduced, do you think there should be a lead-in time for these? How long might this be and how would it work?

SGF do not agree with introducing these prohibitions for the reasons above.

Section 7. Outdoor and public spaces marketing

Question 8. Do you think we should prohibit alcohol marketing outdoors, including on vehicles, and in public spaces in Scotland?

Question 9. What do you think should be covered by a prohibition on alcohol marketing outdoors, on vehicles and in public spaces?

Question 10. What, if any, exceptions do you think there should be to prohibiting alcohol marketing outdoors, including on vehicles, and in public spaces in Scotland?

Convenience retailers would not be directly impacted by these measures. However, SGF note that many jobs, communities, and organisations depend upon a thriving Alcohol sector, and will be directly impacted by the Scottish Government's proposals to ban alcohol marketing. Prohibiting alcohol marketing would undermine the ability of many distilleries and breweries to promote their visitor experiences, undermining Scotland's most successful tourism growth driver.

It is already standard industry practice, with all media buying partners for outdoor advertising, that producers do not advertise within 200m of school or the boundary where alcohol is sold, and within 100m of playgrounds or religious centres.

Imposing unnecessary restrictions on the industry, particularly at a time of significant economic headwinds, would undermine the ability of the industry to invest and grow, thereby undermining the economic potential of the industry for Scotland. The proposed restrictions will put Scottish businesses at a competitive disadvantage to counterparts in the rest of the UK and Europe.

In addition, outdoor restrictions would have a significant impact on the on-trade which is an important aspect of many communities and local economies.

Section 8. In-store alcohol marketing

Question 11. Do you think that we should further restrict the visibility of alcohol in retail environment, giving reasons for your response?

Question 12. Do you think we should consider structural separation of alcohol in Scotland to reduce the visibility of alcohol in off-trade settings (e.g. supermarkets)?

Question 13. How do you think structural separation of alcohol in Scotland could operate? (e.g. with barriers, closed display cases)

Convenience stores are community assets and vital for both the wider community and the local economy. SGF strongly oppose restricting Alcohol Advertising and Promotion in convenience stores.

Our findings show that 80% of SGF members who responded to our survey strongly disagree or disagree with limiting the visibility of alcohol products near entrances, exits, checkouts, or non-alcohol products. While 81% strongly disagree or disagree with extending any potential restrictions to alcohol related zero and low alcohol products.

Half of those SGF members who responded to survey said that the measures proposed in this consultation would impact 'a great deal' on their business. Meanwhile, a further 42% said that it would have a moderate to significant impact on their business.

Alcohol products in convenience stores.

The retail sector and alcohol industry are already taking great strides in reducing misuse of alcohol in Scotland. With widescale support for initiatives such as 'challenge 25' and 'It'll Cost You'. In addition, SGF is proactive in sharing alerts, guidance or key messages from both Trading Standards and the Scottish Government with our membership and retailers across Scotland. Furthermore, SGF has been and will continue to play a key role in the 'It'll Cost You' campaign and sits as Chair of the group. The "It'll Cost You!" programme is a collaboration between Police Scotland, local authorities and alcohol producers and retailers and aims to raise awareness of the damaging effects and criminal nature of buying alcohol for under 18s. More information is available at: <https://www.itwillcostyou.com/>, <https://www.saip.org.uk/news/consultationmar23-8rnm> and <https://www.itwillcostyou.com/news/press-release-national-campaign-launched>.

This, and other factors/initiatives have led to positive trends in alcohol consumption in Scotland. For example, according to the Portman Group the proportion of 13-15yo that have tried alcohol has dropped from 78% to 54%⁴. Drink driving accidents have fallen 64% since 2010. Public Health Scotland have shown that long term decline in alcohol related admissions.

Conversely, analysis of Minimum Unit Pricing has shown that regulations has had some undesirable impacts, particularly on vulnerable households. However, convenience retailers have made every effort to comply with MUP measures. This is borne out in the SGF MUP guide (in partnership with the Scottish Government), available at: <https://www.sgfscot.co.uk/publications/guidance-on-minimum-unit-pricing-for-retailers>

One of the principle aims of SGF is to promote responsible community retailing. Our MUP guide was very much in line with that aim: it was intended to enable retailers to fully understand and be fully compliant with the new Scottish government regulations on the Minimum Unit Pricing of Alcohol. This has been successful, retailers fully complied with the policy in short order, when it was introduced in 2018.

In addition, SGF is concerned with the limited cost analysis/impact and evidence that has been provided prior to the launch of the consultation and noted that no assessment has been made on the impact on business prior to the prohibition proposals being put forward.

Benefits of a thriving convenience sector.

Modern local convenience stores are community assets, from offering busy families a top-up shop facility on the one hand, to helping patrons (particularly vulnerable people) manage their weekly household budgets during the cost-of-living crisis and providing an essential alternative to larger or out of town supermarkets. Many people rely on their local convenience store with the average shopper visiting their local store 2.7 times per week and with 57% of customers choosing to walk as a mode of travel to stores. During the Covid pandemic in particular, local shops were on the front line, providing essential services for many vulnerable people and communities⁵.

⁴ Various Portman Group findings used in this response can be found at: <https://www.portmangroup.org.uk/policy-research-trends/>

⁵ Figures available in the SGF Scottish Local Shop Report 2022 found at: www.sgfscot.co.uk/publications/sgf-scottish-local-shop-report-2022

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Window displays, separation, aisle ends and gantries.

Space in many stores is at a premium and moving/replacing shelves, fridges and checkout areas can cost tens of thousands of pounds, as well as reducing the overall efficiency and stock variety. In addition, not all stores are equal on the impact, smaller stores would be disproportionately disadvantaged, due to a lack of flexibility of space. The practicalities of creating space in many stores would have an enormous impact on the viability of the business. Further separation of product would undermine their viability with the cost of adjusting the store layout being prohibitive. Furthermore, smaller format stores would struggle to implement such restrictions at an operational level given the limited in-store space available. Leaving them with a competitive disadvantage over larger operators.

It can be very expensive to move the location of shelves, chillers, and stock. With the estimated cost of £13,000-£18,000 per business. In particular, fitting gantries can be an expensive and disruptive process. With an approximate cost of £5,000 per installation, including behind checkout areas. In addition, consumers may have difficulty in finding products and transaction times would be increased.

There is no evidence to suggest that removing products from the ends of aisles would impact on the volume of sales and would be unlikely to impact on consumers purchasing habits. Items would be moved into aisle with limited impact on sales but at an additional expense for retailers.

Blocking out windows will significantly increase security risks, in some cases. It is important to allow retailers and their staff to have visibility where necessary to assess risk and manage the movement of people in stores.

Impacts of potential restrictions.

Any shop change would require approval by the local licensing authority including a layout plan and access to the limited supply of shopfitters in Scotland. In many cases, smaller retailers may struggle to provide architectural layout plans and access the appropriate service to do so. This will increase the workload on Local Authorities many of which would not have the resources to cope with potentially hundreds of new licensing applications. SGF represents convenience retailers on both the Glasgow & Edinburgh Licensing Forums, for a number of years. This demonstrates our sector's commitment to engagement and promotion of responsible community retailing. In addition, we are in the process of

responding to the ongoing review of statement of licensing policy consultations currently taking place for Licencing Boards across Scotland.

Another concern is that the restrictions proposed would impact on prices across the store, pushing the additional costs onto customers. Subsequently making the store less competitive. Retailers are already facing an extremely challenging trading environment, alongside soaring energy costs, rising inflation & interest rates and a cost-of-living crisis impacting on customer and household budgets. A recent survey of SGF members shows that some convenience retailers are experiencing an energy cost increase of up to 500%. Operators may be forced to increase prices across their stock, to cope with the associated losses and extra costs. Indirectly impacting household budgets, inflation and on vulnerable people.

Convenience stores rely on being able to provide a wide range of products and services, limiting access to alcohol products may force customers to seek out alternatives. Reducing footfall while at the same time removing some of the product that have a valuable margin. Promotions, window displays, and end-of-aisle displays are an important way for smaller retailers to differentiate themselves from larger operators, while providing good value for customers.

Restricting reasonable access to alcohol related products in stores may increase demand for externally supplied illicit goods, encouraging the increase of illegal products. SGF is an active member of the Scottish Anti-illicit trade group, representing convenience retailers and illustrates the importance of responsible community retailing, along with the active sharing of intelligence from trading standards and Police Scotland.

Retail sale of alcohol is already strictly regulated via the licensing system. Further regulation would be disproportionate and have negative consequences for the economic success of the alcohol and retail sectors. The confinement of alcohol to alcohol-only displays is already included in the conditions attached to the mandatory Premises Licence.

If the full set of prohibitions proposed in the consultation were brought forward, there would be a significant decline in customer satisfaction/experience. Segregated areas and branded product, essential for promoting local produce and businesses, would become sanitised and sterile. This would doubly impact stores in rural and tourist areas that both support and rely on local alcohol producers and unique luxury items.

As mentioned above, being able to offer a diverse range is of paramount importance. Modern convenience stores now offer a wide range of products and services, from deli counters and coffee to collection lockers, access to cash and post-office facilities. A more restrictive range simply provides the potential customer with a reason to shop at a competitor. Whilst it is ancillary to wider ranges of grocery and retail, alcohol is an important sales category for our member's stores. A typical convenience store offers a range of at least 17 kinds of different product categories. Alcohol accounts for 18.1 % of total sales turnover⁶. In addition, 76% of convenience stores have an alcohol licence.

Many convenience retail businesses are already operating in an extremely challenging trading environment, however, and the Scottish Government has established a Joint Taskforce with business, COSLA, local authorities and agencies to consider the differing impacts of regulation on business. In addition to meeting the requirements of new regulations, such as Minimum Unit Pricing; potential restrictions to the promotion of alcohol products and foods high in fat, sugar & salt; and Scotland's Deposit Return Scheme, the sector as a whole is among the hardest hit by issues such as increasing food inflation and interest rates, the cost-of-living crisis and rising energy costs.

The cumulative cost burden of legislation on top of the pressure of these other factors are significantly adding to vulnerability of many businesses. That means fewer jobs in the community, a decreased tax take, and fewer choices for customers. In addition, the stress of coping with multi-layered regulation over a number of areas may have an impact on retailers' mental health and put many businesses at risk.

Value of convenience retail in Scotland.

SGF recognise the associated benefits that come from a convenience store opening in a local area. A store opening will create jobs and offer access to fruit and vegetables to the local community. The SGF Healthy Living Programme (HLP) has been successful in enabling customers to make healthy eating purchases in-store and now has over 2,400 stores participating. With 5,098 convenience stores in Scotland and with 75% of independent retailers engaged in some form of community activity in the last year convenience stores have an increasingly important role in their local communities. In addition, the SGF Go Local Programme, backed by the Scottish Government, supports convenience stores provide

⁶ Figures available in the SGF Scottish Local Shop Report 2022 found at: www.sgfscot.co.uk/publications/sgf-scottish-local-shop-report-2022

dedicated, long-term display space for locally sourced Scottish products. On average, participating stores generated an annual local multiplier figure of £723k, based on retail scanning data provided for all Scottish products. These initiatives may be relevant Improving and Protecting Public Health and supporting local businesses.

Convenience stores provide a range of key services for their customers, and this includes that ability to be able to offer their customers a full range of products, i.e. giving the customer the chance purchase an alcoholic beverage as an accompaniment with home dining. Providing a "full basket" for customers is an essential service for customers and retailers alike.

Section 9. Brand-sharing and merchandise

Question 14. Do you think that we should prohibit the sale of alcohol-branded merchandise in Scotland?

Question 15. Do you think that we should prohibit the free distribution of alcohol-branded merchandise in Scotland?

Question 16. What, if any, exceptions do you think should there be to prohibiting the sale or distribution of alcohol-branded merchandise?

Convenience retailers would not be directly impacted by these measures. However, SGF note that branded merchandise is a critical aspect of distillery and brewery tourism, particularly in the Scotch whisky industry, which is Scotland's leading tourist growth sector. Responsible alcohol marketing is a crucial part of how distilleries and breweries build their brands and differentiate themselves from competitor brands.

Branding is a significant multiplier for hospitality/events/cultural businesses and organisations. With many producers providing branded equipment, furniture, and souvenirs. The cost of disposing, replacing and maintaining these items would be prohibitive for many in the industry.

Question 17. What, if any, other restrictions do you think should be considered on the use of alcohol brands on non-alcohol products?

Question 18. Do you think that any potential alcohol marketing restrictions should also apply to no-or low drinks products between 0% ABV and 1.2% ABV, where these carry the same brand name, or identifiable brand markings, as alcohol drinks over 1.2% ABV?

SGF do not agree with restricting Alcohol Advertising and Promotion on products sold in convenience stores.

The development of low or no alcohol brands is a positive response to growing consumer trends towards moderate consumption of alcohol. Adult consumers are increasingly seeking low or no alcohol alternatives that are specifically adult alternatives, with flavour profiles and serving rituals that are associated with alcohol brands, but with low or no alcohol.

Non-alcohol products are not a gateway product, instead they are part of the transition to moderate consumption/healthier lifestyle. Restricting these products would be counterproductive. Customers accessing these products want recognisable brands with non-alcohol options.

According to the findings of the Portman Group, alcohol consumption has significantly declined in recent years. SGF believes that non/low-alcohol products are a sign of changing consumer habits and not a signifier of increased consumption in later life. For example:

In Scotland, the proportion of 15-year olds who drank in the last week has fallen by 27% since 1990, however, concerningly, there has been a 14% rise between 2015 and 2018. (Scottish Government, November 2019) - Scotland drinking trends analysis, Portman Group⁷.

Section 10. Print advertising

Question 19. Do you think that we should prohibit advertising of alcohol in newspapers and magazines produced in Scotland?

⁷ Various Portman Group findings used in this response can be found at: <https://www.portmangroup.org.uk/policy-research-trends/>

Question 20. What, if any, exceptions do you think there should be to prohibiting alcohol advertising in newspapers and magazines produced in Scotland?

Convenience retailers would not be directly impacted by these measures. However, SGF note that restricting alcohol advertising in newspapers would have minimal impact on public health but would remove a significant source of financial support for the media industry in Scotland, further undermining their already fragile economic viability. SGF's Scottish Local Shop Report highlights that 15% of convenience stores operate a home news delivery service and that 2.7% of sales turnover is attributable to the sale of news and magazine publications.

If these proposed restrictions are implemented, producers and media will inevitably shift investment away from Scottish economy and into other part of the UK.

Section 11. Online marketing**Question 21. Do you think we should restrict alcohol branded social media channels and websites in Scotland?****Question 22. What, if any, exceptions do you think there should be to prohibiting alcohol branded social media channels and websites in Scotland?****Question 23. Do you think we should restrict paid alcohol advertising online in Scotland?**

Examples include adverts appearing on websites, via pop ups, on social media platforms, on search engines, or influencer advertising.

Question 24. What types of paid alcohol advertising do you think should be covered by any restrictions?**Question 25. What, if any, exceptions do you think should there be to restricting paid alcohol advertising online?****Question 26. Do you think we should restrict alcohol companies from sharing promotional content on social media (e.g. filters, videos or posts) – whether this is produced by them or by consumers?****Question 27. What, if any, exceptions do you think there should be from restricting alcohol companies from sharing promotional content on social media (e.g. filters, videos or posts) – whether this is produced by them or by consumers?**

Convenience retailers would not be directly impacted by these measures. However, SGF do not agree with restricting Alcohol Advertising and Promotion for our world class producers, across all media platforms, events and sponsorship.

SGF notes that the alcohol industry in Scotland is a responsible sector that does not seek to advertise to people below the age of legal purchase for alcohol. The industry agrees that this should be strictly regulated and enforced by the relevant authorities.

Most digital outlets are not based in Scotland. SGF would also like to highlight differences of how physical and digital advertising is consumed and the difficulties that the SG would have restricting those forms. Restricting online advertising, which the vast majority of media consumption, would be impractical when other parts of the UK and international producers are able to access online advertising while Scottish brands and producers would be limited in their online activity.

Industry presently has a highly sophisticated way of ensuring that users are receiving age-appropriate ads, or in many cases only individuals known to be over the age of eighteen. This includes third party verification, using deterministic data in many cases and avoiding popular websites that have high children footfall.

Section 12. Television and Radio Advertising

Question 28. Do you think we should explore prohibiting alcohol advertising on television and radio completely (e.g. like Norway or Sweden)?

Question 29. Do you think we should introduce a watershed for alcohol advertising on TV and radio (e.g. like Ireland), and if so how would this work?

(See answers to Questions 21-27)

The visibility of international events will continue, due to tv appearances in non-Scottish locations. Hence, Scottish teams will miss out on sponsorship, but promotions will still be visible on the screen. This would block domestic brands while continuing to promote international ones.

Section 13. Cinema Advertising

Question 30. Do you think alcohol advertising should be restricted in cinemas?

Question 31. If alcohol advertising was restricted in cinemas, what, if any exceptions (e.g. products in scope, times of day or specific movie ratings) do you think should be considered?

(See answers to Questions 21-27)

Section 14. Restrictions on content of advertisements

Question 32. Do you think that the content of alcohol marketing in Scotland should be restricted to more factual elements?

Question 33. Do you think we should only allow alcohol marketing to include elements set out in a list, like in Estonia? This would mean all other elements not on the list would be banned from adverts.

Question 34. Do you think that content restrictions like the Estonian model should be applied to all types of alcohol marketing?

(See answers to Questions 11-13) SGF do not agree with restricting Alcohol Advertising and Promotion in convenience stores. Additional restrictions of in-store alcohol retail display and sales would have a significant and damaging impact on many retail businesses.

Section 15. Enforcement

Question 35. How do you think that any future alcohol marketing restrictions in Scotland should be monitored and enforced?

For the reasons set out above, SGF do not agree with restricting Alcohol Advertising and Promotion for Scotland's world class producers. Whether in-store or across media platforms, events, and

sponsorship. SGF is also concerned with the limited evidence provided to support the effectiveness of the measure proposed.

Local Authorities are responsible for enforcing existing alcohol licensing laws within the scope of this policy. The implementation of any new restrictions will place a significant cost and administrative burden on convenience retailers and will also impact local authorities given that they will be tasked with monitoring enforcement (e.g., resource and training requirements).

Section 16. Evaluation and provision of data

Question 36. Do you think that Scottish Government should require the alcohol industry to provide information and data on alcohol marketing campaigns in Scotland?

Question 37. Do you think that Scottish Government should require the alcohol industry to provide local alcohol sales data in Scotland?

For the reasons set out above, SGF do not agree with restricting Alcohol Advertising and Promotion for Scotland's world class producers. Whether in-store or across media platforms, events, and sponsorship. SGF is also concerned with the limited evidence provided to support the effectiveness of the measures proposed.

Section 17. End Questions

Question 38. Do you think the Scottish Government should look to introduce a comprehensive package of restrictions across a number of marketing channels? If so, what do you think this package should include?

Question 39. What, if any, additional alcohol marketing methods or channels not covered in the consultation would you like Scottish Government to consider restricting and why?

Question 40. What further evidence on alcohol marketing would you like the Scottish Government to consider?

For the reasons set out above, SGF do not agree with restricting Alcohol Advertising and Promotion for Scotland's world class producers. Whether in-store or across media platforms, events, and

sponsorship. SGF is also concerned with the limited evidence provided to support the effectiveness of the measures proposed.

Question 41. If you sell, distribute, advertise, or manufacture alcohol, or represent those who do, how do you think the potential restrictions in this consultation paper would impact you, and the wider alcohol sector?

SGF is concerned with the limited cost analysis and evidence that has been provided prior to the launch of the consultation. We would like to highlight the social aspects and root cause of health issues in Scotland.

The evidence shows that areas of social deprivation are far more likely to have individuals that experience alcohol related health issues. In 2021, the most deprived areas experienced more than four times the number of alcohol related deaths (450) to the least deprived areas (97).

The Portman Group showed that preventative spending has a benefit of 3.42 times investment. It is essential that the Scottish Government look at social circumstances in totality, rather than targeting essential retailer and producer businesses for additional restriction.

Scotland is already heavily regulated, compared to the rest of the UK. With a number of additional restrictions with limited or no evidence that there has been any positive impact of the measures.

ANNEX 1. – Case Studies of SGF independent retailers on Restricting Alcohol Advertising & Promotion

The following is a set of case studies carried out by SGF in February 2023, with testimonies from three separate independent retailers.

Retailer case study questions:

1. What would the introduction of the proposed additional restrictions on in-store alcohol marketing mean for your business, and which of the specific proposals are you most concerned by?
2. Would such restrictions impact on store footfall or leave smaller retailers at a competitive disadvantage compared to larger retailers or superstores?
3. Are there potential unintended consequences or additional costs which these proposed restrictions could be place on your business?
4. As a retailer, what measures do you currently take to ensure that alcohol products are sold in a compliant and legal way as well promoting responsible community retailing?
5. How would you manage new restrictions on where alcohol can be placed in stores alongside possible restrictions on where you can place vaping products, products high in fat, salt and sugar and the introduction of a deposit return scheme?
6. How much will it cost you to refit your store to ensure you are compliant with restrictions on placing alcohol in doorways, at checkouts and on the end of aisles?

Convenience retailer 1 - Dennis & Linda (Edinburgh):

1. **What would the introduction of the proposed additional restrictions on in-store alcohol marketing mean for your business, and which of the specific proposals are you most concerned by?**
 - Window advertising is not relevant to this specific shop.
 - In a small shop, there isn't the luxury of having a dedicated aisle. In this case, the alcohol is next to the crisps and there is nowhere else to put it.
 - Changes would require a 'major reconstruction of the store', entailing shop fitting to a high-level costing thousands of pounds. Money that could be spent elsewhere such as energy saving measures.
 - That takes a lot of time, there are only a few shop fitters in Scotland (two recognised companies), limiting availability to make changes.
 - We would need at least a three-years lead time, and that does not include issues arising from renewing the alcohol license, required with any changes (a major variation for the overstretched local licensing board, costing approximately £500).

- Moving spirits is potentially feasible, however there is no room for wines and beers in a restricted area or behind the counter.
 - We would have to significantly reduce the variety of products, especially wines and beers, reducing customer choice.
- 2. Would such restrictions impact on store footfall or leave smaller retailers at a competitive disadvantage compared to larger retailers or superstores?**
- Inevitably, this is a no brainer. It will push customers away from smaller stores.
- 3. Are there potential unintended consequences or additional costs which these proposed restrictions could be place on your business?**
- There is no doubt this will increase illicit activity. Local stores sell regulated quality product, properly sourced, and pay all the relevant duties and tax. This would encourage the sale of illicit good from alternative non-regulated sources.
 - We do not sell to individuals who are already clearly inebriated or have a known alcohol problem.
 - We know most of our customers and their shopping habits. 40 years' experience running the store.
- 4. As a retailer, what measures do you currently take to ensure that alcohol products are sold in a compliant and legal way as well promoting responsible community retailing?**
- Alongside complying with all the required restrictions (challenge 25, till prompts on all restricted products, CCTV (12 cameras), and staff training), we provide training to enable staff to make their own decisions including refuse products and support them in their decisions.
- 5. How would you manage new restrictions on where alcohol can be placed in stores alongside possible restrictions on where you can place vaping products, products high in fat, salt and sugar and the introduction of a deposit return scheme?**

- There is no room. There is no way to manage the restricted placement of alcohol products alongside all the other items that may soon see regulations around store placement.
 - Alongside other regulations, companies/producers will start to move their businesses out of Scotland.
- 6. How much will it cost you to refit your store to ensure you are compliant with restrictions on placing alcohol in doorways, at checkouts and on the end of aisles?**
- A minimum of £10,000 and would involve a major reconstruction of the shop. Potentially up to £30,000. Not including the additional costs around licensing etc.

Convenience retailer 2 – Graham (South West of Scotland):

- 7. What would the introduction of the proposed additional restrictions on in-store alcohol marketing mean for your business, and which of the specific proposals are you most concerned by?**
- Seems to be punishing licensed retailers for the 'ills of Scotland' and cultural health issues. Challenges with drinking culture come from socio-economic issues such as deprivation, rather than retailers who provide the same services as elsewhere.
 - Minimum Unit Pricing shows that restrictions have a limited impact on health outcomes. These restriction will adversely impact valuable producers and retailers.
 - They will impact on sales in smaller stores, many of which are already struggling.
- 8. Would such restrictions impact on store footfall or leave smaller retailers at a competitive disadvantage compared to larger retailers or superstores?**
- It will certainly impact on footfall and that will impact on businesses across the sector.
 - Storage is a major concern, and these restrictions could be impossible to fulfil.
 - Smaller retailers have a unique relationship with our regular customers, and we know their background, and when to be aware of needing to refuse a product. Restrictions may encourage customers to find alternative sources for their alcohol products.

9. Are there potential unintended consequences or additional costs which these proposed restrictions could be place on your business?

- Restricting visibility in local stores may encourage 'faceless' online/delivery of their alcohol product, further exasperating potential health issues for those individuals.
- Small producers and micro-breweries are an important and valuable part of the local economy/community. They rely entirely on their unique marketing and look to compete.

10. As a retailer, what measures do you currently take to ensure that alcohol products are sold in a compliant and legal way as well promoting responsible community retailing?

- The vast majority of customers do not have problems with alcohol consumption.
- Having a relationship with customer, as a local shop, can help them to monitor and manage their own consumption.

11. How would you manage new restrictions on where alcohol can be placed in stores alongside possible restrictions on where you can place vaping products, products high in fat, salt and sugar and the introduction of a deposit return scheme?

- Retailers are on the 'front line' of implementing the significant burden of regulations coming forward. They are being made to feel like 'the enemy' however retailers are responsible and valued by their customers, which is vital for communities.
- If the regulations are too onerous, businesses will close and there are already examples of well-established businesses closing due to external pressures.
- Every regulation makes it harder to stay viable as a business. We are presently 'working hard to stand still'.
- In this case, if things don't improve in the next eighteen months, our business may have to close and 'look elsewhere'.

12. How much will it cost you to refit your store to ensure you are compliant with restrictions on placing alcohol in doorways, at checkouts and on the end of aisles?

- Shop fitters, drawing up plans, moving products. We also have our own beers and products that would be impacted. That would be worse for sensible customers who just try a few unique items as a treat.
- Potentially thousands of pounds of additional costs.
- **Additional points:**
 7.
 - Better education and social support would have a more effective and significant impact on health and lifestyle choices of the nation.
 - Retailers are paying the price for the lack of action and mismanagement on issues such as drugs deaths and alcohol deaths.
 - The impact on our unique, small but high-quality producers will put them out of business. Including tourism etc.

Convenience retailer 3 - Dan (East Lothian):

13. What would the introduction of the proposed additional restrictions on in-store alcohol marketing mean for your business, and which of the specific proposals are you most concerned by?

- It's not clear how the restrictions would help improve the suggested health targets, such as misuse or over consumption.
- Essentially, it won't impact people's decision making, but it will drastically impact on stores. There will be costs involved in separating alcohol products, moving licensed areas, purchasing equipment.
- Retailers may decide that it is too onerous and withdraw from selling alcohol. We would focus online and move stock out of the store.
- Prices are already going up and that will have an impact on household budgets, smaller producers, and retailers.
- It makes it harder for our store to differentiate our products and we may move to just selling standard brands, again affecting smaller producers and local businesses. I don't see them surviving when they lose local retailer support.

- We are very diligent how we operate on alcohol.
- Other changes and regulations are already having an impact on the products we can stock. This will result on even more of a simplified range.

14. Would such restrictions impact on store footfall or leave smaller retailers at a competitive disadvantage compared to larger retailers or superstores?

- Yes. We might have to push alcohol onto delivery, which the larger retailers have an advantage on.
- If we cannot use in-store promotions, we lose the ability to compete and deliver good value for customers.
- Lowering customer opinions of the store.
- There is no room to absorb any costs, they would be passed onto other products and customers.

15. Are there potential unintended consequences or additional costs which these proposed restrictions could be place on your business?

- A big impact on smaller local producers.
- It will push selling of alcohol online if the customer/branding experience is limited.

16. As a retailer, what measures do you currently take to ensure that alcohol products are sold in a compliant and legal way as well promoting responsible community retailing?

- Regulations are already 'brutal' and tighter than other similar countries.
- We are already very diligent with the placement and promotions of alcohol.
- We spend a lot of time training staff, constantly. Almost all staff are personal license holders.
- Actively do our own test purchasing to ensure compliancy.

17. How would you manage new restrictions on where alcohol can be placed in stores alongside possible restrictions on where you can place vaping products, products high in fat, salt and sugar and the introduction of a deposit return scheme?

- All the measures being introduced across the sector are putting stores out of business. None of the local stores are doing well.
- Challenges such as energy cost are forcing us to cut any non-viable products.
- Blacking out part of the store will significantly reduce the viability of the business.

18. How much will it cost you to refit your store to ensure you are compliant with restrictions on placing alcohol in doorways, at checkouts and on the end of aisles?

- At least thousands of pounds for the initial outlay, up to tens of thousands. Plus, ongoing costs.
- Moving/altering/replacing all the chillers could cost £30-40,000.
- **Additional points:**
 - 'I can only see negatives coming out of the proposed restrictions.'
 - We already do a lot in this area and are responsible retailers.
 - It is in our interest to protect our customers, ensure they are healthy, and prevent issues such as crime and underage drinking.

ANNEX 2. – Selected testimonies from SGF member survey on Restricting Alcohol Advertising & Promotion

- Not being able to advertise products will kill off new products, hiding products behind screens on a larger scale will make it very hard for staff, it will look terrible and will cost a lot to do.
- more red tape for small businesses
- These measures would have me seriously questioning whether my business could continue to be viable. If these measures were to go ahead, it would show a complete disregard for the ridiculous levels of legislative measures that retailers are already being bombarded with. I understand and support the desire to make the nation healthier and safer, however businesses are struggling, and this is not the time to be squeezing them further.
- In the current climate it's totally unacceptable for politicians to introduce more legislation which impacts small business. Are they in touch with reality given all the that has hit us recently i.e., Cost of living increases, sugar tax. HFSS, DRS and no doubt others

- These changes would harm grass roots sports provision as well as larger sports provision. In addition, the restrictions on low and no are completely disproportionate when producers are working hard to grow this part of the category and brands help massively with this growth. The growth in low and no in turn helps people to moderate their alcohol intake.
- Display restrictions would be unworkable in a convenience store.
- We already have quite extreme alcohol laws with MUP and licensing, yet I think the proposals are a step too far. Do we even know if MUP has "worked" yet?
- We need to educate the young at an early age not simply start banning everything.
- This is a real restriction on the economic growth within Scotland and will have an impact upon the brewing, hospitality and retail sector.
- We live in a world where education plays a bigger part - all the above is yet another illustration of where politics crosses the boundary of sensibility –
- General public are more than capable to make their own mind up what to buy and when.
- This proposal will put small businesses out of business, is this the plan.
- The impact on the economy and the loss of all related jobs and sponsorship, everyone is struggling as it is, and we don't need any more nails in the coffin.

Section 18. Declaration of direct or indirect links to the alcohol Industry

Declaration. Please indicate any direct or indirect links to the alcohol industry.

SGF is the trade association for the Scottish Convenience Store Sector representing over 5,000 stores in Scotland, including all the major symbol groups, co-op and convenience multiples in Scotland. Many convenience retailers sell alcohol or alcohol related products and SGF has alcohol producers as members.

Section 19. Impact Assessment

Question 42. Are there any relevant equality issues that Scottish Government should be considering at this stage in the policy development?

SGF does not have a view on this matter.