



Market Report

A Snapshot of your Marketing Sector

Fresh Food Retailing

This pack has been designed to provide information on setting up a business in the **Fresh Food Retailing** industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website (www.bgateway.com/businessplan), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **January 2025**.

What do I need to know about the Fresh Food Retailing market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- ◆ Revenue is forecast to grow at a compound annual rate of **7.9%** over the **five years through 2029-30** to **£2.2billion**. In **2024-25**, revenue is expected to grow by **10.9% to £1.6billion**. The average profit margin is predicted to drop **5.8%**, a drop over the past five years, due to rising competition and purchase expenses. People that buy organic foods for nutritional or environmental reasons are unlikely to be deterred by price increases. (IBISWorld, *Organic Food Retailing in the UK*, October 2024).
- ◆ Over the five years through **2029-30**, revenue is set to dip at a compound annual rate of **0.6%** to around **£1.3billion**. The rise of health-conscious consumers will have a limited impact on the industry due to lower prices in supermarkets drawing customers away from Fruit and Vegetable retailers. Inflation has reduced the availability of cheap fruits and vegetables in the UK, with some suppliers needing assistance to import or grow produce at competitive rates. (IBISWorld, *Fruit and Vegetable Retailers UK*, September 2024).
- ◆ Over the forecast period (**2024-2029**), fresh food in the UK is predicted to make slow but consistent gains in retail volume sales. Consumers are more aware of the negative impacts of ultra processed foods which is driving a shift towards clean labels and wholefoods. Imperfect products such as “wonky vegetables” are predicted to gain popularity with environmentally conscious consumers who are looking to reduce food waste. (Euromonitor, *Fresh Food in the UK 2024*, December 2024).
- ◆ In home consumption of food and drink has witnessed inflation rates in recent years, peaking at **10.8%** in **2023**. Prices continued to rise in **2024**, however, the rate of growth dropped significantly. All grocery retail sales will grow by **10.6%** over the next five years **2024-29**. (Mintel, *Supermarkets in the UK*, December 2024)
- ◆ The national organisation for this industry is the [Association of Convenience Stores](#). Other industry bodies include the [Scottish Grocers' Federation](#), [Scotland Food and Drink](#), the [Fresh Produce Consortium](#) and the [British Retail Consortium](#).



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Where can I find more information on my market?

The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email info@bgateway.com.

- ◆ **IBISWorld – Butchers in the UK (January 2025)**. With consumers leading busy lifestyles there is a demand for high-quality, convenient meal solutions. Premium ready-to-cook meals prepared by butchers provide consumers the opportunity to enjoy gourmet meals at home without the need to prepare meals from scratch.
- ◆ **Mintel- Online Grocery Shopping UK (April 2024)** Around 59% of consumers participate in some online grocery shopping, up from 55% in 2023. The number of people using online shopping for all or most of their grocery purchases has risen to 49% in 2024, a rise from 44% in 2019.
- ◆ **IBISWorld Delicatessens in the UK (February 2024)** Delicatessens are facing competition from butchers, supermarkets and online meat retailers. With delicatessens offering a wide range of organic and sustainable products, this is attracting a growing number of health and sustainability conscious consumers.

There are also a number of online resources you may find helpful:

- ◆ [Scotland Food & Drink](#) provide information and guidance on a number of different food and drink sectors.
- ◆ [The Grocer](#) is a key industry magazine providing buying and supplying reports and current news.
- ◆ The **Waitrose** [Food and Drink Report 2024-2025](#) identifies key trends in the market.
- ◆ The UK Government publishes [Food Statistics in your Pocket](#) Information on food in the UK to 2024.

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How can I find out about my competitors?

Business Gateway's online guide to [Competitor Analysis](#) explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- ◆ General business directories such as [Yell](#) ,[Thomson Local](#) or [Google Maps](#)
- ◆ Trade specialists like [EuroPages](#) (European directory), [The Wholesaler](#) or [Free Index](#)
- ◆ Business to business (B2B) specialists such as [Kompass](#)

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the [Scottish Chambers](#) website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- ◆ Look for articles or adverts in local newspapers, trade press and directories.
- ◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers
- ◆ Search for information on limited UK companies via the [Companies House](#) website
- ◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing info@bgateway.com or by calling **0300 013 4753**



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What about suppliers?

[Choosing and Managing Suppliers](#) can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please info@bgateway.com or by calling **0300 013 4753**.

Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [Market and customer research](#) will help you to identify new trends, opportunities, customers and competitors.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these websites, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the [National Records of Scotland \(NRS\)](#). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the [Census Area Profiles](#). Clicking on your area of interest will give the latest population figures, including estimates by age.
- ◆ [Understanding Scottish Places](#) has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- ◆ [Scottish Government Statistics](#) provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- ◆ [The Scottish Household Survey](#) provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- ◆ [Office for National Statistics \(ONS\)](#) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.



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How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) "[Find a Chartered Accountant](#)" tool

Funding

[Practical information](#) on finance and funding for starting and growing your business

Insurance

[Business insurance guide](#)

Legal Help

Gov.uk "[Licence Finder](#)" tool

Law Society of Scotland's "[Find a Solicitor](#)" tool

Pricing

Business Companion [Pricing & payment guide](#).

Please note: the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

Promotion

[BG guides to Marketing](#)

Training

[Skills Development Scotland's My World of Work](#)

[Funding for training](#)

[Small Business Bonus Scheme \(Scotland\)](#)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

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You must not rely on the information in the report as an alternative to advice from an appropriately qualified professional. If you have any specific questions speak to your Business Gateway Advisor or consult an appropriately qualified professional.

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