

Wholesale changes deliver a greater need for insights ...

The end of 2017 set the tone for a flurry of activity in wholesale in 2018. P&H collapsed into administration just a few weeks from Christmas 2017. Following its' initial announcement in January 2017, Booker shareholders voted in favour of merging with Tesco in February 2018. David Lewis was clear on the strategic rationale for the deal: *"Wherever food is prepared and eaten - 'in home' or 'out of home' - we will meet this opportunity"*.



In April the “Bargain Booze” wholesaler Conviviality went into administration and the CMA approved the merger of Co-op & Nisa. Also in April, Blakemore announced the sale of their 12 cash & carry depots and in June the remaining three were closed. In November the merger of wholesaler buying groups Today’s and Landmark completed, in the same month restaurant wholesaler Penta collapsed only to be immediately resurrected via a management buyout.

Throughout 2018, Morrisons accelerated their wholesale supply into McColl’s stores and continued to work with Ocado & Amazon. They also brought Sandpiper stores in the Channel Islands into their wholesale network (& the Morrisons Daily fascia) as the business stepped up supply to over 40 Rontec forecourts and announced supply into c. 30 Stratford Retail Group owned MPK forecourts. Morrisons also announced exports of 100 SKUs to the Big C hypermarket chain in Thailand.

All of this change requires a response from food and drink manufacturers. Incumbent foodservice- and convenience-focussed suppliers need to protect their businesses and lean into the changes, arguably learning from multiple retail disciplines as displaced retail buyers have often moved into foodservice. Likewise, multiple retail-focussed suppliers need to be alive to the emerging opportunities in foodservice as the sector grows

consolidates and blurs into foodservice through convenience, on-the-go solutions and foodservice hybrids.

As much as the challenges are similar in multiple retail and wholesale-powered markets like foodservice and symbol groups, the management dashboards typically look completely different. Multiple retail is swimming in data: from “census-scanning” of whole estates’ Electronic Point of Sale data through to (sometimes) sophisticated consumer panel data derived from loyalty cards. Each major retailer competes in sophisticated plays for competitive advantage using “big data”. Symbol group retail historically has bespoke providers of syndicated insight to compensate for a lack of joined-up purchase history and fragmented sales tracking. Foodservice is even more unusual with reliance on a mix of ...

- Limited and infrequent top-down insight that varies by channel
- Time-consuming and data-heavy but insight-light menu-audits
- Anecdotal and expensive mystery-shopping
- Pockets of product-level tracking data by wholesaler.

All of these are things that grasp can help with. In addition to these sources of insight we have long felt - at grasp - that there is an opportunity for foodservice in particular to benefit from the data wealth that multiple retailers have both enabled and thrived-on over recent decades. SalesOut are a key supplier in this field, now under the ownership of multiple-retail specialist Information Resources Inc.

We have yet to see full coverage in foodservice or symbol retail, but major strides are being made in making data penetrable. Suppliers who are willing to invest with SalesOut and build relationships with their wholesale customers can now split out each wholesale partners’ foodservice and independent retail sales more easily than ever. This is critical not least given the different pack format requirements of each channel! Suppliers can drill up and down through consistently coded products, sub-categories and categories. Data can be reported longitudinally and is there to be sliced and diced by different time periods and a host of other breaks - including by competing manufacturers. Over the coming years we see two major challenges for the further evolution of these data sources:

- 1) The development of total market reads with scope for estimating for non-participating wholesalers so that manufacturers can help foodservice businesses (wholesale & operators) understand their growth, share and shape versus their peers. This is vital for driving category performance.
- 2) The development of consistent coding with multiple retail data to enable retail businesses to understand the relative dynamics between multiples and independents, drilling through data from aisles down to the base Stock Keeping Unit level.

Edging towards these two goals, we believe that channel operators, wholesalers and suppliers can bring the full benefits of category development to foodservice and enhance the services provided to symbol group retailers.

Wherever you sit on the spectrum of data use and insight-generation from multiple retail through to foodservice, grasp can help you navigate the data sources available. We can equip your business development teams with the skills they need to develop business-driving insights from these data sources ... or we can do this work for you. We are also keen to keep working with data providers like SalesOut to help align the food & drink industry behind data resources that help us respond competitively to the ever-shifting consumer landscape.

Robin Norton - Category Director
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grasp has extensive experience in working with Tesco, Sainsbury's, Morrisons, Asda, Co-op, Waitrose, Aldi & Lidl. We have also worked with major convenience groups (incl. many symbol operators), independent retailers and foodservice businesses including the education sector, Bettys tea rooms, Greggs, McDonalds, Pizza Express, Prêt à Manger and Red's True Barbecue. We have a business development database that serves as a valuable thinking tool for mapping your supply aspirations through wholesale and into channel operators in retail & foodservice.

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