

# Future of food retailing

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**A**S interest grows in the farm-to-fork process, farms have a greater stake in the future of not only traditional grocery stores, but also supermarkets and supercenters.

Since 1983, food retail expert Willard Bishop has published a report of food retail trends. This year's report delivers an expanded assessment of food formats and projects sales growth for each to 2012.

## Looking back

In 2007, traditional grocery stores continued to lose market share, falling 0.9% from 2006 to 48.9%. In addition, with Tesco's introduction of their Fresh & Easy Neighborhood Market stores, the limited-assortment format increased its presence in the U.S. While supercenters also experienced growth, mass markets experienced significant declines primarily due to the conversion of many to supercenters.

Mass-based SuperValue's fresh format increased sales 8.7% to \$7.5 billion.

With the acquisition of its main com-



## Key Points

- Traditional grocery stores continue to lose market share.
- Non-traditional groceries are expected to surpass traditional stores by 2013.
- Fresh-format store sales are growing past the rate of inflation.

petitor Wild Oats, Whole Foods is on target with its current growth strategy to build and acquire new stores. In addition, this format is right "on trend" with growing consumer interest in natural

and organic foods.

In 2007, super warehouses experienced a turnaround from the past year's results with a 14.1% increase in sales to \$16.2 billion. Two examples of growth in this format are Club Food in the Midwest and WinCo in the West (Washington, Nevada, California, Oregon and Idaho). Idaho-based WinCo is interesting because of its strategy of low prices and a no-frills shopping experience that has been successful despite the increased number of Wal-Mart Supercenters.

Supercenters have continued to see a sales growth, increasing 9% to \$136 bil-

lion. In addition, supercenters increased in market share from 14.5% in 2006 to 15% in 2007.

Wholesale clubs also experienced broad-based increases in sales this year with a 12.8% increase to \$71.6 billion and market share increase to 7.9%.

Convenience stores continued to show steady growth, with a 4.4% increase in sales for stores without gas and 5.4% for stores with gas. The grab-and-go choices, healthier alternatives and the domestic beer selection have contributed to sales increases at convenience stores.

