

Changing customer behaviour builds success

A.F. Blakemore & Son (Blakemores) has been a presence in the UK food market for over 100 years. Joint Group Managing Director Jerry Marwood describes how the business is responding to current market changes to continue to thrive in a challenging environment.

A family business that operates across retail, wholesale, distribution and food services, Blakemores stands to make £1.2bn in sales across all our divisions this year. That incorporates 300 of our own operated stores, wholesale supply to independents, our speciality food business and our food service and supply businesses.

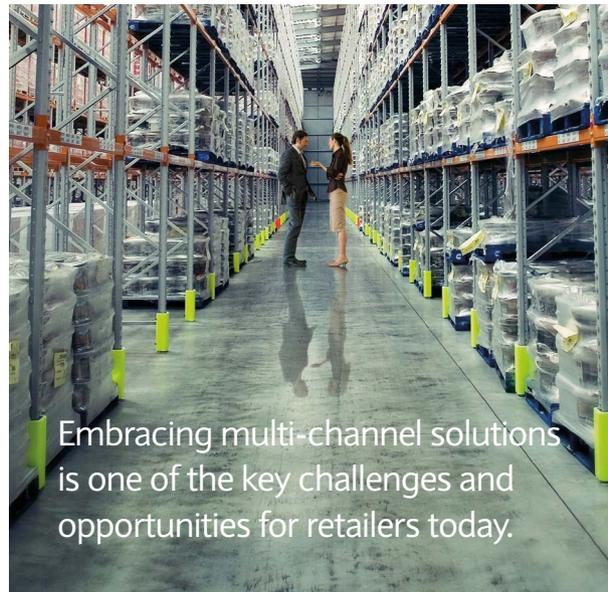
We are also the largest division of SPAR UK, owning a fifth of the SPAR organisation in the UK. The breadth and depth of our coverage within the retail sector means that we're no strangers to change, but recent years have seen an acceleration in the pace of that change and the structural impact it's had on the UK retail landscape.

Changes in consumer behaviour

Amongst the numerous changes we've seen, three in particular stand out for me. Firstly, we've seen a big transformation in consumer behaviour. Family structures have changed, we're seeing multiple households and changes to demographics, and people are eating differently, which activates more shopping missions, whether that's online or in-store.

Grazing has taken the place of three square meals and people, even within the same household, are eating at different times of the day. This in turn shifts food procurement needs and people are shopping more frequently.

We've responded to that by looking closely at the shopping mission or customer journey, understanding for example, the importance of varying our offers and broadening our choice. Changing our business solutions into food for now and food for later shopping missions, rather than selling categories of products, has allowed us to respond to the different ways consumers live their lives. Many of our stores include a Greggs, a Costa machine or a Subway, which directly appeals to a younger demographic.



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Our most recent company-owned stores, for instance, now sell four brands of bean to cup coffee with a sit-down barista solution built into those stores to meet different customer needs. Physically having less canned, packaged groceries in the business has been a structural shift to accommodate these new customer needs and, of course, to grow our sales and margins.

The rise of multi-channel shopping

Retailers are responding to that by increasing consumer choice – over products and the channels available – which is driving the second major structural change. There are now multiple ways of shopping, with online and convenience both seeing an increase. The days of the 'big weekly shop', which the Big Four players predicated their models on, have gone. Now there's an emphasis on perhaps a fortnightly main online shop, topped up by regular visits to convenience stores.

The sector as a whole has become far more customer-centric, providing retail solutions how and where consumers want to shop. We're noticing, for example, an increase in sales at our forecourt outlets and we're responding to that by increasing product range and services. Convenience stores have moved from being a distress activity to a complementary activity, becoming a destination that offers availability of choice and fresh goods locally. Embracing multi-channel solutions is one of the key challenges and opportunities for retailers today.

