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Chairman  
Economic Affairs Scrutiny Panel  
Morier House  
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6<sup>th</sup> March 2014

Dear Deputy Luce

**RETAIL POLICY REVIEW AND SUNDAY TRADING**

Thank you for receiving me as part of the representation on behalf of the Chamber of Commerce on Friday 21st February. During the conversation we started to discuss Sunday trading and I made it clear to you that my views were not in line with those of the Chamber of Commerce. This letter is an opportunity to explain why I do not agree with the Chamber's position and to set out the arguments against Sunday trading and the impact that such a move will have on the retail industry in Jersey.

The position of the Chamber of Commerce is to support deregulation, however I do not believe that it is realistic to support regulation no matter what the effect that this may have on the economy or on society. Indeed our society does need some regulation to retain structure, law and order. Deregulation can be harmful to an economy, as well as act as a stimulus, therefore a judicious approach to deregulation is necessary to identify those areas that are holding back economic and job growth, without making a positive contribution to society generally.

The arguments over Sunday trading fall into two areas for discussion: economic and social. Below I will set out the arguments for each of these two areas and show why Sunday trading is not good for the long term interests of either the retail economy or our society in Jersey generally.

## The Economic Argument

From an economic development point of view, any change from the status quo should help the economy, and those economic sectors particularly affected by a change to the Sunday Trading Regulations to be more efficient. It would certainly be odd to introduce change that makes a part of the economy less efficient, without having some significant improvement impact elsewhere. We can deal with the arguments in favour of deregulating Sunday trading as follows-

### 1. Sunday Trading will generate Economic Growth

It is generally accepted that allowing shops to open on a Sunday will not put additional disposable income into people's pockets. Spending habits may change so that money is spent in shops instead of other leisure activities; however the overall aggregate sales from Island residents is unlikely to increase. There may well be some small increase in tourist spend, however with shops already open 6 days a week, and very few tourists only visiting on a Sunday it is expected that this additional expenditure will have a marginal impact on the level of sales.

Trading on an additional day will simply spread six days trading over seven days, and businesses will incur the additional cost of trading on that extra day. This makes the industry less efficient than it is today and less profitable.

Sunday trading will probably provoke a reallocation of labour resources with fewer people working on the traditional shopping days and more on Sunday, furthermore sales will be distributed differently with those shops not choosing to open losing out to those that do. Ultimately, the impact on the overall economy will be neutral at best and negative at worse.

### 2. Sunday Trading helps retail combat the Internet

People shop online for convenience, price and product not available in Jersey. If shops are suddenly open on a Sunday it will not make people abandon the very reasons they are shopping on line in the first place and come into town to purchase their goods and to suggest so is naive. Furthermore the internet is open 24 hours a day, 7 days a week, and shops simply cannot match these opening hours. As we discussed last Friday, the way in which retailers will combat the internet is by offering the right product at the right price with the right personal customer service. Shops offering their own online shopping experience will be able to satisfy demand online when the bricks and mortar shop is closed, however this is a decision for each individual retailer, and their success online will again come down to having the right products at the right price and the right level of customer service.

### 3. Tourists demand trading on a Sunday

Our tourists enjoy the calm and tranquilly of our special Sundays. The average stay for our leisure visitors is just over 4 days, giving them ample shopping opportunity during their visit despite shops being closed on a Sunday. There approximately 100,000 day trippers to the Island each year but only a small number of these visit St Helier solely on a Sunday (mainly in the summer) and the number of visitors is not sufficient to sustain successful Sunday trading or stimulate economic growth. With the current capacity on the ferries this will not change.

#### 4. Customers want the freedom to shop on a Sunday

There is little evidence in Jersey that the customer is prepared to change their life routine to go shopping on a Sunday. The main shopping area of St Helier remains very quiet for the few shops that open on a Sunday (please see the footfall figures produced by Richard MacKenzie). There is certainly no pent up demand from customers and businesses that led to widespread flouting of the Sunday Trading Laws in the UK that eventually resulted in the Sunday Trading Laws being amended in 1994. Furthermore customers often respond positively on questions of Sunday trading because it is a natural human trait to accept something when there are no perceived negative consequences. The truth is that customers want a range of products at competitive prices and good customer service, and they place this above the ability to visit shops on a Sunday.

#### 5. Retailers are free to chose to remain closed on a Sunday

No, once a retailer sees their competition opening, they will be forced to open to maintain market share. It is important to understand how behaviour changes over time when Sunday trading is introduced. At first a small number of retailers will open and benefit from first mover status, other retailers will respond by opening, and over time the number of shoppers increases. In the UK, it took 10 years for Sunday to become the second highest trading day of the week behind Saturday. In Jersey, when Sunday trading was introduced at Christmas about 10 years ago, the Sunday was always the worst trading day of the week. Last year at Voisins, Sunday was the fourth or fifth busiest day of the week, with indications that trade had moved from Monday and Tuesday into Sunday. Retailers have no alternative but to change their trading times in response to the change in shopping habits but this evolves over time.

The economic arguments against Sunday trading, in addition to those put above:-

- A. As discussed most large retailers in Jersey (especially national retailers) will look after themselves. They manufacture their own ranges and provide multi channel shopping options to their customers or specialise in ranges not generally available through other distribution channels. It is the smaller retailers who are important, they provide St Helier with the variety that make shopping special, and provide a personal experience. St Helier would be much poorer if all the small retailers outside the main King Street and Queen Street shopping area were lost. As discussed above, opening on a Sunday will gradually force these retailers to open, spreading six days trade over seven days, and making the business less efficient and less profitable.
- B. All retailers face significant challenges at the moment. They are having to reduce prices (and margins) to compete with the internet, are often unable to reduce overheads because of the cost of operating in a high cost economy, and are facing ever increasing regulatory burdens. At the same time they have to invest in their business to either communicate with their customers in new ways, selling to their customers through alternative channels, improving customer care or refurbishing to enhance the shopping experience to lure customers back from the internet. Faced with these multiple challenges the last thing that these businesses need is deregulation of Sunday trading which will actually make their businesses less efficient and therefore less able to cope with the investment that is required for them to survive. Sunday trading will accelerate the demise of the independent retailer in St Helier, and the shopping experience for all islanders will be much worse as a consequence.

## The Social Argument

The concept that Sunday is a day of rest has been engrained in our culture for generations. It is a day of rest, an opportunity for families to be together, something that is becoming more scarce in modern life with children and young adults in education and Jersey's high proportion of working adults. Sunday trading will impact upon the lives of over 15% of Jersey's workforce who make up the retail and wholesale sector, and reduce the opportunity they have of taking leisure time together. Whilst shopping is enjoyed by many of us, retail is not an essential service like health care or the emergency services and we are able to manage without it for one day a week. The family unit is important in our society and to undermine this by further reducing the opportunity for families to spend quality time together cannot be seen as positive for our society in Jersey.

There are also those who will argue strongly that Sunday is a religious day and non-essential commercial activity should be discouraged. The restrictions on permissible activities introduced in Victorian times have largely been set aside but many now feel that there has been enough deregulation and to continue a process of making Sunday like any other day will unacceptably impinge upon those who chose to practice their religion on a Sunday. Jersey is after all, a Christian State, our Queen is the head of the Church of England and our States Assembly says prayers at the start of every meeting.

Supporters of Sunday trading acknowledge that if restraints on trade were lifted, then staff will need to be protected from being forced to work on a Sunday. This argument acknowledges that Sunday is a special day and to allow Sunday trading will destroy its special nature. Sunday trading will create further tensions in society by pitching those who wish to exercise their religious beliefs on a Sunday against those who wish to exercise their "right" to open their shop on a Sunday. Let's preserve our restriction on trading on a Sunday and avoid the perceived necessity to introduce further legislation to regulate Sunday employment. Exchanging one set of regulations with another for no perceived benefit is illogical.

The Island's sporting activities will also be undermined by an expansion of Sunday trading as people are required to work or parents who would normally transport children to events are required to work. This issue has already been raised as a concern by Hugh Raymond, head of Jersey's sports council.

The UK has now endured 20 years of trading for 6 hours on a Sunday, and society there has not benefited from this expansion of trading hours. I am constantly struck by the number of visitors to Jersey who lament the loss of their tranquil Sundays, even retail professionals express regret that they have to work on a Sunday and miss the leisure time that could be spent with family and friends. What is particularly notable is that the people who express this view are often young and have only known a retail industry where trading on a Sunday is expected. The advent of Sunday trading in the UK was pushed by big business but today many individuals regret the change. It is particularly notable that Ray Galton, who was 28 when he co-wrote the Hancock Half Hour "A Sunday Afternoon at Home" sketch in which Tony Hancock struggles with the boredom of Sunday said. 'I just thought the lack of pleasure and enjoyment was absolutely mad. When you look back on the restrictions of the 1940s and 1950s, they were totally unbelievable.' However more recently Mr Galton said: 'I don't think we have achieved what we wanted. Sport and entertainment should be part of Sunday. So should food and drink. But I don't like to see shops or department stores open. I think the weekend should be something to look forward to. I still think Sunday should be special.'

## Conclusion

When I express my negative views on Sunday trading, I am sometimes referred to as a dinosaur. Naturally I disagree. The dinosaurs in the Sunday trading debate are those that propose a solution suitable for 1994 to a problem in 2014. Yesterday's answers are not the solution to today's problems. What we have in Jersey on a Sunday is special, and to cast it aside for no benefit would be regrettable on a massive scale. The solutions to the retail industry's problems are varied and need to be addressed by businesses and the States Assembly, but the promotion of Sunday trading will only make matters worse. Once Sunday trading is introduced there is no going back and the slow decline in the choice available to consumers and the erosion of St Helier's shopping experience will only become apparent after a several years of Sunday Trading.

Yours sincerely

F Gerald Voisin  
Chairman