

SHOP PRICE INDEX

WHAT IS IT?

The Shop Price Index (SPI) measures price changes within a basket of both Food and Non-Food items. The SPI tracks both Food and Non Food and several sub categories for each:

Food

Fresh
Ambient
Wholesale vegetable prices (18 items)

Non-Food

Clothing & Footwear
Furniture & Floorcovering
Electricals
DIY, Gardening, Hardware
Books, Stationery & Home entertainment
Health & Beauty
Other Non-Food
Total Non-Food

Within these 5 sectors there are 62 product classes, containing 490 items.

OUR PARTNER

Nielsen is the world's largest market research company, operating in more than 100 countries of the world. The UK Company operates from six nationally spread locations, of which Oxford is the head office.

METHODOLOGY

The SPI is administered by Nielsen, who collate and analyse the data on behalf of the BRC.

The index provides an indicator of the direction of price changes in retail outlets. The BRC launched the Shop Price Index to give an accurate picture of the inflation rate of 500 of the most commonly bought high street products in stores.

As the Index is designed to reflect changes in shop prices, the sampling points chosen are five large urban areas, spread nationally. Not all sample stores are in city centres; they have been selected to reflect local shopping habits. Therefore, the sample includes superstores on out-of-town sites, town centre department stores, local parade stores, and shopping centres. In each location, Nielsen collect and process the data for the BRC, visit stores of differing types, e.g. grocery, confectionery, DIY, department stores – including small and large multiples and independents. Data collection is monthly and always in the same stores to maintain consistency.

The items for which prices are collected reflect standard consumer purchasing patterns in terms of branded/own label split and price distribution. The Index is constructed of seven main sectors of purchase: food, DIY, gardening and hardware, furniture, books, stationery and home entertainment, electrical, clothing and footwear, and other Non-Food. In total there are 500 items representing the seven main sectors, there are around 6,500-7,000 price points collected each period. Each product class category has an individual weighting based on the "All households" expenditure measured in the Family Expenditure Survey. This data is also used to weight the Office for National Statistics Retail Price Index (RPI).

Although it is a proxy measure of inflation, the Shop Price Index is more focused than the Retail Price Index and demonstrates the extent to which retailers contribute to inflation through their pricing of a range of commonly bought goods.

For more information, please email: retailinsight@brc.org.uk