

CHANGING PATTERNS OF FOOD DISTRIBUTION  
AND PROCESSING OVER THE NEXT DECADE

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SUMMARY

This paper reports the findings of a survey of views of members of the food chain in ten European countries which was undertaken in early 1986. The purpose of the survey was to obtain forecasts of developments in the food chain over the next decade. The results showed that respondents expected to see increasing concentration in both food retailing and food processing combined with a continuation of competition dominated by product price and quality. More varied consumer demand patterns will be met by large multiple retailers rather than by renewed growth of independent retailing. Food manufacturers will become more diversified as they grow larger and there will be increased involvement of foreign multi-national companies in the food industry of the European Community. More direct trading and integration of the activities of processors and retailers can be expected as a result of these changes. These findings have implications for public policies towards competition, small firms and location of firms.

## INTRODUCTION

In spite of slow overall growth of demand for food products, food processing and food distribution in Europe have been undergoing significant if variable structural change. This has been induced largely by the interactions between evolving demand patterns and changing technologies. These interactions have led to changes in business organisation, trading operations and operating environments. This paper is concerned with the directions and implications of these developments over the next decade. It reports on forecasts made by members of the food industry from producers to retailers in ten countries of the European Community in early 1986.

## STRUCTURAL CHANGE IN FOOD PROCESSING AND DISTRIBUTION

The most outstanding change in recent years has been the growing concentration of market shares in food retailing. Although the pace and extent of change has varied widely between countries, the same direction of change is common to all countries. The result is that in most European countries at least 60% of retail trade is concentrated in the hands of 20% of retail organisations (see table 1), with even higher levels of concentration in some countries. In the United Kingdom, Belgium and France, for instance, 70% of food is retailed through only 20% of the retail organisations.

Table 1. Concentration in Food Retailing Measured by Turnover

Country	% turnover					
	through 5% of stores			through 20% of stores		
	1972	1977	1982	1972	1977	1982
Belgium	56	66	68	69	82	87
France	59	64	73	77	83	90
Germany	38	40	42	64	69	72
Greece			56			76
Ireland			48			70
Italy	23	32	43	50	54	61
Netherlands	32	32	32	64	67	68
UK	39	52	65	66	72	82

Source: Nielsen

The growth in concentration is associated with the growth in market shares of retailing organisations. This has occurred through the internal growth of retailers who have extended existing floorspace and opened new stores and through mergers, acquisitions and collaboration. Multiple retailing groups ie groups of stores under common ownership and voluntary chains ie groups of independent and semi-independent stores who group together for buying and/or selling activities have increased their market shares. More recently there also has been a rapid growth of food franchise operations ie independent retailers who buy certain services from central management and operate common marketing policies. The reasons for this increasing concentration are associated with economies of replication, with the lower costs of operating the larger stores which are mainly in the hands of large groups and with the economies in the centralization of certain operating functions, in particular purchasing and distribution. The development of the latter have been facilitated by developments in information technologies and handling systems which have made central control more reliable and cost effective.

As concentration of organisations has increased the number of food stores has fallen but their average size has increased. This decline in numbers is firstly a result of the operating strategies of the larger retail groups who have closed smaller stores in response to changing consumer shopping habits and the more economic operation of larger stores with wider product ranges. In France for instance the total number of food stores fell by 7.8% between 1976 and 1982, (see table 2) but over the same period the total amount of retail floorspace used for food retailing rose by 7.9%. Secondly, decline reflects the inability of small independent retailers to compete with the larger groups, because of a lack of appropriate management skills and an inability to achieve the same low operating costs as the larger organisations.

Table 2 Number of General Food Stores 1974-1984

	1974	1980	1984
Belgium	25,330	18,309	15,900
Denmark*	23,000	20,000	18,500
France*	239,403	219,432	
Germany	93,697	73,545	66,373
Italy	400,199	417,509	336,171
Luxembourg	1,021	n.a.	696+
Netherlands	13,718	10,861	10,523
UK	90,300	63,950	48,610

\* includes speciality food stores

+ 1982 figures

Source :FAST Interim Report, Structural Change and Public Policy in the European Food Industry 1985.

Increasingly as the number of retail buying points has declined, and their individual buying power has risen, the quantities of food which go directly from processors to retailers has increased and the quantities handled by wholesalers have declined.

Albeit less dramatic but parallel changes have been taking place in food processing. Industry structures in food processing exhibit great variety. At one extreme there are large diversified multinational companies mainly in the sector producing highly processed, packaged and branded foodstuffs while in some other sectors processing is in the hands of small family units operating small-scale facilities. Concentration in food processing also varies between countries with, for instance, much higher levels of concentration in the United Kingdom than in Greece or in West Germany. Nevertheless, overall concentration has been rising as can be seen in table 3 and in some sectors and countries concentration levels are high as can be seen in table 4.

Table 3

4 & 8 Firms Concentration Ratios in European Food Processing  
1986-80.

		1976	1977	1978	1979	1980
Milk & Diary	4 firm	11.44	11.17	11.89	13.75	14.68
	8 firm	17.72	17.35	18.76	21.77	23.28
Meat	4 firm	7.14	7.76	8.14	8.01	7.97
	8 firm	11.42	11.99	12.54	12.35	12.29
Sugar	4 firm	39.91	43.43	41.70	39.12	40.13
	8 firm	58.73	63.30	61.80	59.48	59.00
Oil & Fat	4 firm	49.62	47.59	50.55	45.71	44.19
	8 firm	53.61	51.83	55.71	51.40	49.97
Pastes	4 firm	28.43	27.82	30.45	33.03	32.27
	8 firm	34.56	33.71	37.08	40.13	39.32
Bread & Grain Milling	4 firm	16.45	16.44	17.09	18.49	17.94
	8 firm	25.31	25.79	25.12	27.28	27.25
Confectionary	4 firm	20.11	20.95	19.53	19.53	19.96
	8 firm	31.57	32.25	31.18	30.61	31.11
Biscuits	4 firm	32.68	32.33	32.04	32.40	33.46
	8 firm	39.02	38.81	39.35	40.48	42.19
Coffee	4 firm	50.22	47.65	52.19	53.83	57.43
	8 firm	67.78	65.71	70.55	72.34	75.30

Adapted from: A E Kostaropoulos 1983. Concentration and Competitiveness in the Food Industry of the EEC.

Market Concentration in the Food Industry in the UK. Percentage of market by value.

Product Group	Late 1960's			Late 1970's			Late 1980's		
	Largest 3 Firms %	Largest Firm %	Largest 3 Firms %	Largest 3 Firms %	Largest Firm %	Largest 3 Firms %	Largest 3 Firms %	Largest Firm %	
Breakfast Cereals	85	57 (Kelloggs)	86	56 (Kelloggs)	70	43 (Kelloggs)	1		
Bread	64	29 (RHM)	76	27 (RHM)	59*	36+ (Allied)	1		
Biscuits	56*	39 (United Biscuits)	60*	42 (United Biscuits)	59	33 (United Biscuit)	1		
Canned Fish	55	36 (John West)	48*	38 (John West)	77	30% (John West) 30% (Princes)	1		
Canned Soup	90	60 (Heinz)	86	66 (Heinz)	94	73 (Heinz)	1		
Confectionery	60	26 (Cadbury)	65	24 (Rowntree MacIntosh)	63	24 (Rowntree MacIntosh)			
Flour	66	32 (RHM)	79	38 (RHM)	52	32 (RHM)		317	
Frozen Food	80	64 (Unilever)	56	34 (Unilever)	32	22 (Unilever)	1		
Ice Cream	69*	36 (Walls)	68*	37 (Walls)	72*	42 (Walls)	1		
Jam	63	37 (Robinsons)	48*	27 (Robinsons)	59	27 (Chivers Hartley)	1		
Marmalade	81	49 (Robinsons)	65*	45 (Robinsons)					
Potato Crisps					63	43 (Nabisco)	1		
Sugar	92	62 (Tate & Lyle)	86	54 (Tate & Lyle)	92*	49 (BSL)			
Tea	69	35 (Brook Bond)	68	33 (Brook Bond)	61	29 (Brook Bond)	1		

+ volume of sales  
\* 2 largest firms

Source: Burns et al "The Food Industry"  
Retail Business  
Market Research Great Britain

This growth in concentration in food manufacturing has partly been a consequence of a search for scale economies in production and marketing (FAST 1986). The latter have become increasingly important both as a result of technological change and because of changing market structures. Technical change through advances in micro-electronics and computers has reduced the costs of automation and control in food processing, as a consequence increasing scale economies and the capital costs of new plant. On the marketing side, changing retail market structures have increased order sizes and larger orders can often be more easily met by larger firms thus giving a marketing advantage to the latter. }

Food processing companies also have become more diversified and have increased their ranges of food products, either by internal growth or through mergers and take-overs. This is partly because, as in food retailing, diversification is the only source of growth for companies in a static food market. Partly it is a response to economies of multi-product operations and necessary to meet the increasingly diverse needs of multiple food groups. The latter have increased the number of food lines which they carry, but they do not necessarily want also to increase the number of their supply points.

#### THE SURVEY: DEVELOPMENTS IN THE FOOD CHAIN TO 1995

A survey of expert opinion was carried out between December 1985 and March 1986 as part of a study of structural change in the food chain which has been sponsored by the European Community Forecasting and Assessment for Science and Technology (FAST) programme. The objective of the study was to establish whether the trends discussed above were expected to continue or to change over the next decade.

A structured questionnaire was sent to selected members of the food chain involved in agricultural production, processing, wholesaling, retail distribution, consumer agencies and research in Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands and the United Kingdom. Prospective respondents were selected on the basis of known levels of expertise on food industry issues and the sector of the chain that they represented. The selection was intended to give a balanced coverage by sector and country, although coverage in the United Kingdom was higher than in

other countries because of a particular interest in the high level of concentration in the food chain in Britain. Of the original questionnaires, 119 were returned and form the basis of the analysis. This gave an overall response rate of 36%, with response rates varying by country from 60% in the United Kingdom to 13% in Greece. The geographical composition of the sample and the composition by sector of the food chain are shown in the appendix to this paper.

Using simple rating schemes, respondents were asked to forecast future developments in food processing and distribution and were invited to support their views with more detailed comments. In the event, over half of respondents supplied comments, some of which are discussed below. This paper reports on findings from a selection of the questions which were asked.

Questionnaire studies of this type have inherent limitations. There are problems in identifying appropriate individuals to take part and although the validity of the approach rests on the standards of expertise of the sample, selection is based on reputation rather than any objective quantifiable measure (Parkinson 1984). "Expertise" does not have any generally accepted definition since both depth and breadth of knowledge may be relevant (Helmer 1967), as are the characteristics of the individuals and the organisation to which they belong (Parkinson 1984). There is the further problem that such exercises take a considerable amount of respondents' time and as a consequence response rates are low. Nevertheless, this approach was justified by the improvement it offered over forecasting by one expert or a small group. It also afforded an opportunity to combine and compare the forecasts of experts across Europe. Although the questions were necessarily general, the wealth of additional comments offered insights into the issues posed and suggested avenues for future research.

## THE CHANGING FACE OF RETAILING

### 1. Concentration

First, no major changes in food shopping behaviour were expected which might lead to the development of new competing retail forms. Respondents did not expect significant growth in shopping and ordering by television because of its cost and because of a preference by consumers for shopping in person for food.



Table 5 Shopping by Television

"Will shopping by television have a major impact on consumer shopping behaviour for food?"

	Distribution of Replies (%)	
	By 1990	By 1995
very likely	4	11
likely	17	31
unlikely	50	48
very unlikely	29	10
	<u>100</u>	<u>100</u>

Competition in food retailing will therefore come mainly from within the existing general structure. Here, more than 85% of respondents expected further increases in retail concentration as can be seen in table 6. There was some tendency for less change to be expected in countries such as the United Kingdom, Belgium and France where concentration is already higher than in other countries. This tendency was not however very marked and in this, as in subsequent questions, there was very little difference in patterns of replies from different countries.

Table 6 Trends in Retail Concentration

"Concentration in food retailing will":

	Distribution of Replies (%)	
	By 1990	By 1995
increase substantially	30	47
increase slightly	66	48
be unchanged compared to 1985	2	2
fall slightly	2	3
fall substantially	0	0
	<u>100</u>	<u>100</u>

The main reasons given for increasing concentration were the existence of unexploited economies of scale and the learning advantages of existing large retailers which will enable them to grow through organic growth and through acquisition, combined with the pressures of an increasingly competitive retail environment. The main casualties in this process were expected to be independent retailers and medium sized regional chains who will continue to be taken over by large groups.

## 2. Specialisation

Some development of specialist multiple retailers was expected to cater for the needs of new market segments, but as can be seen in table 7 respondents were somewhat divided on this issue.

Table 7 Specialist Multiple Food Retailers

"Increasing segmentation of consumer markets will encourage the development of specialist multiple food retailers"

	Distribution of replies (%)	
	By 1990	By 1995
very likely	6	19
likely	54	51
unlikely	35	29
very unlikely	5	1
	<u>100</u>	<u>100</u>

One reason for the growth of specialist chains was associated with the growth of franchising. Respondents, however, who did not anticipate the growth of such groups suggested that specialist needs could be met by existing multiple groups, either within existing stores or through diversification of their interests. This same division of opinion was carried through to views on new shop formats with only half of respondents forecasting the development of specialist or "shop within a shop" formats:

Table 8 Small Shop Formats

"Will the increasing segmentation of consumer markets encourage increasing use of small shop formats by retailers?"

	Distribution of replies (%)	
	By 1990	By 1995
Yes, a strong trend	8	16
Yes, a minor trend	42	40
No, unlikely	37	32
No, very unlikely	13	12
	<u>100</u>	<u>100</u>

## 3. Shopping Hours

There will be further extension of shopping hours but this will benefit large multiple food retailers rather than independent stores and thus act as an additional force towards increasing concentration:

Table 9 Shopping Hours and Their Implications

"Will shopping hours be extended?"

	Distribution of replies (%)	
	By 1990	By 1995
a great deal	17	40
to some extent	73	52
not at all	<u>10</u>	<u>8</u>
	<u>100</u>	<u>100</u>

"If so, this will increase the market share of"

	Distribution of replies (%)	
	By 1990	By 1995
large multiple food retailers	56	56
independent food retailers	16	16
lead to no changes of market shares	<u>28</u>	<u>28</u>
	<u>100</u>	<u>100</u>

This is an interesting finding which suggests that independent retailers will not use longer opening hours as a means of competition by service and that large retailers see a consumer demand for lengthened shopping hours.

#### 4. Product Mixes

The nature of the products to be sold by retailers has implications for processors which are just as important as the degree of retail concentration. In general, relatively gradual change will take place. Nearly 60% of respondents saw some rise in the number of lines carried but only 24% expected this change to be substantial by 1995:

Table 10 Retail Product Lines

"The number of product lines carried by food retailers will":

	Distribution of Replies (%)	
	By 1990	By 1995
rise substantially	16	24
rise a little	58	49
be unchanged compared with 1985	21	16
fall a little	5	9
fall substantially	0	2
	<u>100</u>	<u>100</u>

From comments made, this increase will come from a widening of the range of food products stocked, especially in large stores, but not from the numbers of brands in any one product line since the latter are expected to fall. Within the product mix, although markets are segmented, in general price is considered to be the dominant consideration in purchasing at present, but the importance of quality is expected to grow:

Table 11 Elements in the Shopping Mix

"What are/will be the most important elements in the shopping mix?"

	Mean Rank Order of Replies		
	1985	1990	1995
product quality	2	1	1
convenience	3	3	3
price	1	2	2
shopping environment	4	4	4

Over 70% of respondents considered that within the product mix the share of sales taken by retail own label brands will continue to rise:

Table 12 Retail Own Label Brands

"The share of grocery sales taken by retail brands in your country will"

	Distribution of Replies (%)	
	By 1990	By 1995
increase substantially	7	10
increase .	42	46
be unchanged compared with 1985	30	16
decrease	21	25
decrease substantially	0	3
	<u>100</u>	<u>100</u>

There was surprisingly little difference between respondents from different countries on this issue, despite the current considerable variation in penetration by distributor own label products, ranging from 5% of grocery turnover in Italy to 22% in the United Kingdom (Nielsen 1984). Respondents clearly do not believe that saturation levels have yet been reached with this development. Growth of distributor label penetration was expected to continue to be at the expense of secondary brands and to come from both the extension of distributor label products to new retail groups and from increases in market shares within retail groups who already have own label operations.

#### THE PROCESSORS' RESPONSE

##### 1. Concentration

Changes mirrored those predicted for retailing. Over 80% of respondents expected by 1995 a larger percentage of output to come from larger plants operated by larger firms:

Table 13 The Organisation of Food Processing

"The organisation of food processing will"

	Distribution of Replies (%)	
	1990	1995
be increasingly concentrated in larger plants	12	23
show some tendency to concentration in larger plants	63	60
show no change compared with 1985	19	5
show some tendency to smaller sizes of plants	6	11
be increasingly carried out in smaller plants	0	1
	<u>100</u>	<u>100</u>
be increasingly carried out by larger firms	79	84
show no change compared with 1985	19	9
show increasing proportions of output from smaller firms	2	7
	<u>100</u>	<u>100</u>

A mixture of reasons were advanced for this. Economies of scale, high initial capital costs and the rising costs of marketing small volumes were the main reasons given. The impact of technical change which increases the flexibility possible in large plants was also mentioned. Improved sensors make it easier for large units to produce more product lines to cater for varied demand, without leading to substantial increases in unit costs which sacrifice the benefits of scale economies.

## 2. Diversification

Companies will be more diversified, with wider product ranges, resulting, according to comments, from the continued increase in consumer demand for variety and from a continuing need to innovate to remain competitive. In markets which are not growing, it may be the only source of growth:

Table 14 The Product Ranges of Food Processors

"Compared with 1985 Food Processing Companies will have"

	Distribution of Replies (%)	
	By 1990	By 1995
much wider product ranges	3	9
wider product ranges	66	60
similar product ranges	20	14
narrower product ranges	11	14
much narrower product ranges	0	3
	<u>100</u>	<u>100</u>

### 3. Internationalisation

60% of the sample forecast that non-European companies will become increasingly involved in food processing in the European Community, as can be seen from table 15.

Table 15 Multi-National Involvement in Food Processing

"The involvement of non-European Community multi-national companies in food processing within the European Community will"

	Distribution of Replies (%)	
	By 1990	By 1995
increase considerably	1	11
increase	62	58
be unchanged compared with 1985	36	24
decrease	1	7
decrease considerably	0	0
	<u>100</u>	<u>100</u>

From comments, this involvement will come from United States companies who will seek in the European market to exploit their more advanced research and development bases and higher productivity levels.

### THE RETAILER-PROCESSOR INTERFACE

Turning to the interface between retailing and food processing and again to questions of concentration, the pace of change is expected to be faster in food retailing than in food processing. This forecast was made by over three-quarters of respondents, as can be seen from table 16.

Table 16 Retail Buying Points

"The number of retail buying points will fall faster than the number of food processors":

	Distribution of Replies (%)	
	By 1990	By 1995
Agree strongly	29	26
Agree	52	54
Disagree	16	18
Disagree strongly	3	2
	<u>100</u>	<u>100</u>

Once again and perhaps surprisingly, there were no significant differences in response patterns between countries.

Respondents were further asked whether the amount of informal integration between retailers and processors is likely to increase i.e. whether more joint planning of products and of logistics is likely. They were also asked whether the amount of direct trading between retailers and processors which by-passes wholesalers is likely to increase further over the next decade. As tables 17 and 18 indicate, both were predicted.

Table 17 Joint Planning Between Retailers and Processors

"Business Relations between food retailers and food processors will involve":

	Distribution of Replies (%)	
	By 1990	By 1995
much more joint planning of activities	7	21
more joint planning of activities	67	63
no change compared with 1985	25	14
less joint planning	1	2
much less joint planning	0	0
	<u>100</u>	<u>100</u>



Table 18 Trading Between Food Processors and Retailers

"The proportion of foods in terms of value which are traded directly between food processors and food retailers will":

	Distribution of replies %	
	By 1990	By 1995
increase considerably	11	27
increase	72	57
be unchanged compared with 1985	11	7
decrease	6	7
decrease considerably	0	2
	<u>100</u>	<u>100</u>

More joint planning was associated with the rising importance of distributor label products and with the cost reductions in logistics and merchandising which joint planning make possible. There were, however also respondents who saw this trend primarily as a manifestation of the growing power exerted by retailers over processors. These comments came notably from the United Kingdom and France where levels of retail concentration, as mentioned earlier, are already high. These comments may be important pointers to developments elsewhere where current concentration levels are lower.

#### SOME IMPLICATIONS OF THE FINDINGS OF THE STUDY

The forecasts from the survey suggest a continuation of changes in retailing and food processing which are already underway. Concentration in both retailing and processing will increase as will diversification and relationships between the two stages will become closer. A minority of respondents forecast some growth in specialisation in some product areas to cater for more fragmented overall demand, but within larger organisational groupings, not through independent stores.

While there are many implications of these findings for a wide range of areas, it is proposed to concentrate here on some of the implications for public policies towards food processing and distribution.

The first issue, already the subject of investigation by governments where levels of concentration are high, is the impact of increasing concentration in retailing and processing on consumer welfare and the allocation of resources. If greater concentration leads to the development of bilateral oligopolies in food trading, then continuing monitoring of the conduct and performance of these companies by national governments and the European Commission is likely because of a concern about the effect

on prices and competition. A related issue is that of changing power relationships between retailers and manufacturers. If the growing relative power of retailers reduces the profit margins of food processors to a level at which they are unable to finance adequate levels of research and development, then consumer welfare may suffer through reductions in innovation and the long term choice of products available for consumers. This matter has already been the subject of public investigation in the United Kingdom where levels of retail concentration are high (OFT 1985). The conclusion reached by the Office of Fair Trading in the United Kingdom was that the profits of food processors had not as yet been adversely affected by retail dominance and that the profits of food processors were similar to those of other manufacturing sectors in the United Kingdom. Again, however, it is likely to be an issue which will be the subject of on-going investigations if further concentration occurs since these findings may not then be replicated.

The second issue is that of the impact on small retailers of expected changes in competitive relationships. Further retail concentration in a static market implies a further reduction in the number of independent retailers, unless ways can be found of offsetting the size and skill disadvantages which they face. If governments wish to slow the rate of decline of this sector for social or other reasons, public policy interventions may be necessary. An example of such a policy could be one of playing an educational role in the provision of programmes to develop the skills and awarenesses of modern merchandising methods among independent retailers. Such programmes are most likely to be successful if they are directed towards the specialist food retailing sector. Here the rate of decline of independent stores has been slowest and in some cases numbers have been stable or growing, for instance fruit and vegetable shops in France, poultry shops in the Netherlands and specialist delicatessen outlets in West Germany. These retailers are catering for specialist niches where small independent retailers can prosper, but only if they have the requisite retailing skills. Other policies for example might involve the provision of advisory centres offering a range of services to small retailers such as advice on site selection and help with the implementation of new retailing technologies.

Thirdly, the survey findings suggest that small food processors as well as small retailers will find difficulty competing with their larger rivals. Once again, experiences are likely to vary between sectors and there are niches for specialist small processors just as there are for small retailers. However, if governments wish to preserve this sector, public policy intervention may again

be necessary. Educational programmes which develop management skills can also play a role here. Ways of offsetting size disadvantage may additionally be found through public policies which encourage firms to pool resources. Examples are of the provision of common processing, packaging and testing facilities and of co-operation in generic marketing activities and trade promotions.

Finally, the survey findings have locational implications for retailing and processing. For the retail sector, increasing retail concentration and the decline in the number of stores are likely to lead to further declines in the density of stores. This trend may inconvenience certain consumer groups such as immobile households and those living in rural areas. Governments will have to consider whether through the use of subsidies or controls public policies should intervene to alter the patterns produced by the free market. Planning controls on locations of larger stores already exist in most countries but they may require modification or extension and a broader range of policy measures may become appropriate.

The continuation of present trends in food processing is likely to have an adverse affect on processors located in the peripheral areas of the European Community. Closer integration of activities between retailers and processors is likely to favour processors closer to retail headquarters and central retail distribution depots, the latter typically being located in major urban centres. Increasing multi-national involvement in food processing is likely to have similar effects because of decisions taken on the location of plants. Because of the growing importance of scale economies, processors in the future are likely to operate fewer but larger plants. This may give a further impetus for food processing activities to concentrate close to the largest markets and most central locations at the expense of larger numbers of smaller plants more widely scattered. The European Commission and national governments already operate policies of differential aid towards depressed peripheral regions which benefit food processors in these areas. Opinions expressed by respondents to this survey however suggest that, in food processing at least, the problems faced by small processors in peripheral areas will increase, with the consequence that the scale of public intervention in these areas necessary to counter these trends will also rise.

APPENDIX1. Geographical Distribution of Respondents

	Numbers	
Belgium/Luxembourg	8	8
Denmark	5	7
France	5	4
West Germany	16	14
Greece	11	9
Ireland	3	3
Italy	10	8
Netherlands	12	10
United Kingdom	10	8
	<u>44</u>	<u>37</u>
	<u>119</u>	<u>100</u>

2. Distribution of Respondents by Food Chain Sectors

Agriculture	8
Academic	5
Government	16
Retail	3
Manufacturer (including Trade Associations)	30
Consultants, Independent Advisory Bodies	33
	<u>13</u>
	<u>100</u>

Most respondents answered most questions so response rates per question are not given.

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