



The Route Trade Market in New Zealand 2010



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The New Zealand Route Trade Market is an important consumer market for certain food and beverage products. The route trade outlets nationally account for significant distribution shares of many product categories and products.

While certain product categories and route trade channels hold promising growth prospects, it is a market which straddles the two other consumer markets for food and beverages – supermarkets and the foodservice market – experiencing competition from both.

It is therefore vital to understand trends and developments taking place in this sector as well as market structures in order to identify future market opportunities.

BIS Foodservice route trade report for 2010 will cover the key five product categories:

➤ **Beverages – hot & cold** ➤ **Bakery products** ➤ **Confectionery** ➤ **Dairy products** ➤ **Snack foods**

◀ PRODUCT CATEGORIES ▶

BEVERAGES (HOT & COLD)

- Cola
- Energy drinks
- Sports drinks
- Other carbonated soft drinks
- Frozen carbonated drinks
- Cordial mixes
- Functional water
- Waters with flavours
- Mineral water – still
- Mineral water – sparkling
- Flavoured Milk
- Milkshakes
- Milk – plain/white
- Tea – herbal/tea
- Hot coffee – instant
- Hot coffee – ground/beans
- Drinking chocolate
- Pure fruit juice fresh
- Pure fruit juice long life
- Fruit drinks Ice/chilled tea
- Vegetable juice

BAKERY PRODUCTS

- Pies
- Whole cakes
- Sausage rolls
- Individual cakes, doughnuts, muffins etc
- Pasties

- Sandwiches
- Savoury biscuits
- Sweet biscuits
- Chocolate biscuits
- Frozen cakes/desserts

CONFECTIONERY

- Chocolate based – single/bars
- Chocolate based – boxed
- Chocolate – blocks
- Chocolate/sugar (e.g. Maltesers, M&Ms, Smarties etc)
- Sugar based singles/bars/pocket packs of jellies, Mentos, lifesavers
- Sugar based bags of jellies, chews
- Marshmallows
- Mints
- Chewing gum

DAIRY PRODUCTS

- Ice cream tub
- Ice cream/water ice – stick
- Dairy Desserts (e.g. Yogo, Le Rice, etc)

SNACK FOODS

- Chips – crisps
- Salty snacks
- Muesli slices/cereal bars
- Nuts
- Nut bars



< REPORT MODULES >

1 **Route Industry Measures**

- ▮ The market significance of route trade versus supermarkets and the foodservice market for the distribution and sales of key product categories
- ▮ Number of route trade outlets by channel
- ▮ Estimated total turnover of route trade outlets
- ▮ Employment numbers and employment outlook

2 **Market Size Database**

- ▶ **The market size database provides market size estimates down to product and route trade channel level at wholesale values.**
- ▶ **The database will be available to subscribers through on line access.**
- ▶ **The database allows for market share indications.**
- ▶ **The database allows for creation of pivot tables and charts.**

3 **Channel Insights**

For each of the route trade channels our report identifies and outlines:

- ▮ Channel structure
- ▮ Channel characteristics
- ▮ Trends and developments within the channel
- ▮ Key channel drivers
- ▮ Buying behaviour and decision processes by outlet operators
- ▮ The channel's relative significance as a route to market for each of the five product categories
- ▮ The top profit making products
- ▮ Average annual turnover
- ▮ Average floor space
- ▮ Prevalence of food and beverage equipment available within channel outlets
- ▮ Computer and Internet access and usage
- ▮ Banking facilities available on site
- ▮ Promotional and incentive schemes preferred

4 **Brand analysis**

The brand analysis will address:

- *Brand recognition* by route trade channel
- *Main brands stocked* within each product category and by route trade channel

5 **Distribution in the Route Trade Market**

The report outlines the sources of supply for route trade outlets for the products covered in the research. The main sources of supply include:

- ▶ Wholesaler/distributor
- ▶ Food & beverage manufacturer
- ▶ Cash & Carry
- ▶ Supermarket
- ▶ Speciality retailer

This will map the entire distribution picture within the route trade sector and identify the relative significance of various distribution channels.

The distribution chapter also explores:

- ▶ Specifically the supply of confectionery including the significance of wholesalers/ distributors and direct purchasing by route trade channels as well as key wholesalers/ distributors used
- ▶ Product ordering methods preferred
- ▶ The importance of sales representatives' visits
- ▶ Terms of payment preferred by route outlets

6 **Market Outlook**

▮ **Market forecasts for the next three years:**

- **By route trade channel**
- **By product category**

▮ **Opportunities and challenges within each of the route trade channels and the key drivers behind market developments**

▮ **Changes in the significance of various route product categories**

▮ **The route trade potential for new product categories and products, for example, alcohol and lottery tickets.**

▮ **Prognosis evaluation of future market developments.**

For example, to what extent will foodservice within route trade outlets account for turnover and profit?

Will the New Zealand route market see similar developments to those that have transpired in Australia and Europe? In the United States?

▮ **SWOT analysis of the route trade market versus supermarkets and foodservice**

Route Trade Market Defined:



Service stations with convenience store

Service stations with no convenience store

Chain convenience stores

Independent convenience stores/corner stores/milk bars/delis

Confectioners

Cinemas/theatres

Video stores

Liquor stores

Newsagents

Methodology

- › BIS Foodservice proprietary databases within the route trade sector built up over the past decade
- › Secondary research
- › Qualitative interviews
- › Nationally and channel representative quantitative survey of 350 route outlets. This sample size gives a 95% confidence level.

COST › Subscription cost: NZ\$12,500 plus GST

ABOUT US

BIS Foodservice is a business unit within BIS Shrapnel. For the last 25 years we have provided research and analysis into the foodservice industry drawing on our two core competencies:

- Market research & market intelligence
- Forecasting

BIS Foodservice runs continuous information services in New Zealand and Australia as well as in-depth country reports in another 16 markets in Asia and The Middle East.

For further details about our business and studies please visit our website: www.bis.com.au (click on Foodservice).

Inquiry & consultancy facility

Our consultants are continually available to clients who want to discuss trends, developments and market estimates. We are contactable via telephone and email and will seek to facilitate face-to-face meetings whenever possible.

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