

GCA annual survey 2020

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Groceries Code
Adjudicator

The 2020 survey



Survey details



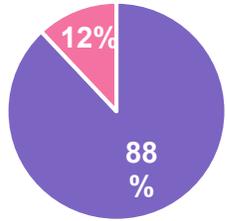
Live from
4 February to
29 March 2020

Ocado and B&M
included for the
second time

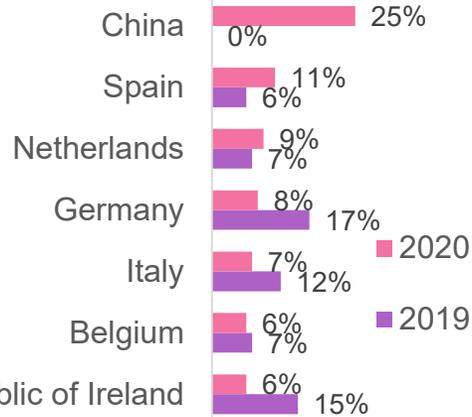
Home Bargains
included as an
additional retailer

Who took part?

Personally based...

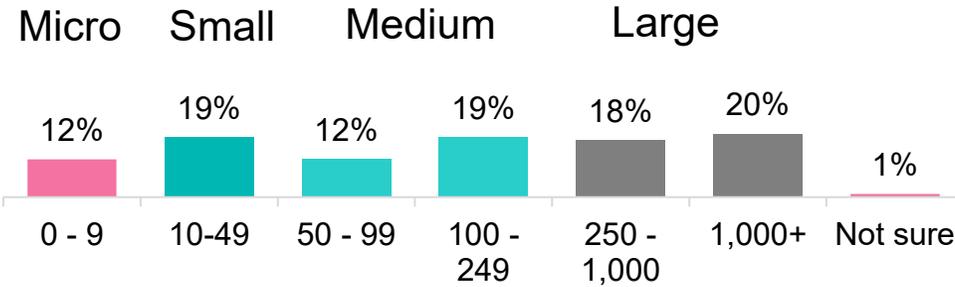


■ In the UK
■ Outside the UK

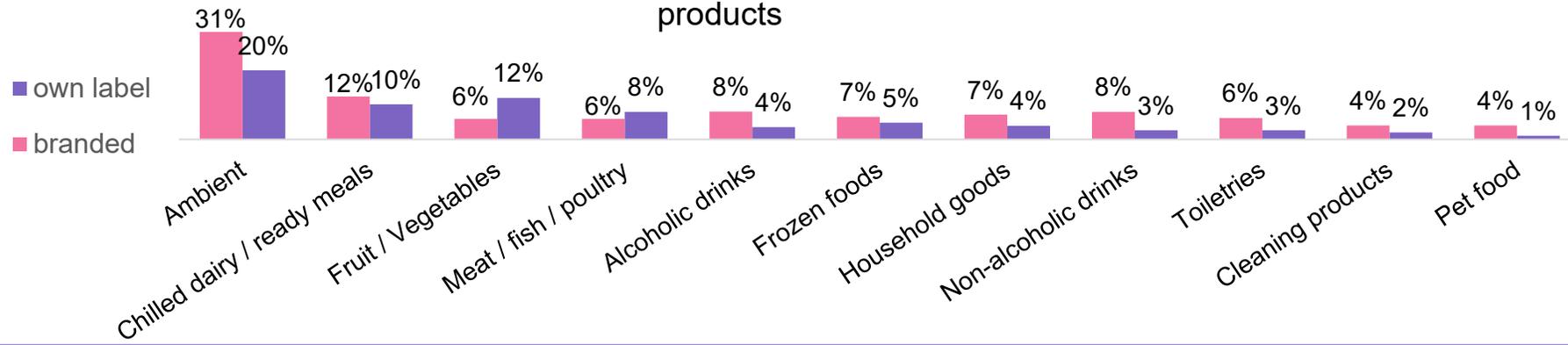


Direct supplier size

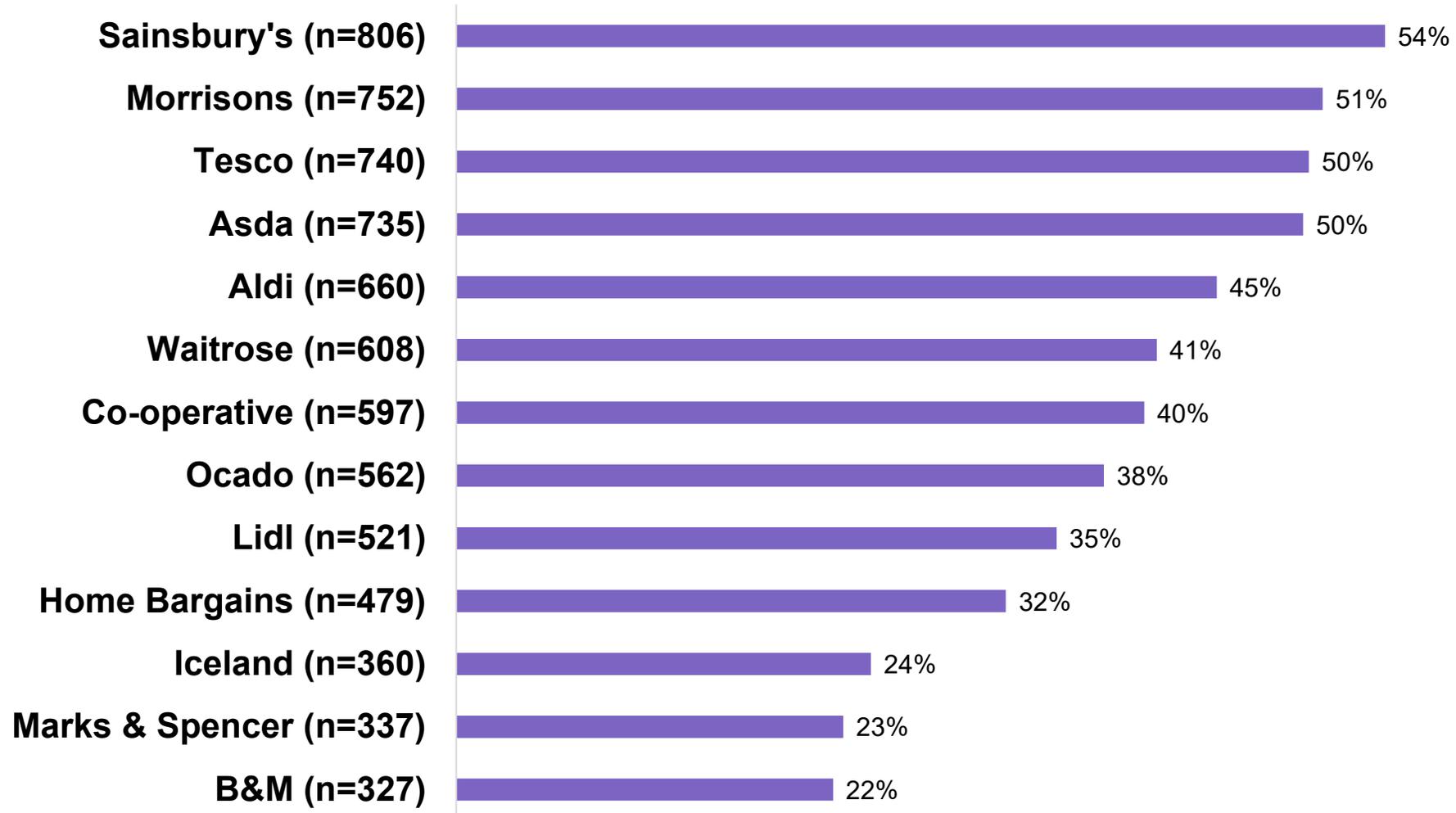
(No. of employees)



75% supply branded products
64% supply own label products



Which retailers did they supply?

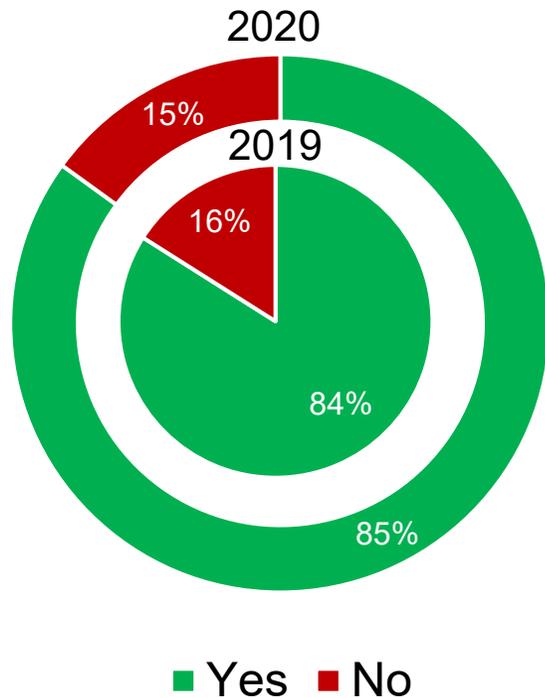




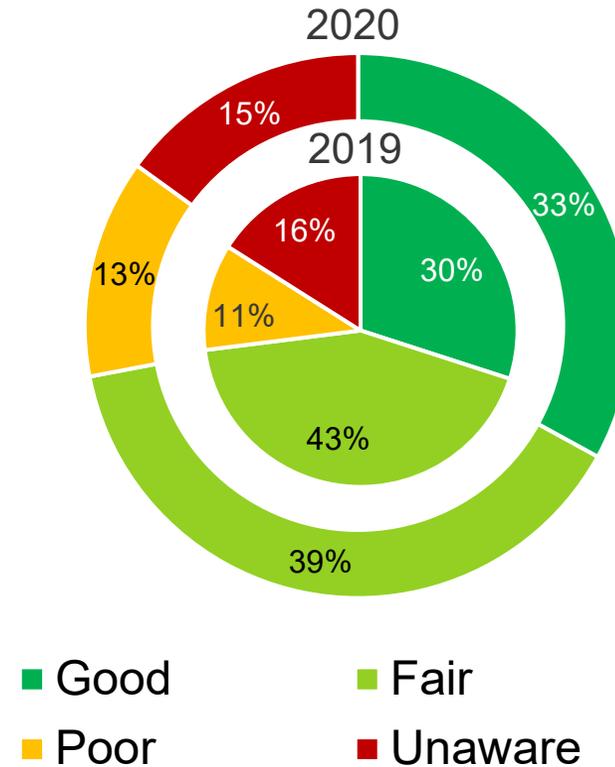
Awareness of the Code and GCA

Awareness & understanding of the GCA's role and responsibilities

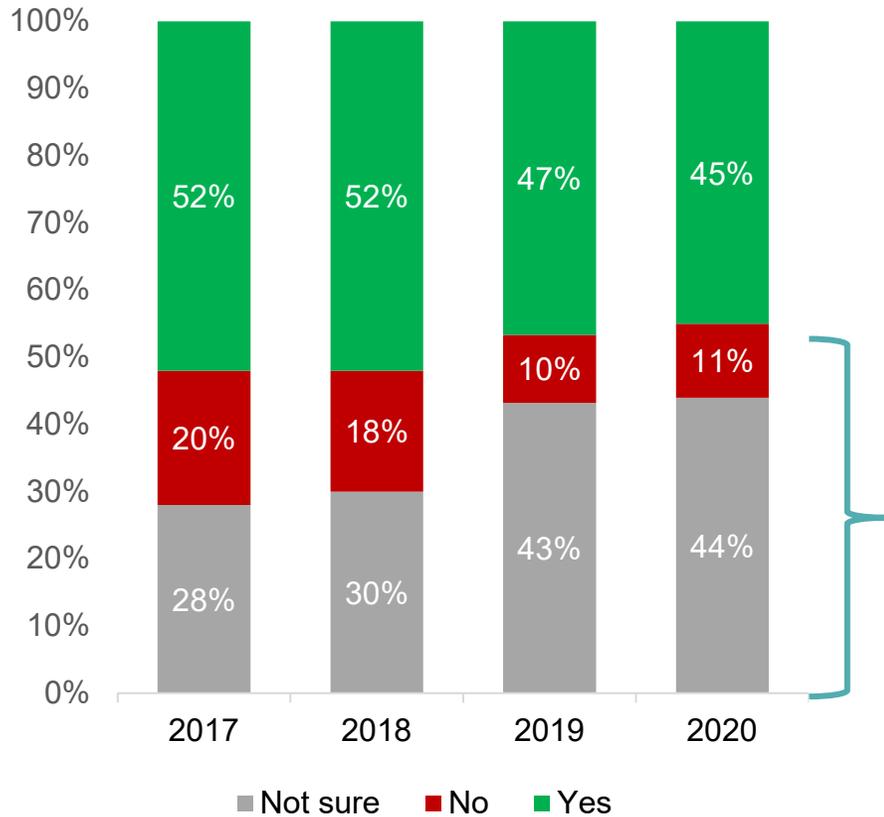
Awareness of GCA



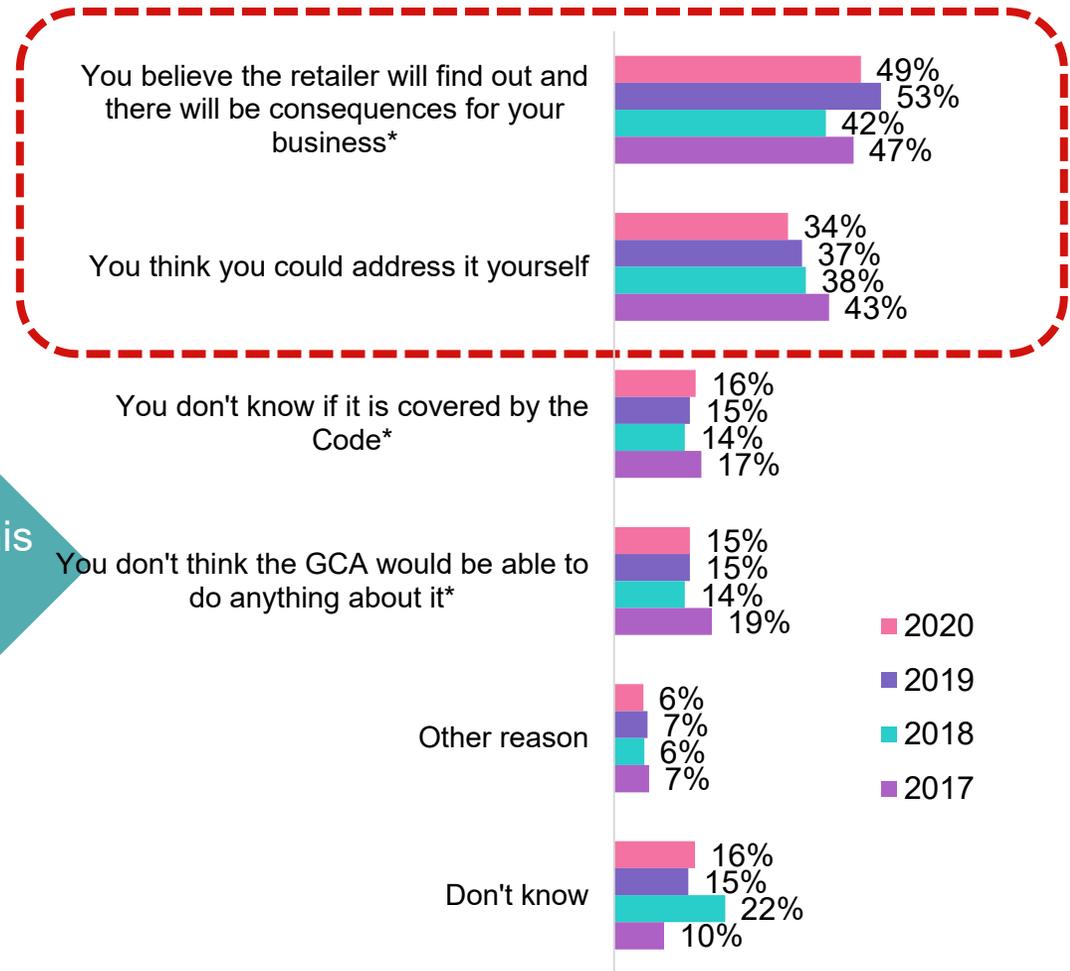
Understanding of the GCA's role & responsibilities



Why suppliers wouldn't or aren't sure whether they would consider raising issues with the GCA



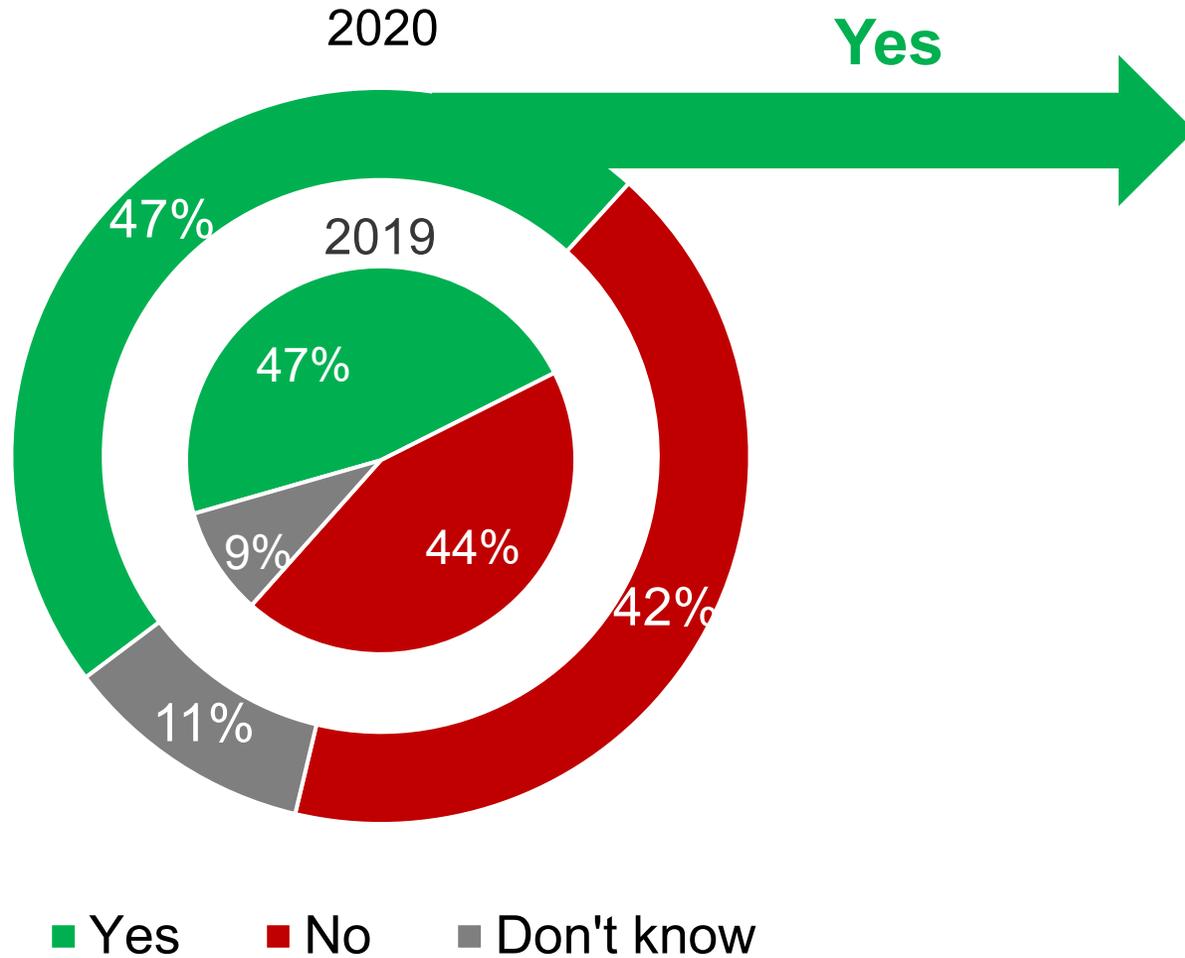
Among this 55%...



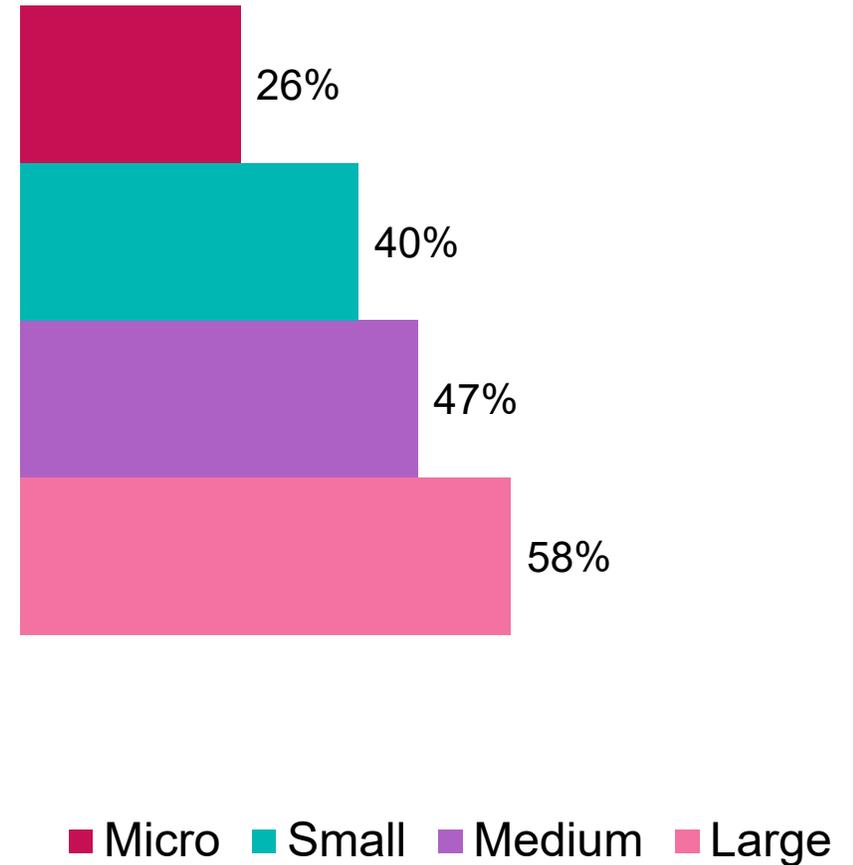
Training on the Code



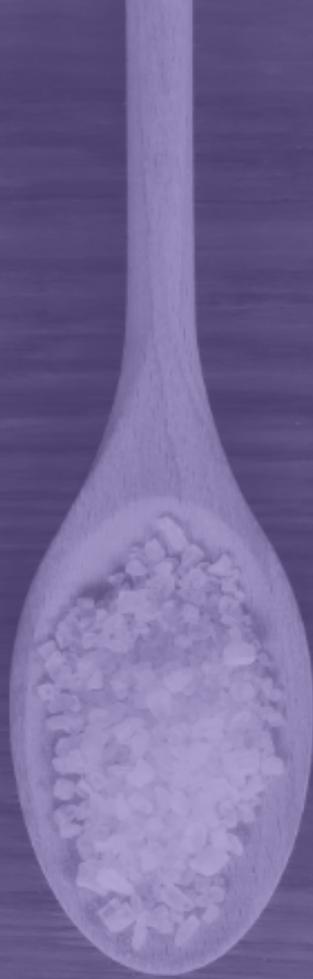
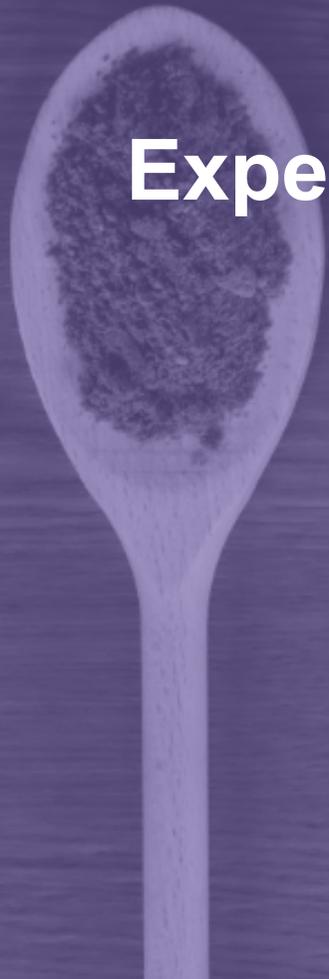
Have you received any training on the Code?



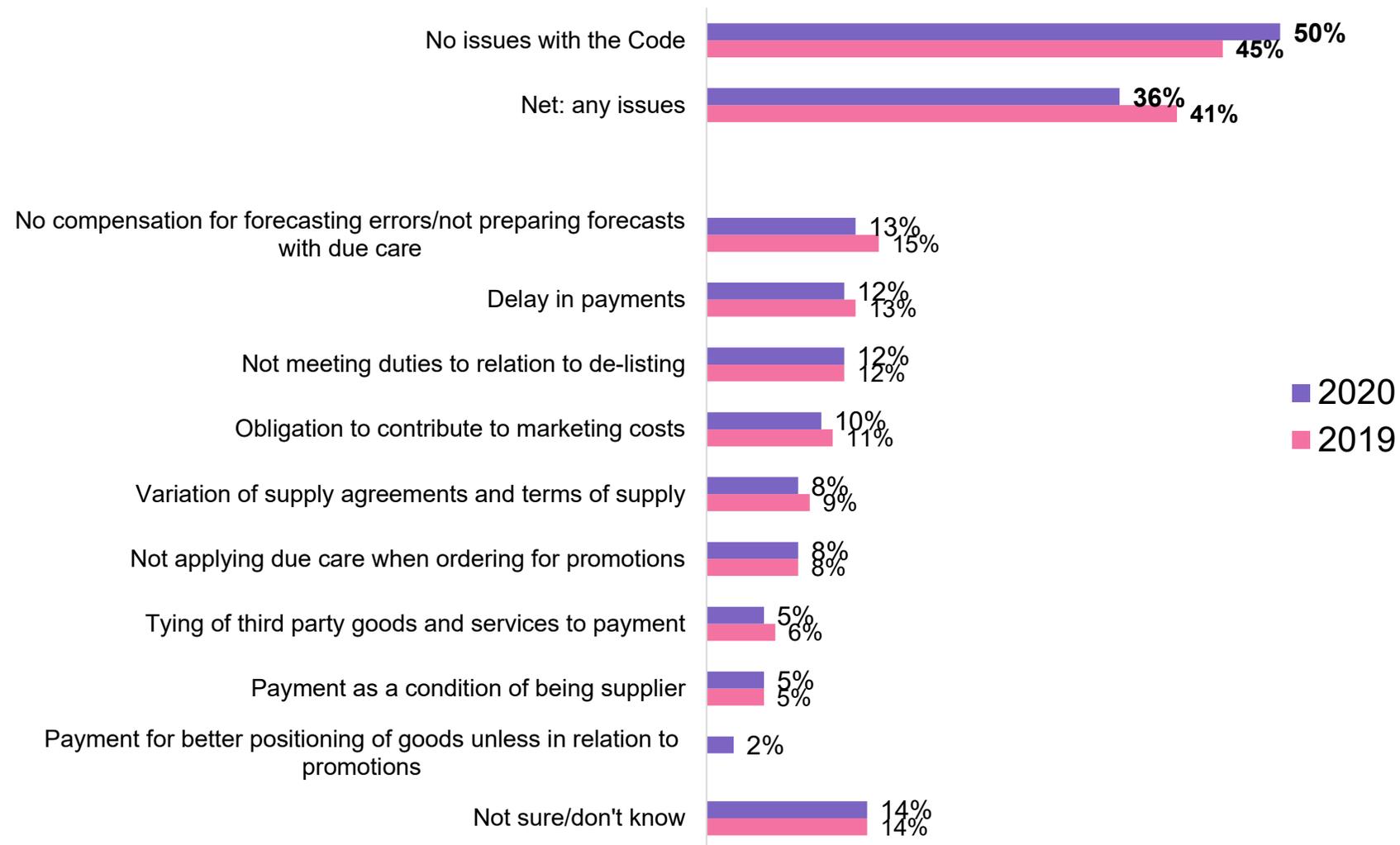
By supplier size



Experience of issues



Issues experienced in the past 12 months (in Code language)



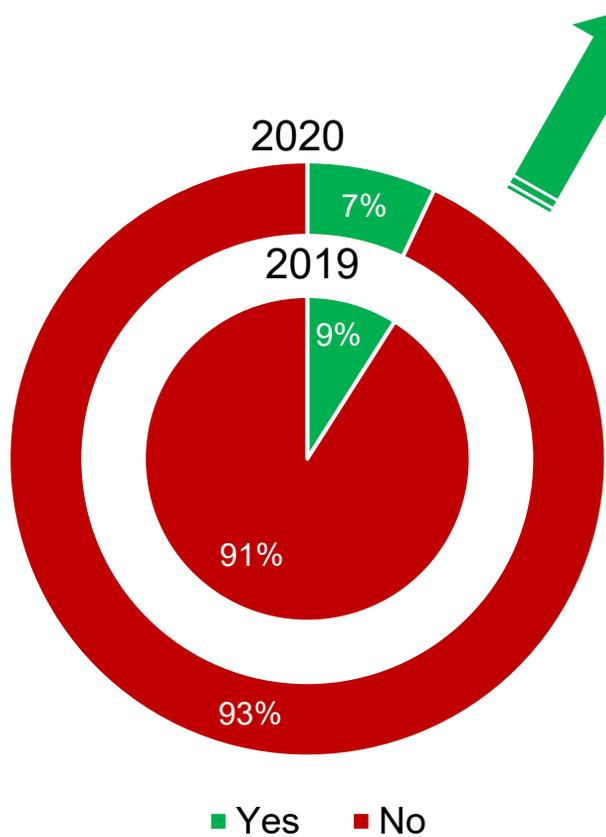
Of those who only experienced one issue, a quarter (25%) related to De-listing

Issues experienced in the past 12 months (in supplier language)

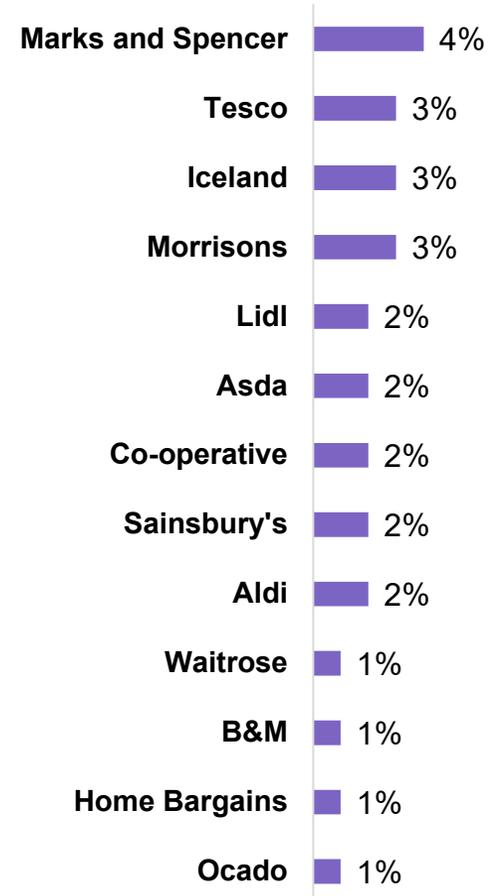


Raising issues with a retailer in the last year

4% of micro, 9% of small, 7% of medium, 4% of large direct suppliers



About which retailer? (as a % of their suppliers)



Code-related issues experienced by direct suppliers (by retailer)

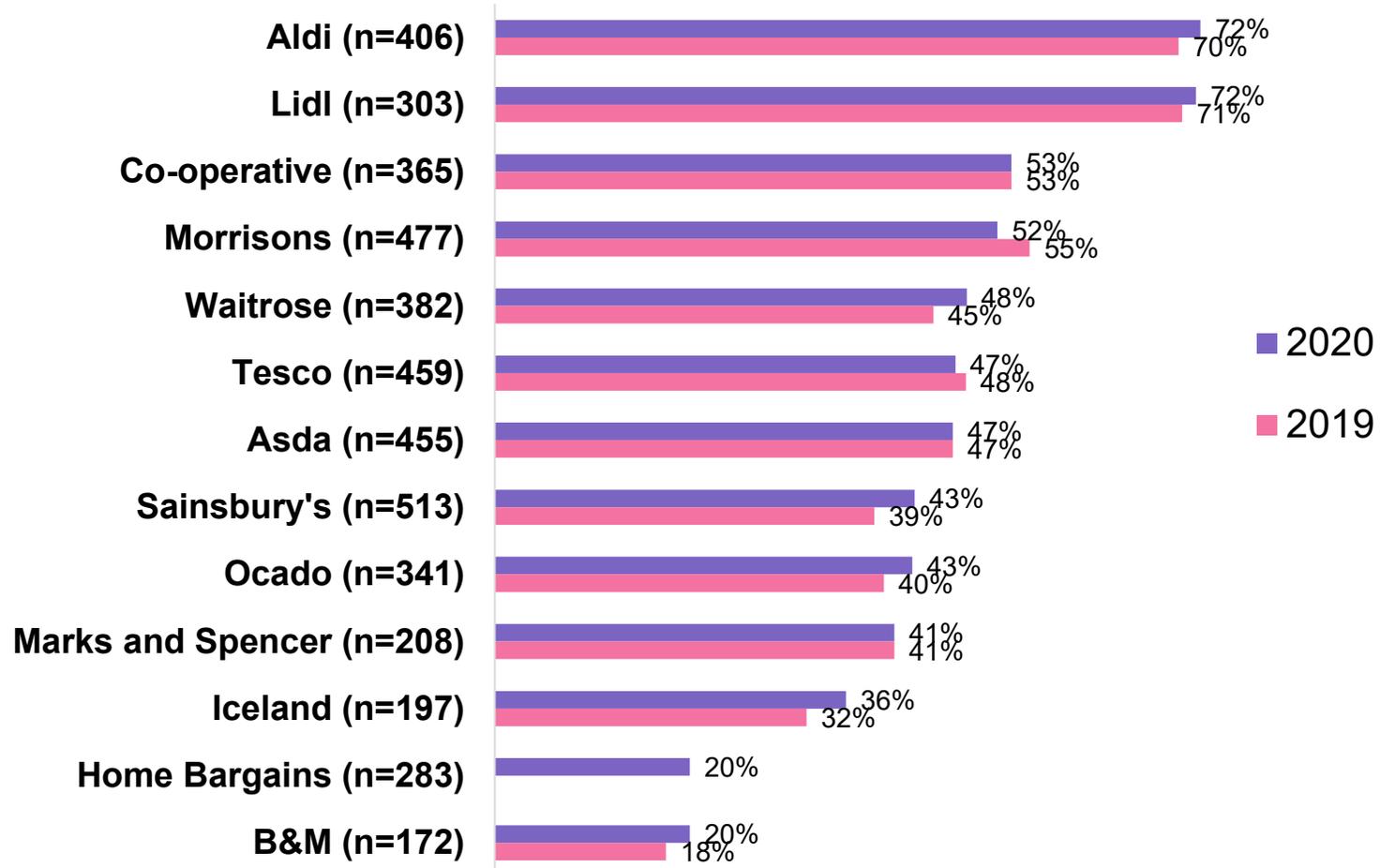
	Retailer 1	Retailer 2	Retailer 3	Retailer 4	Retailer 5	Retailer 6	Retailer 7	Retailer 8	Retailer 9	Retailer 10	Retailer 11	Retailer 12	Retailer 13
Incurring significant costs when cause is inaccurate forecasting by the retailer	5%	7%	2%	10%	4%	2%	5%	7%	8%	7%	7%	5%	12%
De-listing, including significant reduction in volume without giving reasonable notice	2%	6%	4%	6%	2%	8%	2%	7%	6%	5%	3%	3%	8%
Inadequate processes and procedures in place to enable invoice discrepancies to be resolved promptly	3%	2%	0%	7%	5%	1%	10%	6%	5%	5%	2%	2%	10%
Requirement to predominantly fund the cost of a promotion	4%	2%	1%	5%	8%	2%	1%	7%	5%	6%	0%	7%	4%
Not allowing time to challenge proposed invoice deductions, or deducting even if challenged	3%	2%	0%	4%	2%	2%	6%	4%	2%	3%	1%	2%	5%
Data input errors not resolved promptly	2%	1%	1%	5%	1%	1%	5%	4%	3%	3%	2%	2%	6%
Retrospective changes to supply agreements	2%	5%	1%	2%	2%	1%	2%	3%	4%	2%	2%	2%	6%
Undisputed invoices not paid according to agreed terms	1%	3%	0%	3%	4%	0%	6%	3%	3%	2%	1%	1%	3%
Variation of supply chain procedures without reasonable notice	1%	4%	1%	3%	1%	1%	4%	3%	2%	2%	1%	1%	5%
Drop and drive: delays in, or not receiving, payment when there are disagreements over deliveries	0%	1%	0%	3%	1%	1%	4%	3%	4%	3%	1%	1%	6%
Unfair, unreasonable or unexpected charges for artwork and design	2%	2%	0%	2%	0%	0%	2%	3%	2%	1%	8%	3%	8%
Unilateral changes to supply agreements/terms of supply by retailers without sufficient notice	2%	4%	0%	3%	0%	1%	1%	3%	3%	1%	2%	1%	6%
Running a promotional activity which varies from that agreed in length, positioning, distribution or type at supplier's cost	2%	1%	0%	4%	2%	1%	0%	3%	2%	2%	0%	1%	2%
Requests for lump sum payments relating to retailer margin shortfall not agreed at the start of the contract period	1%	6%	0%	3%	1%	1%	0%	3%	3%	1%	0%	2%	2%

N.B. Retailers have been shuffled and are NOT shown in alphabetical order

Example of how to read this table: for each issue:

- All issues that are 3% or lower are coloured green
- All issues that are between 4% and 6% are coloured amber
- All issues that are 7% or more are coloured red

Have a written supply agreement with these retailers?



Average across the retailers

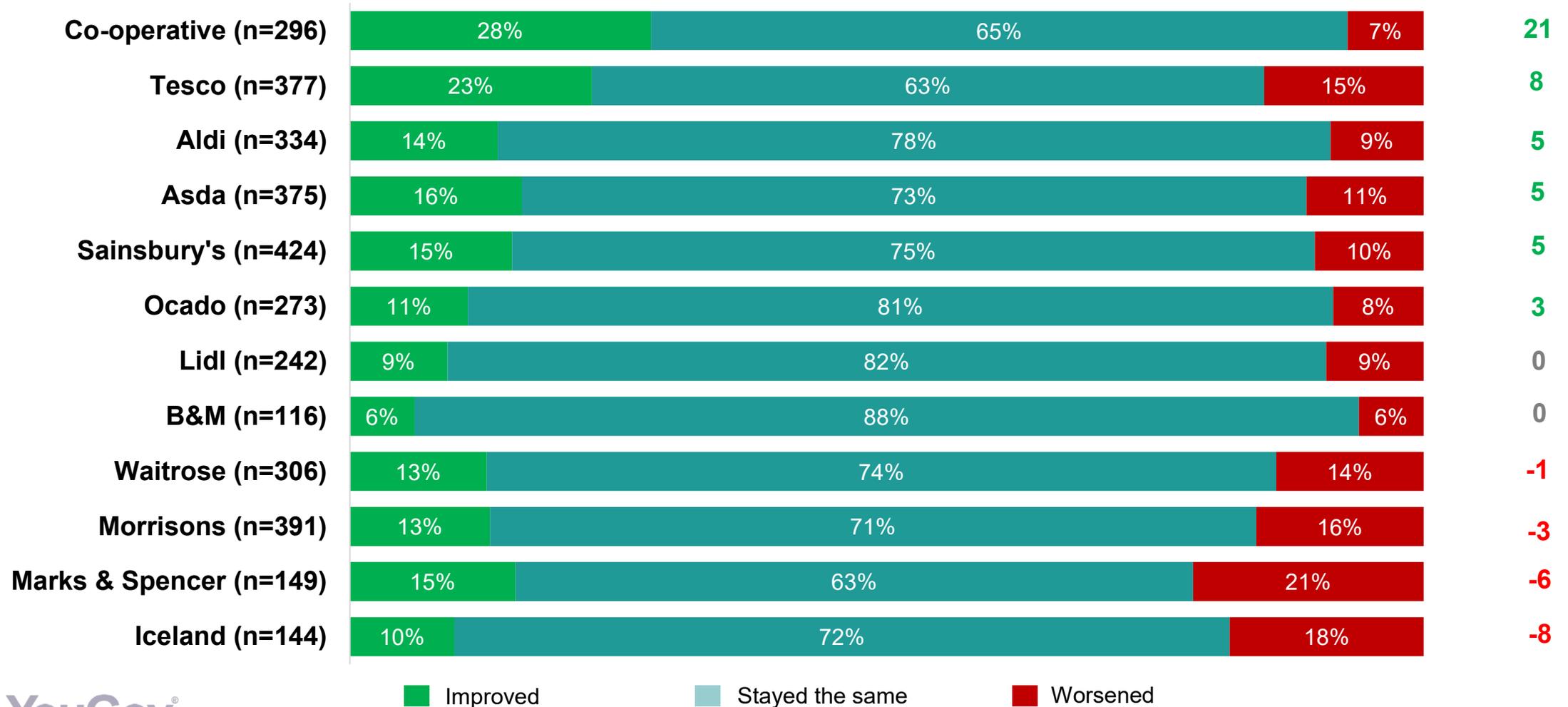
2020: 46%
2019: 47%
2018: 48%
2017: 47%

Overall assessment



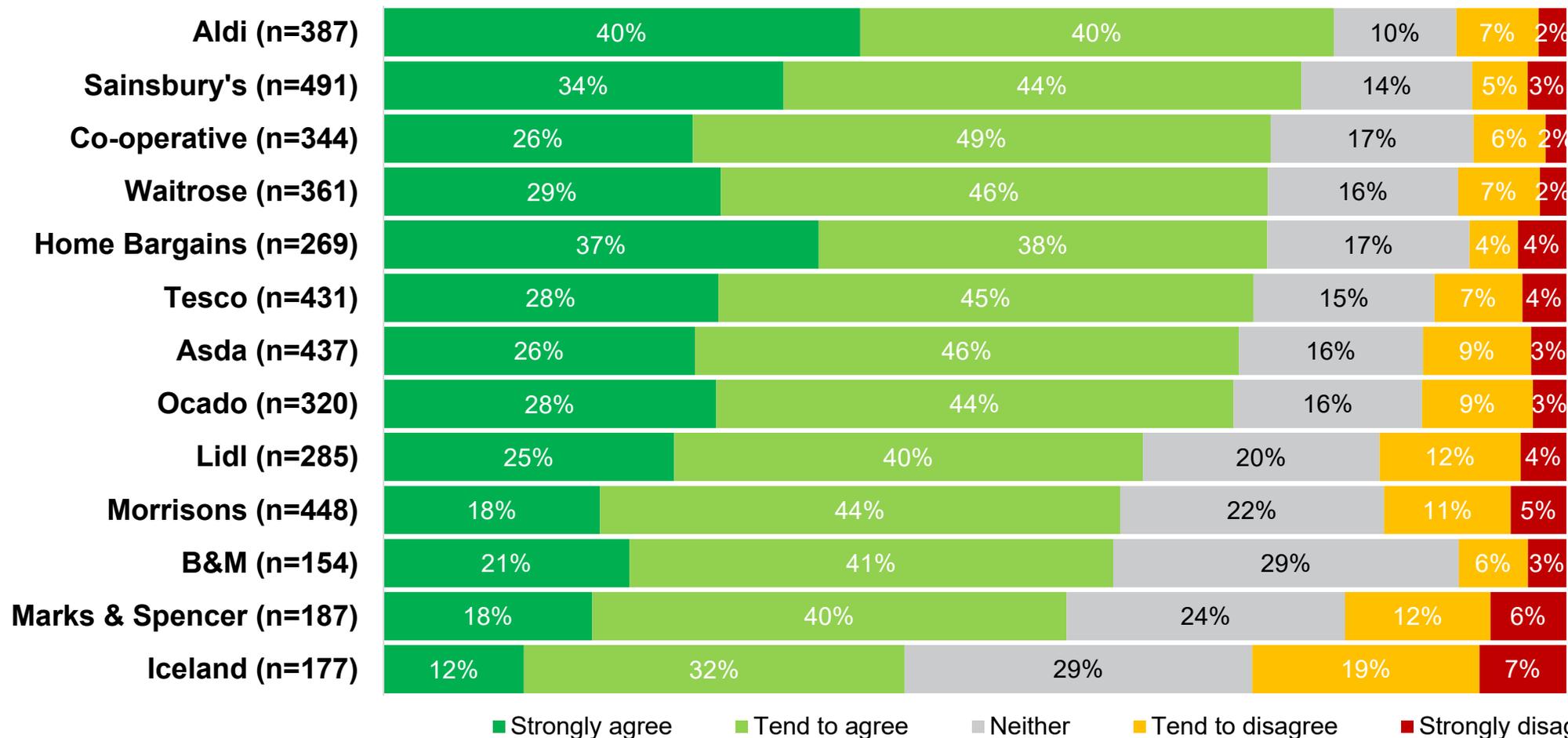
Change in retailer practice over the past 12 months

Net improvement score (2020)
(improved% minus worsened%)



Trading relationships with suppliers conducted fairly, in good faith & without duress?

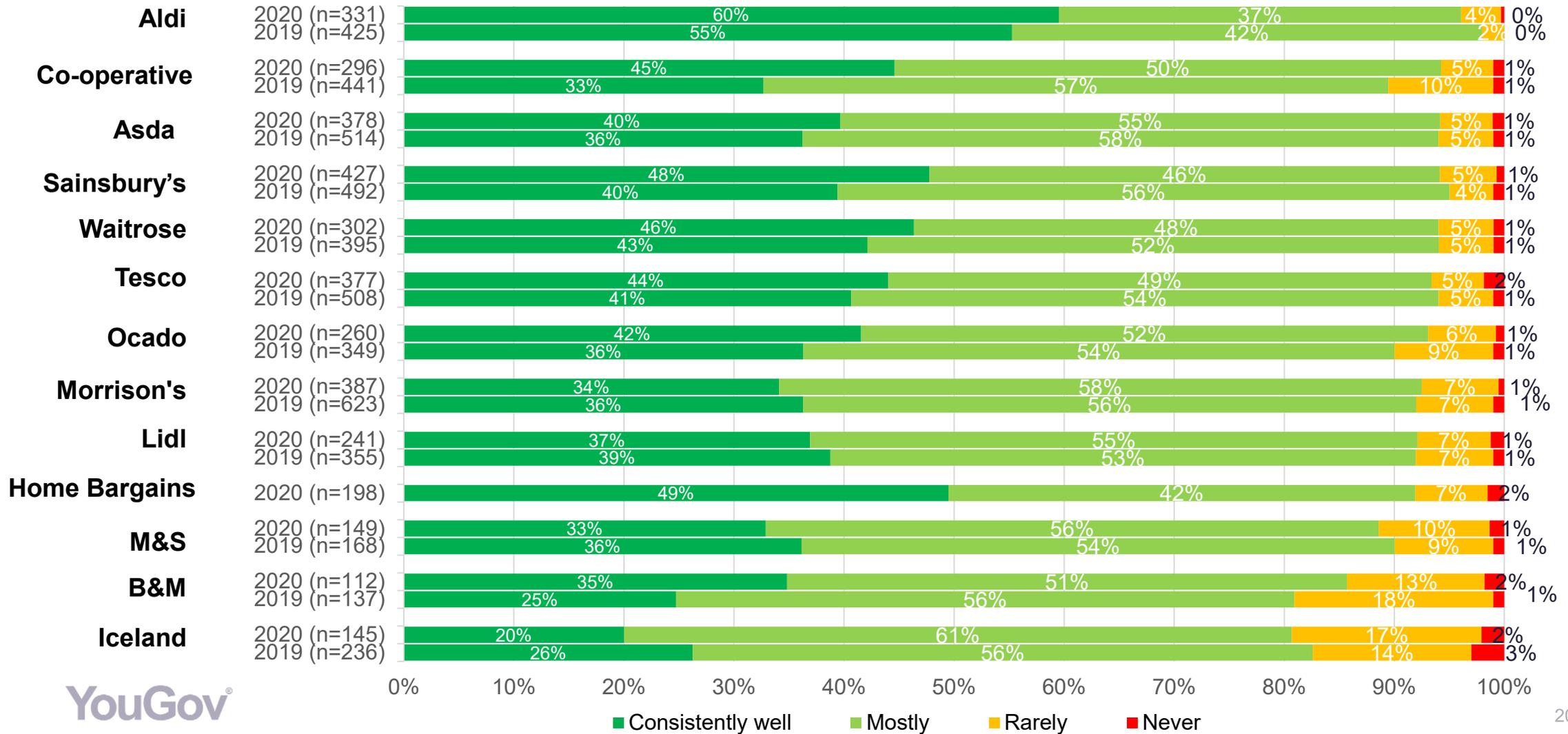
Retailers ranked by total 'agree' (to 2 decimal places)



Overall assessment of compliance with the Code

Direct suppliers commenting on the retailers they have supplied in the past 12 months

Retailers ranked by net 'consistently well' and 'mostly' (to 2 dp)



Q16. Overall, how well or not do you think these retailers follow the Code?
 Base: all direct suppliers who have supplied groceries to each retailer in the past 12 months and are aware of the Code, as indicated. Exc. Not sure.

Other comments

Comments made at the end of the survey covered many issues, including...

Many would like to see greater regulation of other retailers including Amazon, Boots, and Booker.

Others expressed a desire for more training on the Code, for both retailers and suppliers.

Smaller suppliers occasionally feeling that they are not offered sufficient protection in dealings with retailers

Concerns were raised by some over the impact of Christine Tacon's departure on the ability of the GCA to hold retailers to account.

A few comments related to concerns over retailer action during the Coronavirus pandemic.

Every stakeholder needs to do everything in their power to 'keep the code alive' - this means being proactive in training, developing capability and driving regular communications for retailers, suppliers and all broader stakeholder groups including the Government.

The Code is great in principle and getting better in practice. GCA and not the retailer should provide compulsory training in the code, removing the responsibility from the grocers on this as they clearly do not train buyers on what its really about.

I wish that the GCA was more visible in the press etc and sharing the concerns of suppliers about bad retailer behavior / practice. Be more visible. Be more aggressive. Call out bad behaviour!

The job is not complete. Christine Tacon has made a huge difference to the levels of collaboration, but with her departure the GCA must "go again" and not assume retailers will remain forevermore compliant.

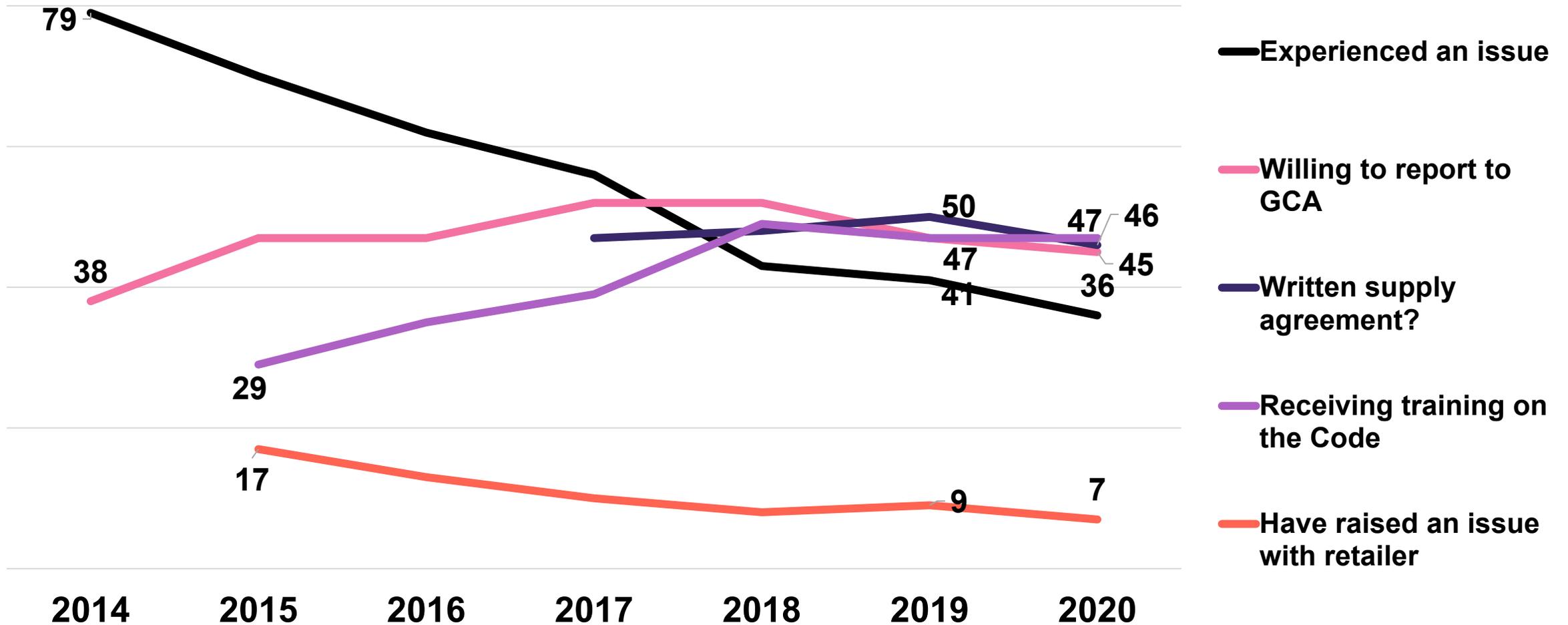
Branded businesses can on occasion operate like a retailer in the way they treat their manufacturing partners. We have seen instances whereby they operate in a significantly more aggressive way than retailers.

Amazon has started to behave in a way reminiscent of grocery retailers prior to the introduction of GSCOP and leveraging their position in the market outside of the GCA inappropriately.



Trends over time

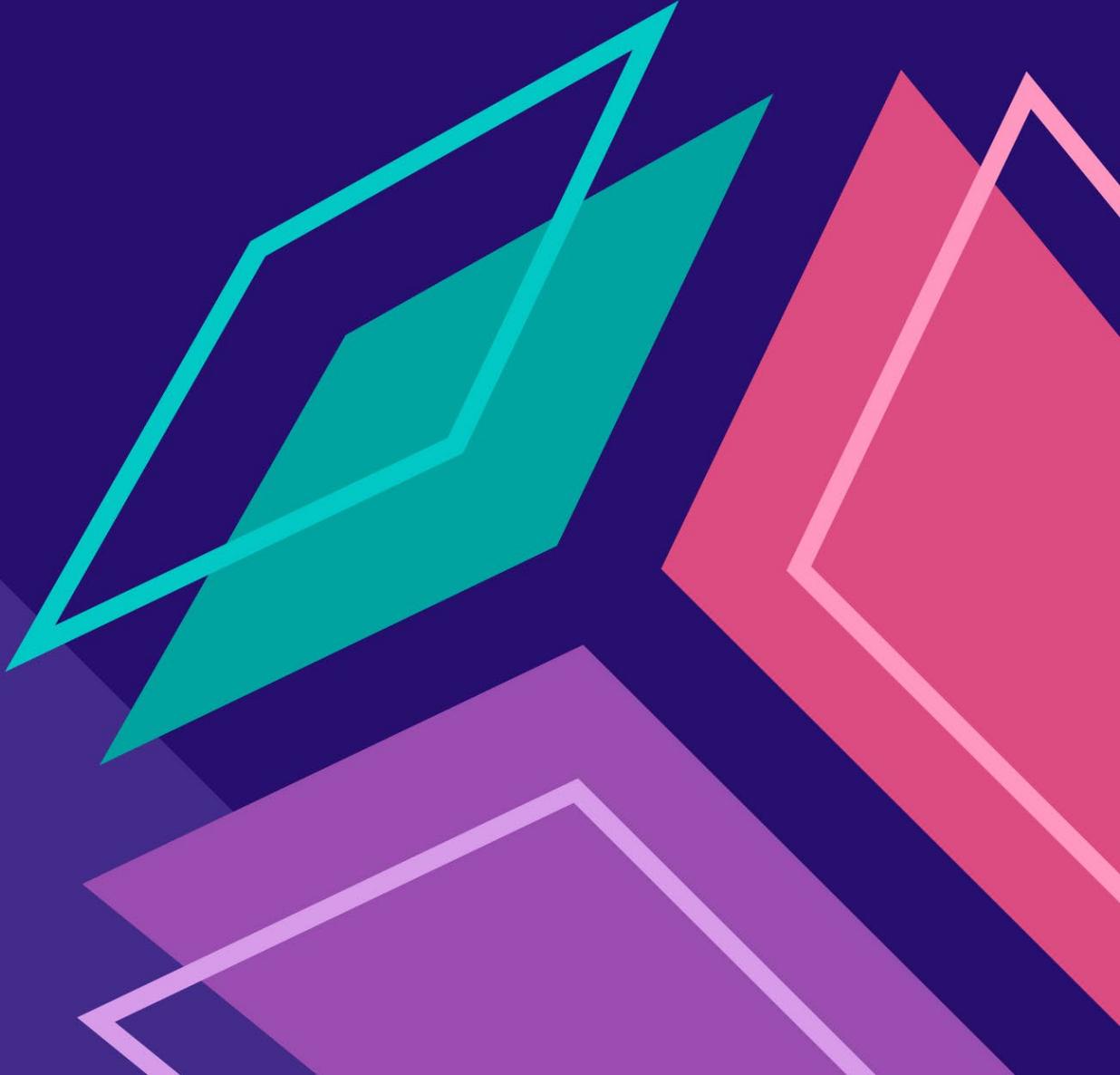
Selected key trends 2014 to 2019



Thank you for your attention!

**The best panel,
the best data,
the best tools**

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The background features several overlapping, semi-transparent geometric shapes. On the right side, there are three prominent shapes: a teal one at the top, a pink one in the middle, and a purple one at the bottom. These shapes are layered, with some appearing as outlines and others as solid colors. The overall aesthetic is modern and data-oriented.