



INDUSTRY INSIGHTS

in Wholesale





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in WHOLESALE

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MARKET DEFINITION

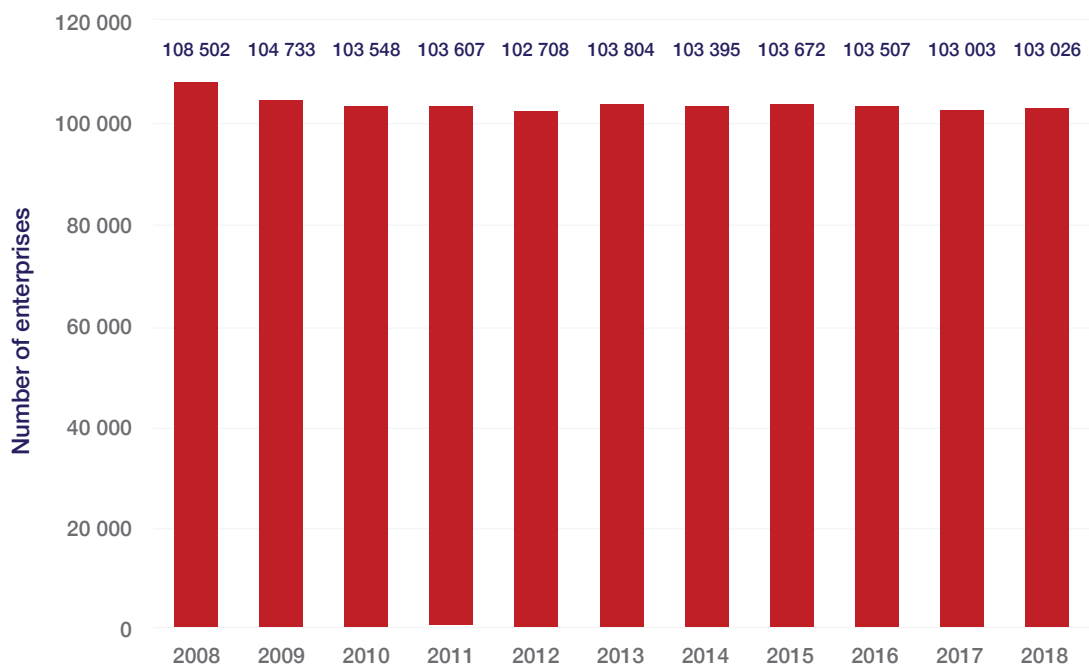
1.1 Scope of the Market

1.1.1 Overall Wholesale Trade

Wholesale distribution is an integral part of the UK's economy, with an approximate £980 billion turnover supporting more than 1 million jobs.
(NIG, 2019)

The chart below highlights the number of wholesale trade enterprises in the United Kingdom (UK) from 2008 to 2018.
(Statista, 2020)

This statistic shows the number of wholesale trade enterprises (excluding wholesale trade of motor vehicles and motorcycles) in the United Kingdom (UK) from 2008 to 2018. In 2008, there were 108,502 wholesalers in the UK. Over the next ten years, these numbers decreased slowly, with 2018 resulting in 103,026 wholesale trade enterprises.



(Statista, 2020)

1.1.2 Food & Drink Wholesale

Food and drink wholesale distribution makes a vital contribution to the UK economy, turning over £29 billion, employing nearly 60,000 people evenly across the country, and generating gross value of £3 billion annually.

(Federation of Wholesale Distributors, UK)

Alcoholic Beverage Wholesaling

Firms in this industry purchase alcoholic beverages from producers and distribute them to retailers in both on-trades and off-trades. The industry also includes alcohol producers that import products for distribution in the United Kingdom.



Market Size:

£12bn



Number of Businesses:

3,669



Industry Employment:

18,546



Average industry
growth 2015–2020:

-3.7%

Major Players:

- Diageo Plc
- AB InBev UK Ltd
- Matthew Clark Bibendum Limited
- Booker Group Ltd
- Pernod Ricard UK Ltd
- Bestway (Holdings) Ltd
- Licensed Wholesale Company Ltd

(Ibis World, 2020, "Alcoholic Beverage Wholesaling in the UK - Market Research Report")

Confectionery Wholesaling

Operators in this industry wholesale chocolate and sugar confectionery such as chewing gum, caramels, nougats and lozenges. They also wholesale sweet bakery products. The industry excludes the wholesale of bread. Industry operators sell products to markets such as supermarkets, speciality retail outlets and convenience stores.



Market Size:

£9bn



Number of Businesses:

815



Industry Employment:

5,243



Average industry
growth 2014–2019:

3.1%

Major Players:

- Mondelez UK Limited
- Mars Wrigley Confectionery UK Ltd
- Nestle UK Ltd
- Ferrero UK Ltd
- Hancock Cash & Carry Ltd
- Divine Chocolate Ltd

(Ibis World, 2019)

Live Animal Wholesaling

Firms in this industry wholesale live animals to farms, abattoirs and other animal-processing companies.



Market Size:
£660bn



Number of Businesses:
510



Industry Employment:
2,546



Average industry
growth 2014–2019:
0.3%

Major Players:

- JSR Farms Ltd
- Aviagen Ltd

(Ibis World, 2019)

1.1.3 Clothing & Footwear Wholesaling

Clothing and footwear wholesalers purchase goods from domestic and foreign manufacturers and distribute them to downstream retailers and department stores.



Market Size:
£12bn



Number of Businesses:
5,118



Industry Employment:
44,645



Average industry
growth 2015–2020:
1.3%

Major Players:

- Burberry Ltd
- Ted Baker Plc
- French Connection Group Plc
- E Sutton & Son Ltd
- Superdry plc

(Ibis World, 2020, "Clothing & Footwear Wholesaling in the UK - Market Research Report")

1.1.4 Machinery & Equipment Wholesale

Motor Vehicle Parts Wholesaling

Companies in this industry wholesale a wide variety of motor vehicle parts and accessories, including tyres, spark plugs, engines and batteries. Retail sales direct to the public are not included in the industry.



Market Size:
£18bn



Number of Businesses:
6,186



Industry Employment:
66,641



Average industry
growth 2015–2020:
4.8%

Major Players:

- Euro Car Parts Ltd
- Denso International Europe
- Robert Bosch Ltd
- Aptiv Services UK Ltd

(Ibis World, 2020, "Motor Vehicle Parts Wholesaling in the UK - Market Research Report")

Agricultural Machinery & Equipment Wholesaling

Companies in this industry wholesale agricultural machinery and equipment. This includes the wholesale of ploughs, manure spreaders, seeders, harvesters, threshers, milking machines, poultry-keeping machines, bee-keeping machines, tractors used in agriculture and forestry, and lawnmowers.



Market Size:
£8bn



Number of Businesses:
2,022



Industry Employment:
22,149



Average industry
growth 2014–2019:
2.7%

Major Players:

- Deere & Company
- AGCO Limited
- Claas UK Ltd
- Kubota (UK) Ltd

(Ibis World, 2019)

Mining, Construction & Civil Engineering Machinery Wholesaling

Firms in this industry distribute a range of machinery used in the construction, mining and oil and gas sectors.



Market Size:
£4bn



Number of Businesses:
933



Industry Employment:
10,334



Average industry
growth 2015–2020:
1.4%

Major Players:

- Finning (UK) Ltd
- Komatsu Mining Corporation
- JCB Sales Ltd
- Sandvik Ltd

(Ibis World, 2020, "Mining, Construction & Civil Engineering Machinery Wholesaling in the UK - Market Research Report")

Computer & Peripheral Equipment Wholesaling

Operators in this industry wholesale and distribute computers and peripheral equipment. Products include computer hardware, software, printers and scanners, servers, storage and other computer peripheral equipment. The industry does not include the wholesale of office equipment and electronic parts.



Market Size:

£32bn



Number of Businesses:

2,315



Industry Employment:

41,452



Average industry
growth 2014–2019:

4.4%

Major Players:

- Tech Data Ltd
- Ingram Micro (UK) Ltd
- Hewlett-Packard Ltd
- IBM United Kingdom Ltd
- Microsoft Ltd

(Ibis World, 2019)

Electronic & Telecommunications Equipment Wholesaling

Firms in this industry sell electronic parts and telecommunications equipment, in addition to blank CDs and DVDs. The industry does not cover discs and tapes that have already been recorded on. Selling computers and peripheral computer equipment is also not included in the industry.



Market Size:

£15bn



Number of Businesses:

3,336



Industry Employment:

42,621



Average industry
growth 2015–2020:

-1.2%

Major Players:

- Samsung Electronics (UK) Limited
- Cisco International Ltd
- Premier Farnell UK Ltd
- Avaya UK

(Ibis World, 2020, "Electronic & Telecommunications Equipment Wholesaling in the UK - Market Research Report")

1.1.5 Fuels, Chemicals, Pharmaceuticals & Metals Wholesale

Pharmaceutical Wholesaling

This industry covers businesses that wholesale pharmaceuticals or medical goods. These are distributed to pharmacies, specialist retailers, hospitals, doctors and other specialist medical practitioners.



Market Size:

£56bn



Number of Businesses:

3,107



Industry Employment:

75,883



Average industry growth 2015–2020:

8.4%

Major Players:

- Walgreens Boots Alliance Inc
- AAH Pharmaceuticals Ltd
- Phoenix Healthcare Distribution Ltd
- Mawdsley-Brooks & Co Ltd
- Lexon (UK) Ltd

(Ibis World, 2020, "Pharmaceutical Wholesaling in the UK - Market Research Report")

Chemical Product Wholesaling

Companies in the Chemical Product Wholesaling industry are involved in the wholesale of various industrial chemicals and gases. They also wholesale fertilisers, agrochemical products, glues and essential oils. The industry does not include the activities of commission agents, commodity brokers and other types of wholesalers acting on behalf of others.



Market Size:

£14bn



Number of Businesses:

1,875



Industry Employment:

18,883



Average industry growth 2014–2019:

-1.0%

Major Players:

- Brenntag AG
- Univar Solutions
- HELM Great Britain Ltd
- IMCD UK Ltd

(Ibis World, 2019)

Fuels, Industrial Chemicals & Metals Agents

This industry includes the activities of commission agents, commodity brokers and other types of wholesalers acting on behalf of others in the sale of fuels, ores, metals and industrial chemicals, including fertilisers. Participants in the industry generate revenue on a fee, commission or contract basis. The industry includes transactions conducted over the internet.



Market Size:
£6bn



Number of Businesses:
1,161



Industry Employment:
2,841



Average industry
growth 2015–2020:
2.2%

Major Players:

- Sinochem International Oil (London) Co Ltd
- Engie Power Ltd
- EDF Trading
- Cockett Marine Oil Ltd

(Ibis World, 2020, "Fuels, Industrial Chemicals & Metals Agents in the UK - Market Research Report")

1.1.6 Tobacco-Wholesale

Tobacco Product Wholesaling

Companies in this industry distribute tobacco products. They include specialist tobacco wholesalers, tobacco manufacturers that distribute their products directly to retailers and wholesalers that distribute a range of products and tobacco. Tobacco products include cigarettes, loose tobacco and cigars. The industry does not include the sale of e-cigarettes or related equipment.



Market Size:
£8bn



Number of Businesses:
68



Industry Employment:
4,011



Average industry
growth 2014–2019:
-6.5%

Major Players:

- Booker Group Ltd
- British American Tobacco Plc
- Philip Morris Ltd
- Hunters & Frankau Group
- Palmer & Harvey McLane

(Ibis World, 2019)

1.2 Major Players

Top 10 UK Companies in Overall Wholesale trade for 2020:

RANK		NAME	BUYING GROUP	OFFER	DEPOTS	STAFF	TURNOVER (£M)		PROFITS (£M)		MARGIN	FINANCIAL PERIOD
2020	2019						change %		change %		%	
				TOTAL	601	67.546	25.882	3,30%	459,7	64,20%	1,80%	
1	1	Booker	n/a	C&C,D,F	197	12.891	5.927	6,80%	200	3,10%	3,40%	24.02.19
2	2	Brakes	n/a	F	28	6.426	4.193	4,90%	39,3	-2,60%	0,90%	30.06.18
3	4	Costco Wholesale UK	n/a	C&C	29	6.727	2.545	7,80%	20,6	228,40%	0,80%	02.09.18
4	5	Bestway Wholesale	n/a	C&C,D,F	62	6.240	1.984	-4,50%	24,4	-2,00%	1,20%	30.06.18
5	6	Connect Group	n/a	n/a	39	4.684	1.468	-4,30%	23,2	-18,30%	1,60%	31.08.19
6	3	Bidfood UK	n/a	F	41	6.182	1.424	8,00%	63,8	12,50%	4,50%	30.06.18
7	7	AF Blakemore & Son	Spar/Unitas/CR*	D,F	10	7.618	1.107	4,60%	6	n/a	0,50%	30.04.19
8	9	Menzies Distribution	n/a	C&C,D,F	57	2.966	937	-10,60%	-22,7	n/a	-2,40%	31.12.18
9	8	Matthew Clark Bibendum	C&C	D	13	1.811	857	-19,10%	4,7	n/a	0,50%	28.02.19
10	10	Dhamecha Foods	Unitas	C&C	9	633	794	5,40%	13	8,30%	1,60%	31.03.19

Image Source

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MARKET INSIGHTS

2.1 Current Market Scenario

The UK Retail and Wholesale market grew from \$1,607.1 billion in 2010 to \$1,750.0 billion in 2019 at a CAGR (Compound Annual Growth Rate) of 1.0%. The COVID-19 outbreak adversely affected the retail and wholesale market in the UK. With the social distancing rules in place, the retailers dealing in clothing and footwear were severely affected. The market is then expected to decline in 2020 to reach \$1,707.8 billion.

(Market Research, 2020)

Key Facts for the Current State of the Industry:

- Demand for and sales of liquid soaps has surged as consumers attempt to stem the spread of the coronavirus.

(Ibis World, 2019)

- The pandemic is expected to lower Mining, Construction & Civil Engineering Machinery Wholesaling business confidence, leading to businesses putting off buying industry products as their budgets are squeezed, and their work is halted due to the lockdown.

(Ibis World, 2020, "Mining, Construction & Civil Engineering Machinery Wholesaling in the UK - Market Research Report")

- The outbreak of the coronavirus has severely hit motor vehicle manufacturing activity, which is an important downstream market for the industry. Both new and used car sales have plummeted, due to the shutdown of showrooms and government stay-at-home orders.

(Ibis World, 2020, "Motor Vehicle Parts Wholesaling in the UK - Market Research Report")

2.2 Technological Innovations

Overall, 2020 is all about executing on enterprise digital transformation. Early digital adopters are now beginning to show real traction, and the focus in 2020 needs to be on how organisations can use technology to help them deliver on their customers' business objectives in uncertain times. They need to improve agility, security and performance, and focus on the customer experience. Basic and niche technologies are the answer.

1. The network is foundational

In 2020, network connectivity will be more critical than ever in enabling organisational innovation around the globe. As companies continue to focus on using technology to differentiate themselves from the competition, their ability to deliver innovation is paramount.

4. There are no short cuts when it comes to technology investments

Organisations need to focus on their basics, but high-tech initiatives will also find their niche. It's all about the customer experience, and the innovations of a few years ago – VR, AR, AI – are now affordable. But focused investments are required, considering the personalised needs of the customer.

2. Speed is a need

The ability to move quickly to seize opportunities, and mute distractions will determine business success. Virtual network services will continue to gain traction to support business expansion when the opportunity presents.

5. It's time for a digital CIO (Chief Information Officer)

Humans can't process what's going on in increasingly complex enterprise IT environments. So, an immersive, virtualised, AI-driven dashboard view is needed, presenting data in a people-literate manner that humans can understand.

3. Data is gaining gravity

Applications will increasingly need to go to where the data sits. This requires insight and control into those applications, to prioritise and manage data flows.

6. Security needs pragmatism

Wholesale companies need to focus on security basics, and zero trust architectures, to keep information secure and privacy intact.

(Verizon Digital Media Services, 2020)

2.3 Government Regulations & Initiatives

Post-Brexit Regulations

The UK has left the EU and is now in a transition period, before new rules come into place from the 1st of January 2021. There will be new rules in many areas. For example, if you have a business, travel to Europe or sell your goods abroad.

(UK Government, 2020, "The UK has left the EU")

Get an EORI number

Business owners need an EORI number to move goods between the UK and non-EU countries. If they do not have one, they may have increased costs and delays. For example, if HM Revenue and Customs (HMRC) cannot clear their goods, they may have to pay storage fees.

(UK Government, 2020, "Get an EORI number")

After the 31st of December 2020, business owners will need an EORI number to move goods between the UK and the EU.

They should apply for their EORI number in advance. It can take up to a week to get one.

Business owners will not usually need an EORI number if they only:

- Provide services
- Move goods between Northern Ireland and Ireland

If they use a post or parcel company, the government will inform them if they need an EORI number.

Business owners will need an EU EORI number if their business will be making customs declarations or getting a customs decision in the EU. They should get this from the customs authority in the EU country where they submitted their first declaration or requested their first decision.

Businesses that already have an EORI

(UK Government, 2020, "Get an EORI number")

After the 31st of December 2020, you'll need an EORI number that starts with GB to move goods to or from the UK.

Business owners should check the EORI number. They should apply for a new one if theirs does not start with GB.

Before they apply

To apply, business owners may need their:

- VAT number and the effective date of registration - these are on their VAT registration certificate
- National Insurance number - if they're an individual or a sole trader
- Unique Taxpayer Reference (UTR) - find their UTR if they do not know it
- Business start date and Standard Industrial Classification (SIC) code - these are in the Companies House register
- Government Gateway user ID and password

Business owners that need a Government Gateway user ID can use either:

(UK Government, 2020, "Get an EORI number")

- the one for their business or organisation
- their own if they're applying as an individual

If business owners do not already have a user ID, they'll be able to create one when they apply.

It takes 5 to 10 minutes to apply for an EORI number. Business owners will get it either:

- Straight away
- Within five working days (if HMRC needs to make more checks)

(UK Government, 2020, "Get an EORI number")

UK Business Support Mechanisms

The UK government and devolved administrations have been developing and announcing a range of measures aimed at supporting the economy, businesses and workers through the COVID-19 crisis.

(Pinsent Masons, 2020)

The list of Business Support Mechanisms is cited below:

- COVID-19 Corporate Financing Facility (CCFF)
- Coronavirus Business Interruption Loan Scheme (CBILS)
- Coronavirus Large Business Interruption Loan Scheme (CLBILS)
- Coronavirus job retention scheme
- Term Funding Scheme with additional incentives for SMEs (TFSME)
- Small Business Grant Fund (SBGF)
- Coronavirus Business Support Grants (Scottish Scheme)
- Future Fund
- ESFA post-16 provider relief scheme
- Bounce Back Loans scheme
- Trade Credit Insurance
- Statutory Sick Pay
- General Taxation - Time to Pay
- Insurance
- Companies House
- Mortgage Holidays
- Deferred VAT payments
- Self Employed Income Support Scheme
- Reform of Insolvency law



3

MARKET DYNAMICS

3.1 Drivers

E-commerce & Content Sharing Platforms

The latest e-commerce and ICT Activity Report by the Office of National Statistics (ONS) highlights the significant revenue growth wholesalers see as a result of e-commerce sales.

The wholesale industry continues to dominate UK e-commerce sales according to the latest ONS report, which shows website sales reached £108 billion in 2018. This amount is twice as much as the retail industry, which only recorded £54 billion, and is a 34% increase from the £77 billion recorded in 2017.

According to the ONS report, social media channels, blogs and content sharing platforms are becoming essential for increasing brand awareness. Particularly in the foodservice sector, where 86% of businesses have embraced social media and are using it as a tool to interact with customers and recruit new employees.

(Pressat UK, 2020)

3.2 Restraints/ Industry Challenges

Supply Chain Interruptions

Britain's planned exit from the EU, coupled with the threat of a global trade war means supply chains could come under immense pressure. Possible impacts include increasing prices and certain products becoming difficult to get hold of. There's also the potential that quotas could be imposed on certain goods, limiting wholesalers' exports and imports.

Wholesalers will be monitoring developments and assessing what impact there might be on their own supply chain.

(NIG, 2019)

Stockpiling

Uncertainty around Brexit has also seen many retailers stockpiling products, due to concerns over higher pricing and limited availability post-Brexit. Data from the Confederation of British Industry (CBI) shows stock levels compared with estimated sales are at their highest since the early 1980s.

While stockpiling can be a sensible precaution in times of uncertainty, it can also be risky. If a business's cash is tied up in stock, it limits its ability to invest and grow. It can also create demand distortion in the supply chain, leading some businesses to significantly overorder, making them vulnerable to going bust.

(NIG, 2019)

Smart Technologies

While using smart technologies such as Robotics & AI can bring great benefits to wholesale businesses, they are not without their challenges. They can be very pricey to implement and also require staff to be trained in how to use them effectively.

(NIG, 2019)

Currency Fluctuation

While news of the impending General Election has given sterling a recent boost, there's no denying 2019 was a year of currency fluctuation. Most prominent Asian currencies have depreciated at alarming rates, and both the pound and euro have fallen in the face of sluggish economic growth.

Wholesale businesses are particularly affected by currency fluctuation. As well as directly impacting prices when buying and selling overseas, they also affect fuel prices and therefore, shipping costs.

(NIG, 2019)

3.3 Opportunities & Investments

Robotics & AI

As technology advances, wholesalers can use robotics and AI to make their operations smarter and more efficient. Robots are commonly used within distribution centres; for example, Amazon's Manchester warehouse makes use of a fleet of robots to help move shelves around.

AI can also help with demand forecasting. Companies can use it to analyse huge volumes of data, spot trends and predict problems. It is also increasingly helpful in terms of logistics, with many companies using AI to optimise delivery routes and choose the most appropriate carriers.

(NIG, 2019)



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COMPETITIVE LANDSCAPE

The wholesale industry is facing an increasing amount of competition from not just within the channel, but from outside influences as well.

The HIM Wholesale Report 2019 highlighted that customers are increasingly buying products from outside the industry. This is primarily driven by foodservice operators, with 38% using supermarkets or discounters to buy products for their business, and one in five are turning to Amazon to meet their needs. While for retailers this isn't of the same level, according to Better Wholesaling, a proportion of them are sourcing products from outside of wholesale.

The worrying insight is that when wholesale customers are using other channels, they are doing this at least once a week. For example, of the 38% of foodservice operators who are using supermarkets or discounters, 40% of them are using them at least once every seven days.

Undoubtedly, the growth of online, and apps specifically, will continue to change shopper behaviour in wholesale. This can already be seen through barcode scanners, which encourages gap scanning from a retail perspective and will therefore reduce the decision-making process that may be seen in other routes to market.

(Better Wholesaling, 2020)



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RECRUITMENT FACTS & CHALLENGES

Wholesale has never properly been on the radar as a destination career for school or college leavers, with few knowing much about what is effectively a hidden world. The sector needs digital innovators, skilled negotiators, entrepreneurs and people who can build and sustain relationships with customers, which are all aspects that chime with the principles and priorities of the emerging workforce.

(Better Wholesaling, 2019)

Key Theme for 2020: Talent

The industry is maturing as distributors develop digital and analytics capabilities, and leaders reshape and transform their companies into more data-driven organisations.

The real differentiators in 2020 are in the talent arena. This is not a new trend, but every organisation is challenged to stay ahead of the accelerating shifts in the workforce. Companies that proactively manage their knowledge and culture shifts this year will be best positioned for growth, given the modest growth forecast.

(MDM, 2020)

Talent Retention & Development

Yulia Goodwin, head of trading and marketing at Sugro, believes the wholesale industry needs to focus on retaining and developing existing talent. “It is equally important to focus on two things – bringing in young people with a fresh outlook who have the right set of digital skills, and continuing with training, mentoring and developing the existing staff so wholesalers can benefit from their wealth of experience,” she says.

(Better Wholesaling, 2019)

Flexibility

Ceri Wilmott, Bidfood’s director of HR, people and sustainability, believes in the importance of Particular Demographics Group Targeting and Flexible Workplace.

“Work needs to be done to raise the visibility of careers available in wholesale and not to be afraid to target particular demographics that could be most susceptible to the assumptions about the industry. There also needs to be a focus on flexibility in the workplace – particularly looking to the long term – as the younger generations have an expectation of flexible working.”

(Better Wholesaling, 2019)

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KEY FINDINGS SUMMARY

Wholesale distribution makes a vital contribution to the UK economy.

The wholesale industry is facing an increasing amount of competition from not just within the channel, but from outside influences as well.

(Better Wholesaling, 2020)

Key Facts for the Current State of the Industry:

- Demand for and sales of liquid soaps has surged as consumers attempt to stem the spread of the coronavirus. (Ibis World, 2019)
- The Mining, Construction and Civil Engineering Machinery Wholesaling business will suffer due to the pandemic. (Ibis World, 2020)
- The coronavirus has negatively impacted the motor vehicle manufacturing sector which is a significant part of the industry. (Ibis World, 2020, "Motor Vehicle Parts Wholesaling in the UK - Market Research Report")
- According to the ONS, monthly growth in UK manufacturing output slowed to 0.7% in August 2020. Nevertheless, this represents the fourth consecutive month of expansion following record declines in March and April 2020. Despite this sustained period of growth, manufacturing output remained 8.5% below February 2020 levels.
- In the Confederation of British Industry's (CBI) quarterly SME Trends Survey, manufacturing output among small to medium sized manufacturers (SMEs) fell by 15% in the three months through October 2020, compared with the same period in 2019. This is compared with a 53% decline recorded over the three months through July 2020.
- As reported by the ONS Business Impact of COVID-19 Survey conducted between the 5th of October and the 18th of October 2020, 42.6% of firms in the manufacturing sector stated that their revenue remained below what they would usually expect for the time of year.

Industry Drivers

- E-commerce & content sharing platforms (Pressat UK, 2020)
- Expanding into global markets (Quickbooks, 2020)

Industry Challenges:

- Supply chain interruptions
- Stockpiling
- Smart technologies
- Currency fluctuation

(NIG, 2019)

Industry Opportunities and Investments:

- Robotics & AI (NIG, 2019)
- Inventory and order management transparency (Quickbooks, 2020)

Recruitment Challenges:

- Talent retention & development
- Flexibility

(Better Wholesaling, 2019)

7 FORECASTS

Industry Growth Data

Despite a decline in 2020, the UK Wholesale & Retail industry is projected to recover.

Agriculture Machinery & Equipment Wholesale Industry demand is anticipated to fall in 2020-21. Consumer confidence has declined, and many individuals have become more price-conscious and adjusted budgets. This is anticipated to weigh on farmers' margins. In turn, many farmers are likely to forego expensive purchases of agricultural machinery and equipment, which is expected to negatively affect industry wholesalers.

(Ibis World, 2019)

Demand for personal grooming products such as Perfumes & Cosmetics is anticipated to fall over the current year as spas and beauty salons remain closed.

(Ibis World, 2019)

As the number of COVID-19 cases has increased, demand for medical devices and supplies has grown significantly. Pharmaceutical wholesalers will benefit from the introduction of new products, including the development of a vaccine, which could reach the UK market as soon as December 2020, according to Oxford University.

(Ibis World, 2020, "Pharmaceutical Wholesaling in the UK - Market Research Report")

Emerging Trends:

The D2C Strategy

The direct-to-consumer (D2C) trend is opening a new level of competition as it gains traction in the retail and consumer products industries. It's not surprising that wholesale distributors are looking for every edge they can get. Yet growth opportunities are hard to find; they've already squeezed every drip of efficiency from warehousing, distribution, and transportation logistics. This puts enormous value into the area offering the most growth potential: the customer experience.

(The Future of Commerce, 2019)

Autonomous delivery

2019 saw autonomous delivery methods hitting the roads, with companies like Amazon, Co-op and FedEx trialling using robots for short-range deliveries.

Currently, the focus is on the final phase of a product's delivery journey, with consulting firm McKinsey & Company anticipating that by 2025 some 85% of last-mile deliveries will be carried by autonomous vehicles. However, with shorter delivery times and lower costs a priority for wholesalers, it's likely many will be monitoring developments in autonomous vehicle technology.

(NIG, 2019)

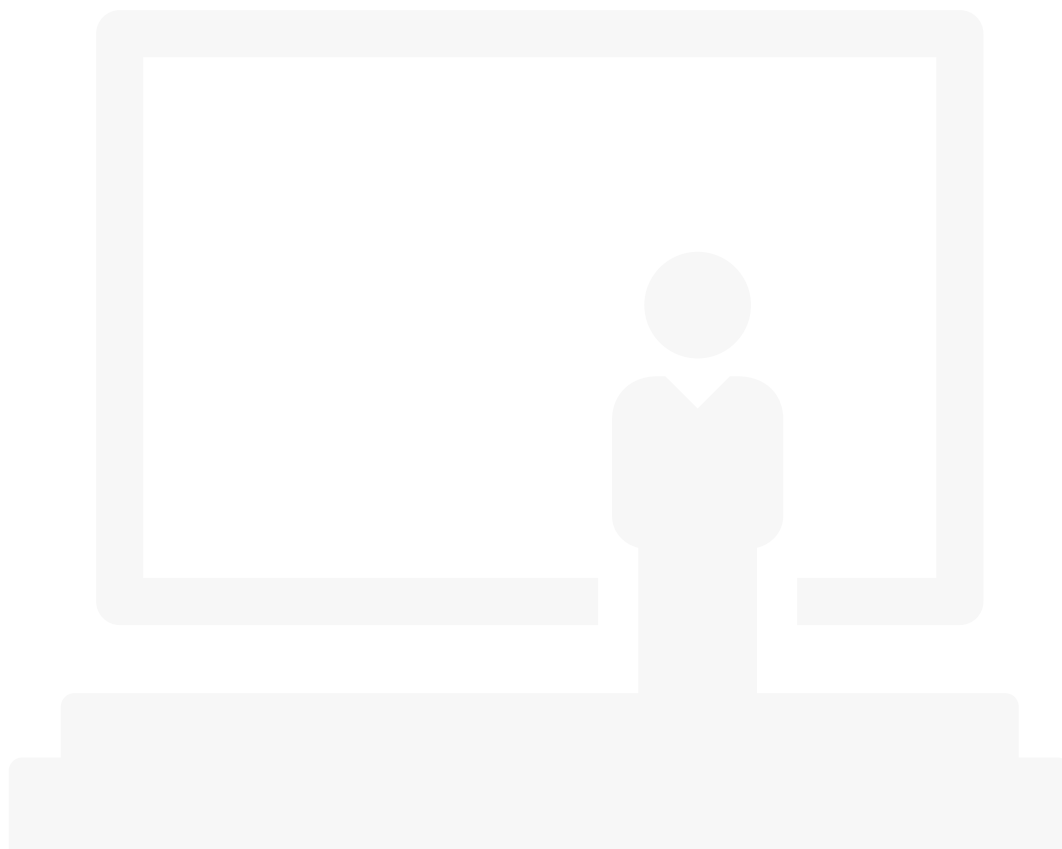
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