Availability of Local food

A comparison between the Netherlands and Sweden

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Availability of local products

How to increase the assortment of local food in supermarkets?

Expectations The Netherlands:

- Small assortment of local products
- Little demand of customers for local products

Expectations Sweden:

- Larger assortment of local food products
  - ➔this market is more developed
- Swedish consumers are willing to pay more for local products

What is local food?

- There is no uniform definition of local food
  - “Production, processing, trading and consuming of food product occurs in a small geographic area”
  - The distances varies between 20 to 100 km from the point of production (European Commission, 2013)

“Being local means products from this municipality or neighbour municipalities”

”200 km from the store is considered as local”

Research

- Research in the Netherlands and in Sweden
- 13 interviews with supermarkets and their local suppliers
- 2 interviews with experts

= Jumbo supermarket/supplier

= Coop supermarket/supplier

= ICA supermarket/supplier

Organizational Structure

Jumbo

- Franchise organizations that sell some local products
- Head office limits the number of local products
  - Supermarkets should be uniform

Coop

- Franchise organizations that sell some local products
- Head office gives limited space to include local products
  - It takes more effort since it deviates from the system

ICA

- ICA stores are owned by the entrepreneurs
- Selling via the head office to receive a bonus
  - Controlling the assortment

Why selling local food products?

Sweden

- **Customer demand**
  “We are patriots and in Sweden the customer higher values the Swedish groceries compared to other countries”

- **Environmental aspects**
  “There is a lot of farming in the south of Sweden. And we to take care of our farmers and we have harder rules for cows and pigs. We have much stronger wills for that”

- **Supporting the society**
  “In our foundation, the ICA owner is also a sort of local hero. They also support the society around them and buying local food is one part of it, (…) Therefore, local is important for ICA”

Why selling local food products?

The Netherlands

- **Differentiation**
  “If consumers know that during summer time my supermarket has local strawberries and my competitor doesn’t, consumers will come to us”

- **Supporting local suppliers**
  “It’s good that local suppliers can earn money”

- **Economic aspect**
  “We can take the goodwill of the customers, but if we don’t earn money then it is not interesting. We have to earn money”

Starting to sell local food

Sweden

- **Supplier fair**

“We organise a fair in the store every year, this is a good way for the suppliers to meet the consumers and let them buy or try the product. They do not need to be in our assortment”

- **Entrance criteria**

“We just want them to have low base of criteria”

“If you deliver to less than 5 stores you do not need a certification from an external party.”

Starting to sell local food

The Netherlands

- **Demonstration**

“I want the supplier to demonstrate the products in the store and let consumers taste it (..) The supplier has to know how the consumer experiences the product”

- **Entrance criteria**

“The supplier has to meet many formal requirements”

“They do not have an barcode on the packaging, I need to instruct my personnel how to handle this. I like it, but my personnel get crazy sometimes”

- **Supplier selection**

“Guts feeling”

“Goodwill is most important. I want to work with people who I like personally and I want to help”

Logistics processes

Sweden

- **Head office**

“I am responsible to help the stores to increase their sales of local and in the end Swedish products”

- **Logistical process**

“The local suppliers are in our order portal. It is in a system making it easier for the stores. And we help them to give advice.”

“We have some companies who work together with the delivery. But it is hard for the local suppliers most often because of the distances”

Logistics processes

The Netherlands

- **Head office**

“Our head office does not like how we do it”

- **Logistical process**

“We have to focus on the store. They have to deliver it.”

- **Continuity**

“The products are here only temporary”

“Many of the local products are seasonal products. There is no constant supply”

Visibility of local food

- Somewhere next to the regular products

- Products are located at a visible place
- Swedish flags on products

Wrap-up

Supermarkets:

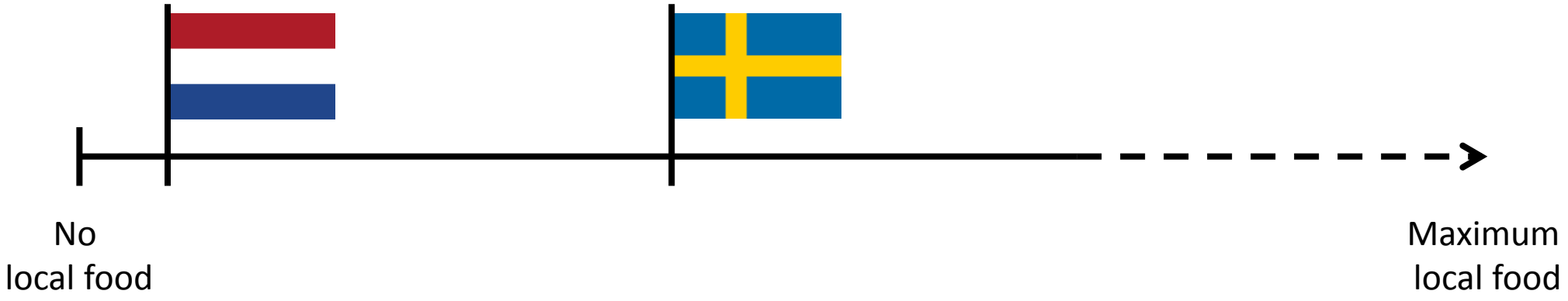
- *Netherlands*
  - *Differentiation from competitors*
  - *Little freedom in assortment*
- *Sweden*
  - *Customer demand*
  - *Much freedom in assortment*

Suppliers:

- *Netherlands*
  - *Lack of knowledge of retail process*
- *Sweden*
  - *Need a basic level to be able to deliver to supermarkets*

- Suppliers start selling on their own farm
- Go to the supermarket for economies of scale
- Next goal is to sell national, but the unique selling point of being local gets lost.

Discussion

- Local food in the Netherlands still not a mature market in supermarkets. More so in Sweden.
- How about in the other Reframe areas?

- Criteria identified:
  - Why selling local food
  - Starting to sell local food
  - Logistics processes
  - Visibility of local food