



The Global Language of Business

Buying British in 2017



A report by GS1 UK, March 2017



Contents

Introduction	5
Trends in authenticity, heritage and provenance	6
Buying British is back in focus	9
The sellers of authentic and heritage products	11
The importance of traceability to retailers and consumers	13
The importance of speed and efficiency	15
Looking to the future	18

About GS1 UK

GS1 UK is a community of over 31,000 members working in retail, healthcare and more. We're one of 112 independent, not-for-profit GS1 organisations operating across 150 countries worldwide. We help businesses automate and standardise their operations, supply chains and data through the common language of GS1 global standards.



Introduction



The British public's relationship with the provenance of their products – particularly their food and drink – is a complicated one. The nation is historically proud of its heritage and produce, an introspective outlook that reached its apotheosis with television character Alf Garnett denouncing most foodstuffs from beyond these shores as “foreign muck” in *Till Death Do Us Part* in the mid-1960s.

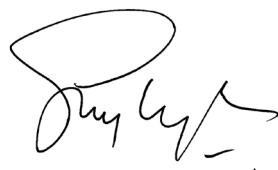
This blinkered suspicion is now passé, not only as a result of the increasing popularity of package holidays that saw Brits trying exotic cuisines they were keen to carry on eating once their suntans had faded, but also due to waves of immigration. Restaurants serving foreign food have become commonplace in high streets up and down the country.

Indeed, over the last 30 or 40 years it has become a badge of honour to be seen embracing glamorous imported food and drink; and nowhere was this trend crystallised more clearly than in public houses. Having been wedded to British ales and bitters in the 1970s and before, drinkers became more adventurous in their tastes and a longstanding love affair with European lager began¹. For years, real ale suffered something of an image crisis and it was only the resistance of the likes of CAMRA (the Campaign for Real Ale) that protected a heritage that was under threat from interlopers from overseas.

Fast forward to 2017 and things appear to have come full circle. GS1 UK's position as a nationwide community of more than 31,000 members gives us a unique view on trends and attitudes towards trade from British business – and buying British is back in vogue. There has, for instance, been an explosion in the number of breweries on these shores. From a mere 140 breweries in 1970, there are now in excess of 1,700² and while the decision of then Chancellor, Gordon Brown, to halve beer duty for smaller breweries cannot be underestimated, tastes and demand were ultimately the driving factors behind this revolution.

The upswing in the demand for authentic heritage products and the increased popularity of small, local suppliers can be attributed to a number of factors. There has been a shift in what it means to be British and a resurgence in patriotic pride, with the Union Jack no longer the sole preserve of football hooligans. No one single event was responsible; think of it more of a conflationary cocktail – one part Great British Bake Off, a dash of Keep Calm and Carry On, a spritz of the London 2012 Olympics, all muddled together with a blend of other ingredients.

One thing is certain. Given buying British has never been so fashionable, domestic suppliers and manufacturers should make hay (or indeed craft gin) while the sun shines.

A handwritten signature in black ink, appearing to read 'Gary Lynch'.

Gary Lynch FCILT
Chief Executive, GS1 UK

¹ <http://www.telegraph.co.uk/men/the-filter/11258276/How-the-UK-became-a-nation-of-lager-drinkers.html>

² <https://www.ft.com/content/7759179a-c6ab-11e6-9043-7e34c07b46ef>

Trends in authenticity, heritage and provenance

- Sales of vinyl records reach 25-year high
- Three-fifths of shoppers prioritise place of origin
- Sweatshop controversies have increased appeal of clothes 'made in Britain'

While recent advances in technology have made our lives easier and the world feel like a smaller place, they have also created something of an internal dilemma for consumers of how much control to cede to software, hardware and the modern world. The unstoppable march of technological progress has brought convenience, but also a growing yearning for individuality and authenticity.

This is illustrated by trends in music consumption. While the advent of services like Spotify led to an explosion in streaming (that has seen it overtake digital sales), sales of vinyl records have reached a 25-year high³. This shows that while consumers are happy to adopt new formats and technologies, there's also a simultaneous desire to return to authentic heritage products.

It's not just how we listen to music that has changed though.



Vinyl sales hit a 25-year high

The British public is now more conscientious than ever about where its products come from and this trend is most pronounced in the kitchen. Three-fifths of shoppers say place of origin is at least as important to them as other factors, such as price and quality⁴, and 55% specifically say they prefer buying UK brands to support British businesses (citing reasons like increased trustworthiness and being more attuned to needs and tastes).

And while this shift in attitudes hasn't seen farmers' markets substitute supermarkets yet, it has led large food retailers to increase the number of local suppliers they work with and be more transparent about where their stock comes from. No longer buried in corporate social responsibility sections on websites, such information is now splashed across stores and used as the crux of TV advertising. Even retailers such as the Co-operative – whose very heritage is based on strong relationships with local suppliers – has felt sufficiently moved to make renewed pledges about where it sources its products⁵.



³ <http://uk.reuters.com/article/us-music-streaming-idUKKBN14P1YH>

⁴ <http://www.thegrocer.co.uk/buying-and-supplying/uk-consumers-back-british-produce-in-country-of-origin-survey/535812.article>

⁵ <http://www.thegrocer.co.uk/buying-and-supplying/sourcing/the-co-op-pledges-to-double-its-number-of-local-suppliers/545012.article>



An icon born from tradition and authenticity

Clothes, too, have become a source of local pride. Various sweatshop controversies – which reached a crescendo with the Rana Plaza factory collapse in 2013 in Bangladesh – have seen consumers pay more attention to the ‘made in’ labels in their garments.

Britain’s exit from the European Union could also stand to benefit British apparel manufacturers too, with an increased reliance on local manufacturing and higher desirability to those importing such brands from overseas due to the reduced cost⁶. Indeed, while a ‘made in Britain’ tag is increasingly important to domestic buyers, it also continues to carry clout across the globe, not just for higher end purchases like tailoring, but increasingly for smaller specialist labels too.

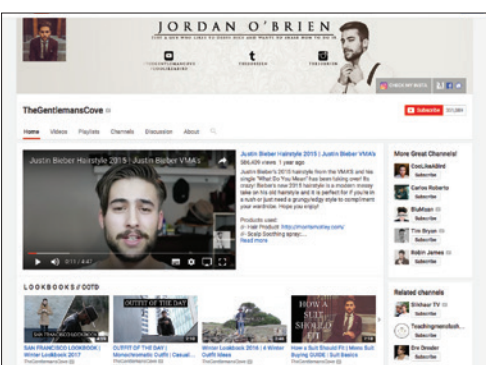
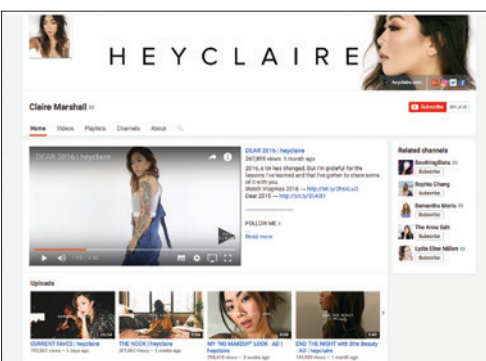
The way in which fashion is one of the most fascinating examples of how purchasing behaviours are changing too.

Today’s clothes’ shoppers don’t have time to visit shops and try items on;

preferring to have garments delivered to their desks from the likes of ASOS and eBay. Some savvy fashionistas are even taking advantage of the exclusivity of certain brands and the advance of technology to resell clothing they’ve never even worn at a higher price⁷.

One of the biggest changes in how we consume products is the inexorable rise of social media. Nowadays consumers don’t just bask in the glow of a trendy new jumper or a satisfying brunch, they instantly tweet or post it to their army of followers – meaning customer feedback is instant and can spread like wildfire.

Such platforms also give smaller brands the chance to punch above their weight in terms of marketing and reach much larger audiences than they could have previously afforded to. And while social media users are more likely to contact larger organisations with a customer complaint, they are just as likely to mention small businesses to help support and grow their brands.



Savvy fashionistas increasingly use social media

⁶ <https://fashionunited.uk/news/fashion/could-a-brexite-be-beneficial-for-uk-apparel-manufacturers/2016062820921>

⁷ <https://www.ft.com/content/3e06038c-e257-11e6-8405-9e5580d6e5fb>

“Global companies are in retreat” according to The Economist who envisaged a future where “millions of small firms trading across borders could replace big firms as transmitters of ideas and capital”⁸ in its January 28th edition.

The financial crisis was the start of a shift in sentiment when the idea that multinational firms were agents of inequality, creating jobs abroad but not at home, started to gain traction. Offering encouragement for home-grown companies everywhere, The Economist signed off its study of multinationals by concluding that “the infatuation with global companies will come to be seen as a passing episode in business history, rather than its end”.

Such is the multinational nature of our world that trying to live exclusively on British products is much easier said than done⁹, with even brands

considered historically British now owned by overseas giants, such as Weetabix, Branston Pickle and Tetley Tea. And of course brands that might be fully British-owned often manufacture abroad, or source all their component parts or ingredients abroad.

Consumers are often unaware of this, and frequently adopt a best-of-both-worlds approach where they buy local when they can, but convenience and cost implications mean that they aren't averse to buying imported goods when required.

This trend towards ethical conscientiousness is only set to continue and while the method of Brexit is yet to take shape, the departure could well benefit small British businesses in a number of ways such as making domestic products more competitive. As with the consumption of music, consumers are open to evolution and innovation, but heritage still plays a significant part in what we eat, drink and wear.



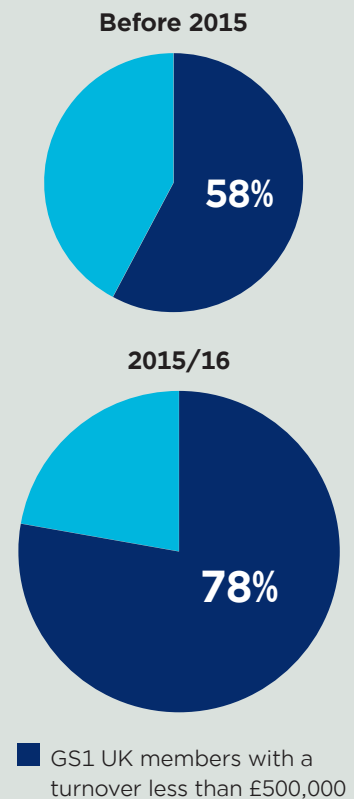
Best-of-both-worlds approach

The rise of small British firms

The Brits love an underdog story – think Eddie the Eagle or Susan Boyle – with former non-league footballer Jamie Vardy spearheading Leicester City to an unlikely title triumph last season, being the most famous recent example. But this affinity to the unlikely hero isn't limited to the sporting arena, with shoppers just as likely to back the small guy at the checkout.

Google may own the fairytale narrative of huge companies that started from a garage, but there are similar success stories this side of the pond too, such as Dyson and Virgin. And while there will always be some products and services we are happy to go to major multinationals for, supporting the local start-up remains high on the agenda too. There will always be products that consumers are agnostic about their provenance – or may only be able to obtain from international companies – but increasingly people want their food, drink and clothing to have fewer air miles.

GS1 UK membership statistics bear this out, in that more modest-sized new joiners are joining than previously. Before 2015, 58% of the overall membership base had a turnover of £500,000 or less, but in 2015/16, this rose to 78%, suggesting a shift towards smaller businesses. GS1 standards help businesses automate and standardise their operations, supply chains and data which enables them to expand and grow. They usually join GS1 UK at the start of their journeys, making these statistics all the more pertinent.



⁸ <http://www.economist.com/news/briefing/21715653-biggest-business-idea-past-three-decades-deep-trouble-retreat-global>

⁹ <http://www.telegraph.co.uk/finance/newsbysector/retailandconsumer/11858442/A-week-of-buying-only-British-goods.-How-hard-can-it-be.html>

Buying British is back in focus

- Britain now has more breweries per capita than any other country
- Gin sales pass £1bn as number of distilleries doubles
- Food and fashion exported to all corners of the globe



British gin captures drinkers' imagination globally

While provenance and traceability have certainly come to the fore of late, it's disingenuous to suggest that British consumers are clamouring to stock their pantries entirely from British suppliers. And it's also fair to say there's a sliding scale of what products the public is more particular about sourcing locally than others.

For example, finding local suppliers of dishwasher tablets and mobile phones might prove problematic, whereas food, drink, apparel and beauty products are likely to come much higher up the agenda.

Indeed, so pronounced has the British ale and craft beer explosion been that we now have more breweries per capita than any other country in the world.¹⁰ The demand is not just coming from these shores either, with scene poster boy BrewDog exporting to more than 50 countries.

Locally brewed beer isn't the only booze that has captured the imagination though, with craft gin currently undergoing its own renaissance. The number of gin distilleries has doubled in six years¹¹ and sales of the spirit recently surpassed £1bn for the first time¹² highlighting the huge market that smaller British firms are attempting to get a foothold in. As with the desirability of craft ales overseas, so too has British gin captured the imagination of drinkers abroad with it now being sold in 139 countries



Post modern classic – now exported to more than 50 countries

¹⁰ <https://www.theguardian.com/lifeandstyle/2015/nov/08/craft-beer-independent-brewers-micro-ed-cumming>

¹¹ <http://www.telegraph.co.uk/news/2016/03/28/britains-love-of-gin-sees-number-of-uk-distilleries-double/>

¹² <http://www.telegraph.co.uk/news/2016/12/08/gin-sales-pass-1-billion-year-first-time/>

around the world and exports to the US in particular soaring by 553% in the last decade.

Britain's food exports continue to blaze a trail round the world too, with 21,000 tonnes of pork sold to China alone each year¹³ and British chocolate, salmon and cheese also in high demand.¹⁴

And fashion designers in the UK are also turning their backs on overseas manufacturing to bring jobs back to the country, with the Make it British¹⁵ website and forum helping drive this movement. HM Revenue and Customs reports a 25% rise in the export of British-made clothing since 2011¹⁶ as demand from abroad mirrors the desire from the UK public to wear British garments. Britain has long had a proud sartorial history and after this heritage took something of a

backseat as demand for fast fashion took precedence, it would appear domestic apparel manufacturers are now finding their voice again.

Buying British has long had conflicting connotations, but growing consumer demand, as well as a rapidly evolving political climate, have brought it back into sharp focus. And as British products shine bright, so imported goods could be losing their lustre. Labour deputy leader Tom Watson recently urged UK citizens to vote with their wallets¹⁷ and it's fair to say that as demand for provenance and local sourcing grows, British suppliers have everything to gain.



British products are revered, both here and abroad

GS1 UK membership by industry

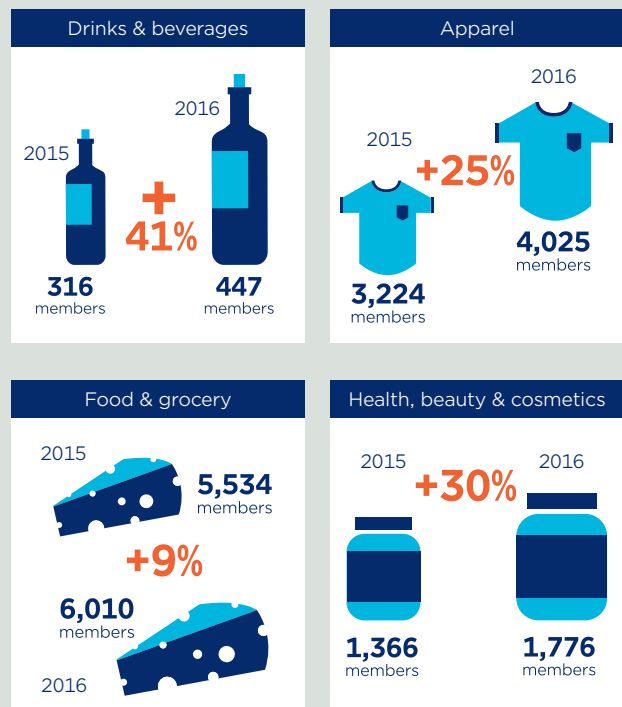
Businesses from more than 20 industries constitute GS1 UK's 31,000-strong membership, with those from the food and grocery sector accounting for the largest single percentage (20%). It remains one of the fastest growing sources of new members too, with 12% of joiners in 2015/16 originating from this sector.

The apparel industry was the most significant source of new joiners in 2015/16, with 21% of companies coming from this field, pushing their total beyond 4,000.

Drinks and beverages account for a relatively small percentage of overall members, but the rate at which they are joining GS1 UK has increased significantly. Manufacturers in this space represent 3% of new joiners in 2015/16 swelling their ranks by 41% from 316 to 447 over the 12-month period.

Along with food, drink and apparel, another area that has considerably grown its proportion of membership – and remains a healthy export market – is health, beauty and cosmetics. It accounts for 6% of total companies overall, but represented 11% of new members in 2015/16 meaning it increased its real numbers by almost a third from 1,366 to 1,776.

31,000+ members
20 industries



¹³ <http://www.telegraph.co.uk/business/2016/09/10/british-pork-exports-help-communist-china-keep-its-people-happy/>

¹⁴ <https://www.ft.com/content/83eb97a6-b00a-11e6-9c37-5787335499a0>

¹⁵ <http://makeitbritish.co.uk/>

¹⁶ <https://www.theguardian.com/fashion/2016/oct/30/fashion-luxury-brands-return-of-uk-cotton-mills>

¹⁷ <http://www.independent.co.uk/news/uk/home-news/tom-watson-buy-british-brexit-donald-trump-labour-a7550661.html>

The sellers of authentic and heritage products

- Selling online via own websites most popular sales channel for GS1 UK members
- Online marketplaces also utilised by more than two-thirds of members
- Tesco and Waitrose offer the most opportunities to smaller British firms



Online marketplaces have not only revolutionised the way sellers can connect with their customers and reach a much wider audience, but they've also challenged our very understanding of what these platforms are; so-called 'weightless' businesses.¹⁸



If you'd suggested just 10 years ago that there would be a taxi firm with no cars (Uber) and an accommodation app that owned no property (Airbnb) you'd have been laughed out of the room. Yet, these firms have now been able to gain real traction by giving consumers what they want, quicker and cheaper than traditional methods.

Analysis of how GS1 UK members distribute their wares reveals that selling online via their own websites is the most popular method, with 71% doing so. Following closely behind is online marketplaces with just over two-thirds (67%) utilising such

platforms that allow them greater scale and visibility than they might be able to achieve under their own steam. More than a third (35%) use wholesale or distribution channels and a quarter (26%) use other retail stores (i.e. not their own premises).

Just as social media gives smaller firms a free pass in terms of marketing, online marketplaces give them a leg-up in terms of potential customers. But it may not be an instant road to riches – of 5,000 independent businesses selling on Not On The High Street, just 11 hit the million pound turnover mark in 2014¹⁹.

¹⁸ <http://www.raconteur.net/business/online-marketplaces-uberisation-and-business-models-of-tomorrow>

¹⁹ <https://www.theguardian.com/small-business-network/2015/mar/19/businesses-millions-online-marketplaces-amazon-ebay>

²⁰ <http://smallbusiness.co.uk/business-failure-four-ten-small-companies-dont-make-five-years-2533988/>

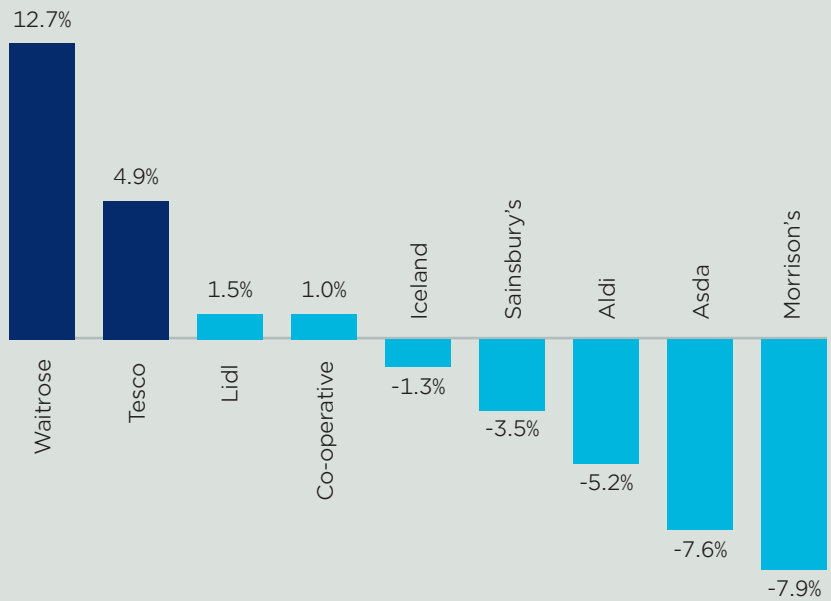
But it's a step in the right direction and with four in 10 small companies not making it to their fifth birthday²⁰, one might argue they need all the help they can get.

Of course, online marketplaces are huge businesses in their own rights now. Alibaba is the latest to raise its global profile by recently announcing a \$600m sponsorship deal of the next six Olympic Games²¹.



Alibaba signs deal to sponsor the Olympics

Opportunities for smaller British companies



The retail sector, and supermarkets specifically, also provide some illuminating insight into how Britain's small manufacturers are getting their products to market.

With 28.1% market share²² it's unsurprising that Tesco affords the most opportunities to GS1 UK's new joiners over the past five years (33%). But perhaps more surprisingly it's Britain's seventh largest supermarket, Waitrose, that sits in second place – defying its 5.3% market share by offering GS1 UK's new joiners 18% of their supermarket opportunities. Indeed many of the 2,500 local and regional products that Waitrose²³ stocks regularly outsell their big-brand equivalents.

While this is heartening for British suppliers and Waitrose punches above its weight in terms of its local focus, it's worth remembering that this shift isn't without motive and is primarily driven by consumer demand.

GS1 standards are used by all leading online marketplaces

All major online marketplaces – including Amazon, eBay and Google Shopping – now use GS1 standards to help manage their product catalogues. And online sellers use GS1 standards to uniquely identify all their products. This makes it easier for online shoppers to find, compare and buy what they're looking for. Which means happier customers – and more sales.

Supermarket	Market share*	Analysis of opportunities for GS1 UK joiners	Difference
Waitrose	5.3%	18%	12.7%
Tesco	28.1%	33%	4.9%
Lidl	4.5%	6%	1.5%
Co-operative	6.0%	7%	1.0%
Iceland	2.3%	1%	-1.3%
Sainsbury's	16.5%	13%	-3.5%
Aldi	6.2%	1%	-5.2%
Asda	15.6%	8%	-7.6%
Morrison's	10.9%	3%	-7.9%

*Source: Kantar World Panel, January 2017

¹⁹ <https://www.ft.com/content/b5e16726-de1e-11e6-9d7c-be108f1c1dce>

²⁰ <http://www.kantarworldpanel.com/en/grocery-market-share/great-britain>

²¹ <http://www.waitrose.com/content/dam/waitrose/Inspiration/About%20Us%20New/Waitrose%20Food%20%20Drink%20Report.pdf>

²² <http://www.kantarworldpanel.com/en/grocery-market-share/great-britain>

²³ <http://www.waitrose.com/content/dam/waitrose/Inspiration/About%20Us%20New/Waitrose%20Food%20%20Drink%20Report.pdf>

The importance of traceability to retailers and consumers

- Nearly four-fifths of consumers cite provenance as a consideration
- #whomademyclothes hashtag has been used millions of times



Back British Farming

The traceability of products is becoming increasingly important to British consumers and was brought into sharp focus by the horsemeat scandal of 2013²⁴. Shoppers want to know where their food is coming from, with some retailers taking the step of naming not just the region on the packaging, but the specific farm or supplier.

The National Farmers' Union website²⁵ gives consumers extensive guidance on where they can find British food and individual supermarkets that have made various commitments to local suppliers.

Research carried out on behalf of Waitrose found that, in terms of actively thinking about the provenance of their food, 79% of consumers said it was a consideration (63% some of the time, 16% all the time) and just a fifth said they never thought about it²⁶. Global agricultural investor, the Westchester Group, suggests that this preoccupation with provenance and traceability is mainly a European concern²⁷.



Traceability - vital to quality and safety

²⁴ <https://www.theguardian.com/uk/2013/feb/15/horsemeat-scandal-the-essential-guide>

²⁵ <http://www.nfuonline.com/back-british-farming/our-top-content/where-can-i-buy-british-food/>

²⁶ <http://www.waitrose.com/content/dam/waitrose/Inspiration/About%20Us%20New/Waitrose%20Food%20&%20Drink%20Report.pdf>

²⁷ <http://www.foodmanufacture.co.uk/Manufacturing/Food-manufacturers-must-adapt-to-new-markets>

Traceability is increasingly important in terms of fashion too. The Rana Plaza disaster, mentioned earlier, prompted a renewed surge of supply chain accountability and spawned the Fashion Revolution²⁸ movement, which aims to create an industry that values people, the environment, creativity and profit in equal measure. The hashtag it devised - #whomademyclothes - has been shared and used millions of times and has given smaller British suppliers the chance to press home their domestic credentials with increasingly conscientious consumers.

Some consumers don't just want lip service paid to where goods are coming from, they want full transparent proof of the supply chain, often down to the specific farm or factory their items came from. Small British suppliers who can offer this verification can steal a march on the competition and our research shows that even the big beasts of food retail are having to cater to this dramatic shift in demand.

Fairtrade textile factory in India



An ethical stance can give a competitive advantage

GS1 standards make it possible to trace every step in a product's lifecycle - from source to consumer

GS1 standards enable traceability and visibility in the supply chain. Retailers and manufacturers track and trace materials from source to the final finished product. Knowing exactly where goods are at any point in time (or where they have been) and when they are scheduled to arrive is critical. It's this sought-after visibility that is enabled by using GS1 standards. Traceability can also help reduce waste, help fight counterfeiting, enable targeted and effective recalls and help consumers be informed on key product attributes - such as ingredients and allergens.

²⁸ <http://fashionrevolution.org/>

The importance of speed and efficiency

- Speed of delivery now a USP in its own right
- Logistics intermediaries such as Wing and Fulfilment by Amazon allow smaller firms to achieve economies of scale



Diversity still means speed and quality



With retail giants now offering same-day delivery or allocated slots for customers to receive goods, it has raised consumer expectations of the service levels they've come to anticipate. Indeed, while choice and price are understandably key drivers, fulfilment has now become a key factor and can be the difference between consumers going elsewhere or not²⁹.

While one of the main benefits of shopping local is that you can visit a store or stockist rather than having to shop online, small British suppliers still need to adopt modern technology and distribution channels to give customers the service they've come to expect.

Companies as diverse as The Rib Man (London-based food truck vendor selling hot sauces online) and Morgan's Pomade (Kent-based men's grooming product manufacturer) pride themselves as much on the speed of their delivery as they do on the quality of their goods. The former in particular has built up a healthy rapport with his customers due to a well-maintained social media presence.

²⁹ <https://www.retail-week.com/topics/supply-chain/analysis-the-battle-over-deliveries-gets-personal/7018005.article>



Trading globally is faster and easier than ever before

There are intermediaries that can help smaller firms achieve the economies of scale that only multinationals used to achieve, particularly when it comes to logistics and fulfilling deliveries.

Operation such as Wing³⁰, a French logistics start-up, have launched a British operation that does the heavy lifting for merchants and adopts a business model similar to Uber and Airbnb in that it doesn't own its logistical network, allowing it to stay lean and nimble.

In the same vein, Fulfilment by Amazon (FBA) is a group of delivery solutions designed to empower Amazon sellers to trade faster and easier across Europe. Amazon sellers opt for FBA when they want to generate more sales without investing in logistics: scaling from selling domestically to selling across Europe is now possible in just a few days.

Royal Mail also joined the Chinese e-commerce boom in 2015 with a shop front on Alibaba enabling Chinese consumers the opportunity to buy British products³¹.

Shrewd and adaptable British firms can now have the best of both worlds by having a domestic operation that endears them to local buyers – as long as they can prove their heritage credentials – while harnessing the technology and logistic channels that give retail giants the means to deliver on the same day.



Wing – staying lean and nimble in their operations

GS1 standards help brands, logistics partners and retailers deliver

GS1 standards make logistics easier and more effective by driving efficiencies, improving product flow through the supply chain and of course by improving the customer experience through increased product availability. Customers are increasingly expecting to seamlessly research, purchase and interact with the products they want to buy, no matter where they shop. GS1 standards help meet the challenges of omnichannel commerce and satisfy consumer demands and expectations before, during and after purchase – whether they're shopping online, in-store or via mobile.

³⁰ <http://uk.businessinsider.com/wing-french-logistics-startup-expands-series-a-funding-london-profile-2017-1>

³¹ <http://www.royalmailgroup.com/royal-mail-join-chinese-e-commerce-boom-new-alibaba-tmall-global-shop-front>

Mammy Jamia's – a British success story



As the owner of a British company that makes its products here in the UK I'm delighted to see that buying British is back in vogue. Buying British food and grocery is essential for the sustainability of UK food businesses, food self-sufficiency, jobs and growth.

For too long Britain has imported too much of its food. For example, less than half of the butter eaten in the UK and only one third of cheese comes from milk produced on British farms. I'm not saying we shouldn't import food – certain types of food are simply not available in the UK – it's just great news that the balance is starting to be restored, with a focus on British provenance.

The premium preserves and dressings we sell at Mammy Jamia's are sold in Waitrose stores across the UK – it's no surprise that this report highlights the large percentage of opportunities offered by them. A quick glance of the shelves in any Waitrose store will tell you there's a wide range of products displaying the British flag or British provenance. And recently Morrison's has decided to list even more British products – which is all good news for UK food and grocery businesses.

One point open for discussion is the question of authenticity – what counts as a British product? This is a tricky one as many famous brands that people assume are owned by British companies are now owned by, for example, US or Chinese companies. Does this mean they are no longer British products? My view is that manufacturing is the key element – for a product to be British, it has to be made here in Britain and where possible use British raw materials in the manufacturing process.

It's great that this increased demand for British products exists – because buying British products from British companies has a positive effect on the whole economy.

Andrew Cairns,
CEO, Mammy Jamia's



Watch the Mammy Jamia's story from a small family run business to global success: www.gs1uk.org/mammyjamias

Looking to the future

GS1 UK's unique position, as a conduit for British businesses to trade, offers us valuable insight into trends and patterns in consumer behaviour. Our management data adds further weight to the argument that consumers are now becoming more domestically focussed when it comes to their spending habits.

Heritage, provenance and traceability are no longer nice-to-haves; they're increasingly important factors that can make the difference about where consumers choose to spend their money. And while Brexit may exacerbate some of these trends, it's important to note that the shift towards heritage products is already happening organically.

With MPs overwhelmingly voting to back the Article 50 bill, it's time to accept that Brexit is definitely happening and to focus on its potential advantages. Conservative MEP Daniel Hannan places matters in sharp perspective in his book *Why Vote Leave*: "Fully 79% of business activity in the UK is wholly internal. Most firms, indeed, trade only within a 10-mile radius of where they are sited. Of the 21% of our GDP that depends on overseas commerce, 10% is accounted for by trade with the EU and 11% by trade with the rest of the world. In other words, for the sake of the 10% of our economy that is linked to the EU, we must apply 100% of EU rules to 100% of our business." While not everyone may agree with Brexit, it will provide new opportunities. The shackles may soon be off for business.

Having looked at Britain's trade in 2017 in this report, we shall be casting our net wider in our next instalment in May in which we'll examine cross-border trade and the rise of protectionism and nativism across the globe. Always a hot topic, there have surely never been more column inches dedicated to trade since Britain voted to leave the EU and Donald Trump came to power on the other side of the pond.

Any bilateral free trade deals may still be a few years off with the most optimistic forecasters citing 2020³², but with the new President already showing he's not exactly backwards at coming forwards, rest assured there will be plenty of developments between now and May.



A handwritten signature in black ink, appearing to read "James Spittle".

James Spittle
Chairman, GS1 UK

³² <http://www.cityam.com/258008/uk-could-seal-its-first-bilateral-free-trade-deal-before>



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