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**Lumina Intelligence**

**Giorgio Rigali**

**07545990030**

[**Giorgio.rigali@lumina-intelligence.co.uk**](mailto:Giorgio.rigali@lumina-intelligence.co.uk)

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**Leading UK wholesalers see subdued growth in 2021, as Brexit and pandemic take toll on foodservice**

According to the new Lumina Intelligence UK Wholesale Market Report 2021/22, overall, the UK’s leading wholesalers experienced growth of +3.7% in 2020/21, versus +3.9% in 2019/20.

This decline has been driven by foodservice wholesalers, who experienced significant declines during the pandemic, with Brakes\* seeing decline of -34.3% and BFS Group (Bidfood) -24.8%.

Traditional and hybrid wholesalers reported turnover growth of over +10% in 2020 due to increased demand for grocery services. Costco and Morrisons were the two fastest growing wholesalers, up +15.8% and +15.6% respectively.

In terms of market share, leading traditional wholesalers grew share of combined value by +6.4ppts to 84%. Foodservice wholesalers, Brakes and Bidfood, have seen their combined share of the top 9 leading wholesaler turnovers decline by -6.6ppts to just 7.9%.

When asked, retailers were least satisfied with guaranteed availability of products and category advice from wholesalers. 40% of retailers scored their wholesaler five out of 10 or less for guaranteed product availability and 27% scored five out of ten or less for category advice.

In respect to category advice, 44% of retailers say that they have not heard of the upcoming HFSS legislation, rising to 54% for independent retailers. Half (50%) of retailers expect updates on legislation from their wholesaler.

In contrast, accurate invoicing and billing, product quality, friendliness of drivers and ordering process are the areas where retailers were most satisfied with their wholesaler.

Similarly, foodservice operators are also most satisfied with accurate invoicing and billing, product quality, friendliness of drivers and ordering process. In general, they are lot more satisfied than retailers. However, loyalty schemes, category advice and guaranteed availability were the top causes of dissatisfaction.

In terms of HFSS, 47% of foodservice operators stated that they were unaware of the legislation – 3ppts higher than the retailer figure. Despite HFSS having minimal impact on hospitality, 56% of operators are worried that a similar legislation will be introduced within hospitality.

Commenting on the results, Insight Director at Lumina Intelligence, Blonnie Whist, said: *“The last 18-24 months have been incredibly turbulent for the wholesale industry. Despite high sales, traditional wholesalers were faced with significantly increased demand that cause huge pressure on the supply chain. In contrast, foodservice wholesalers saw demand fall off a cliff. It is no surprise that guaranteed product availability was one of the issues highlighted by operators and retailers, however there was arguably little more wholesalers could have done. With restrictions easing, we expect to see a further rebalancing between foodservice and retail, which will enable greater normality and more robust demand planning.”*

*“The lack of awareness around HFSS should be a red flag for wholesalers, who should take this opportunity to show support to its customers and generate loyalty by nurturing them through the process with advice. Whilst many won’t be affected, there is a duty of care on the industry to ensure everyone is aware of what is coming up.”*

Find out more about Lumina Intelligence’s Wholesale Market Report 2021/22 [here](https://store.lumina-intelligence.com/product/uk-wholesale-market-report-2021/).

**\*** *The figures quoted for Brakes encompass the following UK companies: Fresh Direct (UK) Limited, Freshfayre Limited, Kent Frozen Foods Limited, M&J Seafood Limited, Pauleys Produce Limited, Wild Harvest Limited, Brake Bros Limited and Brakes Foodservice NI Limited*

**ENDS**

**Report methodology**

The Lumina Intelligence UK Wholesale Market Report 2021/22 is created using a variety of different data sources:

* Wholesale Market Report Survey 2021
  + Telephone interviews were conducted in November and December 2021
  + 125 telephone interviews conducted with foodservice operators
  + 253 telephone interviews conducted with retailers: 128 independent retailers and 125 symbol retailers
* Lumina Intelligence Operator Data Index
  + Market sizing data tracking the performance of hospitality, grocery and wholesale operators, based on turnover and outlet numbers – 2010-2023F
* Lumina Intelligence Top of Mind Business Leaders Survey
  + Lumina Intelligence Top of Mind business leaders survey is an online questionnaire targeted at industry professionals across the eating out and grocery retail markets, focused on understanding the current trading environment, challenges and growth opportunities

**About Lumina Intelligence**

Lumina Intelligence inspires the global food and drink sector with deep, actionable insights powered by the world’s best analytics technology. Our products and services are used by the major brands and organisations in these fast moving and growing markets to support business planning, strategic marketing and new product development.

With offices in London, Chicago, Montpellier, and Singapore, and local on the ground analysts across our businesses, you can trust our market knowledge. We are committed to providing all our customers with up to date accurate information to support critical decision making.

Combining the expertise and experience of HIM, MCA Insight and Lumina Intelligence, we are the experts in market and consumer insight across the food & drink and nutrition markets.

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