

Describe the size and structure of the food retailing sector

[Business](#), [Industries](#)



Task1- in this task I will be looking at the current structure and size of the UK food retail industry and writing a summary of the information that I find out, in more depth I will be looking at the different types of food retailers that are operating in the UK and including the size and scale that the businesses operate at.

There are different types of outlets in the UK which specialize in selling foods and drinks where they offer the products alongside different services that each and every business specializes in, the major business that sell food and drink can be any business in each different market, in the fast food market businesses like McDonalds specialize in this area where as groceries like fruit and veg business like Tesco specialize in this, but businesses that sell foods like sandwiches and Panini's business like subway's specializes in this, so different business major in different part of the market where they offer a specific type of food and drink.

There are different structures such as different elements to look at like the different types of outlets where the point from which the products are sold, for example looking at Cooperatives- this is businesses, farm or any organization where it is owned and run jointly by its members, where they share the profits that they make or the benefits that the business receives.

Can also be called a firm that is run by a group of users so that it benefits every user, business that run cooperatively is business like co-op where the services that they fall in is grocery retailing where they sell house hold foods like fruit and veg, packaged products, tinned goods, and even drinks from

milk to drinks like fizzy pop. Co-op also has its own division food called the cooperatives food.

Superstores- a superstore is a large supermarket but they are normally not located in the town areas, also can be defined as a large retailer store where they have diversified merchandise, such as groceries, electrical product, and even clothing or even they sell a wide variety of products in a selected product, such as clothing, computing and even sporting goods.

Business like this include Morrison's, Tesco and even store likes wait rose, that specialize in selling variety of products. Specialist outlets- these kinds of stores offer a specific type of product such as specializing in specific product, the store kind also sell a particular product or a particular type of brand, business that sell just phones is classed a specialize store, businesses like McDonalds or any other foods that just sell food are specialized business because they just sell food products. Forecourts- this is an exposed area in front of a big building or even a petrol station.

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Independents- this is a single person or body, where they are not controlled by any outside factors such as opinion or even regulations, they are also called privately owned companies, they are one of kind business such as locally-owned business and even start up business such as local corner shops that sell products in the house holds like fresh fruit and veg and even other food products like package goods.

Online retailers- these are stores that are online where they can be accessed by the internet or they can be accessed by apps on mobile devices, it is the act of purchasing products/services over the internet, it has become the easiest method of purchasing products because it is the most convenient method of purchasing products for customers, because it means they do not need to walk around the store looking for a product and they don't need to wait in long line when checking out products, business like Tesco and Asda use this feature where they allow customers to purchase products from their online stores.

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Food retail sector- the food retail sector is one of the fastest going sectors in the UK where it is the food industry, the food retail sector is in every country where they at least every other business sells food related products, there is no actual figure of how big the food retail sector is but there are estimates, looking at only the UK grocery market there has been a total of 169.8bn and 74.1bn was from supermarkets including Tesco, Asda and Morrison, the figure are not exact but it shows that the food retail industry is huge in the UK, where every town has different corner shops, supermarkets, restaurants, fast food shops and bakeries that sell food related product to their customers, that is over 6,000 food and drink related businesses in the UK alone which comes to a whopping ? 80 billion pound turnover, which means the average household which consists of around five members spend around 240-400 on food related products in only one month.

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Most of the food is manufactured in the UK but ? 12. 6bn of food products are exported to the EU. Market share and turnover- the food industry has a total turnover of ? 80 billion in a single years, the figures in previous year were smaller, they were roughly around 50billion in the early nineties and two thousand and in years to come these figures are supposed to double with the increase of the population in the UK were more people from foreign countries especially the EU are starting to move to the UK which may cause the figure to double, depending on how big the movement is.

Tesco market share in the grocery industry in 2012 was 28. 6%, Asda market share was 17. 4%, Sainsbury was 16. 5% and Morrison was 11. 1, these were classed as the “ big four” because they were the largest supermarkets in the UK but in recent years these figures have decreased due to supermarkets like Aldi and Lidl. The number of outlets- ther is over 6, 000 food and drink manufacturing businesses in the UK alone, there are around 1, 000 food stores that specialize in selling fast food in the UK, there is around 57, 000 supermarkets in the UK and there is roughly 9, 000 hypermarkets, superstores and large super-markets in the UK. Sale figures- the food industry has around 80 billion turn over; it also has 12. 6 exported food and drink to the UK, also the industry invests over one billion pound a year on research and development either on advertising products, improving current products or investing in new products, there are currently over 8, 000 new products created every year.

Customer and employee numbers- there is no exact figures of amount of customers that attend the different food industries because every customer,

consumer/buyer in the UK needs to eat food whether if it is from fast food to grocery market, the exact figure will have to be every single person in the UK, because whatever segment in the market they are in they are going to be a targeted audience, the current UK figure is 63. 23 million people, so in one point in their life they are going to be a potential customer for a business.

On the other hand the food industry has hired over half a million people in the UK to be in the work force in food and drink manufacturing, this means 13% of the UK work for a food and drink industry. There is also over 16, 000 job vacancies in the job industry and by 2017 it is predicted that there is going to be over 137, 000 new recruits this means that they are going to be over 700, 000 people who are going to be work in the food industry, that mean 15%-17% of the UK will work for the food industry. Industry statistics- the UK food and drink industry employees earn 5% more than the average national wages.

There are currently 500, 000 people in the foods industry, by 2017 it will be over 700, 000, each business has the own ware house which requires their own workforce depending on the different stores their businesses have different sizes such as currently Tesco has the largest market share, where they have the more distributed superstore and ware houses, even looking at the grocery brands 91 brands where British born which required a lot more people to create/manufacture the products in the different factories but only 44 where left this means that the industries like the factories declined so less people were required, but with the new figures where in 2017 they are going to need a larger work force shows that they are expanding the food industry.

Conclusion

The food industry is big where they sell different foods, some are nice and some are not but the businesses still make money because people have to eat food and drink a drink, they are different segments of the market that specific business target because some business sell just ready cooked meal like restaurants so they target families and other similar audience who want to eat in a gathering, whereas supermarket provides goods for people to cook home food goods, so different business target different segments of the market depending on what the business is.