10 minutes and 10 questions with Steve Fox, Retail Director, Booker

Steve Fox very kindly answered 10 questions in 10 minutes on price, promotions, availability and more…

1. There has been a huge increase in the use of rounded price points £1 etc. Do you like / dislike? Are you introducing more of them to Premier retailers? Any down sides?
I don't see any down sides, the consumer likes these and it also gives a great value message across a convenience store like Premier. In Booker we have over 150 SKUs which are Price Marked either a £1 or 99p for our Premier retailers to benefit from.

2. Price marked packs – do you think there are more of them now vs. 12 months ago? Does the price communicated need to be a reduced from the normal price? Should premium brands be price marked and does this affect the brand value?
There are more in the business than 12 months ago, and unless the price is a significant reduction to the PMP there is no point in further reducing. Premium brands can be price marked, it does give the consumer confidence when buying and it does not de-value the brand in my opinion. The key on PMP is we have to give the retailer an acceptable margin to work with.

3. CTP shows Premier *gets better value for money* ratings from customers than Tesco Express. Is it a coincidence that Premier gets much better ratings on service and availability? What more can you do to demonstrate VALUE?
Extending brands like Euro Shopper will keep giving the consumer confidence and provides our retailers with good promotions that they can pass onto their consumers. Having strong consumer promotions supported with a full POS package all helps get the value message across. Another good opportunity is to have key footfall drivers like bread and milk at a great price to give the consumer confidence.

4. Which categories are performing particularly well at the moment and why is that?
Strong growth is coming from grocery, chilled, frozen, confectionery, wine, spirits, FTG and fresh produce. There are a variety of reasons, and brands like Euro Shopper are helping categories grow. Grocery and frozen are back in favour as people shop more local traditional stores. As stores have better standards consumers are prepared to buy their perishables from their local store.

5. CTP 09 shows you get *excellent visit frequency* to Premier stores - averaging over 4 times per week. News, lottery, services and tobacco must still be very important to Premier. Do some retailers forget how important these core categories are?
They have always understood the importance but have sometimes been concerned about margins. Many retailers see these areas as footfall drives and look to get additional spend from these customers. Also they are a key point of difference to the multiple convenience competitors, as many will not provide these services.

6. You get the lowest % of shoppers failing to buy planned items out of 30 chains in CTP 09. Have retailers really come to accept how important availability is? What has Booker done to talk up the importance of availability?
Retailers do understand the importance of availability, the benefit a Premier retailer has is they have the best of both worlds, they get a main drop(s) from Booker but they combine this with collect visits to our branches, therefore many of our retailers in effect are getting deliveries 4/5/6 times a week.

7. Brands v Euro shopper - clearly about giving retailers, and consumers, a CHOICE. Where has Euro Shopper worked? What's the role and future for brands?
Euro Shopper has worked in all categories especially impulse and has driven additional footfall into Premier stores and due to the high repeat purchases has given the retailers more cash profit. Brands will always have an important role to play within both Booker and Premier; by putting Euro Shopper and branded products together we demonstrate category growth.

8. CTP shows Premier is not quite getting as many unplanned / impulse purchases as other symbol groups. What can be done to support Premier retailers to increase their levels of items bought on impulse?
The recently launched Premier range builder will assist this. Also we have recently up weighted our merchandising expertise which will assist in store layouts. We have a strong promotional programme in Premier so the combination of these three elements will help this improve.

9. Food to go. 24% of your customers have bought breakfast to go in the last month. 28% of your shoppers would possibly buy a meal deal from a Premier store if available. The convenience channel appears in a good place for FTG even in a recession. What are your thoughts on FTG? What are your plans with FTG in the next 12 months? Hot food counters?
FTG has an important role to play in Premier but it has to be the right store, right location and right team who operate it well. We have recently re-launched our FTG offer with three different levels from basic to the full shop within a shop concept which retailers have embraced. Most stores can offer a coffee and a bacon roll.

10. Finally - suppliers. What do the good ones do well? What categories do the poor ones do badly in? If you got the sales directors of the top 250 brands in one room, what would you tell them, ask of them, and say to inspire them to work more closely with you?
It’s about having good people on your account, people who have knowledge of the sector, have a joint business plan with you, and share the ups and downs together. I want their business to keep supporting the sector, it is in growth and is forecast to continue growing. We can get brands in front of the consumers quickly. I would ask them to be realistic, and keep things simple, and it’s all about execution in our sector, which Premier demonstrates it can do. Finally I would say we get great support from the majority of suppliers in Premier and long may this continue.

Results are back from our convenience tracking programme and cash and carry tracking programmes. For more information contact your account manager or Katy Moses katy.moses@him.uk.com on 07912 717 567

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