Fighting Against Food Waste

UNDERSTANDING CONSUMER 'PICKING' BEHAVIOUR AND EXAMINING WAYS TO RE-APPROPRIATE FOOD WASTE WERE AMONG THE TOPICS DISCUSSED AT THE LATEST MEETING OF THE **ECR COMMUNITY SHRINK & OSA GROUP**, *WHICH TOOK PLACE IN DUBLIN IN NOVEMBER.*

How can retailers better understand consumer behaviour when planning their food waste reduction strategy? That was one of the key topics under discussion at the recent meeting of the ECR Community Shrink & OSA Group, which took place at Trinity College Dublin, in Ireland, in November.

Delegates from retail firms including Asda, Delhaize, Kroger, Aldi, Marks & Spencer, Tesco, Lidl, Waitrose and Kaufland, as well as suppliers, academics and industry experts, were in attendance for two days of discussion on measures to alleviate food waste from retailer supply chains. *ESM* was, once again, the media partner for the event.

One of the most striking things about the meeting – and, indeed, with all the recent Shrink & OSA Group meetings with which *ESM* has ben involved – is the level to which competitive pressures are parked at the door, with retailers and suppliers keen to work together to develop actionable insights in this area. Food waste is something that affects all retailers, and with UN Sustainable Development Goal 12.3 – which calls for a halving of global food waste by 2030 – firmly in mind, it is refreshing to see the eagerness with which the sector is embracing this challenge.

On The Ground

Day one of the meeting saw delegates pay a visit to Tesco Extra Liffey Valley, north of Dublin, for a deep dive into the retailer's approach to bakery and fresh-produce wastage, the store's daily routine when it comes to food waste, and charitable donations. Building on this, delegates paid a visit to the FoodCloud redistribution hub, where food from retailers (including Tesco) is collated and redistributed to charities and social initiatives on a day-to-day basis.

The afternoon saw an update from the six retail 'sharks' that participated in the last meeting, in Brussels, including Tesco, Sonae, Asda, Albert, Lidl and Delhaize, on their engagement with start-ups that are targeting the food waste agenda.

Much of this discussion is still in an 'evaluation' phase, however, there has been interest in the initiatives put forward by Contronics, Wasteless, Too Good To Go, Gander, Evigence Sensors and Whywaste. The next Shrink & OSA Group meeting is likely to see a further evolution of these discussions.

Retailer Insights

Day two kicked off with a fascinating presentation from Kroger, one of the world's biggest retailers, which shared how it is reducing food waste and improving shrink.

As noted by Troy Harding, director of asset protection at the retail giant, historically, teams were working in silos, and there was an opportunity to improve communication and collaboration with merchandising and other teams. In addition, the retailer was using outdated models of measuring where shrink was coming from in the fresh and centre store departments.

As Harding explained, for example, in the fresh departments, theft accounted for a small percentage of the shrink, but received the majority of the focus from a time and effort investment. The retailer identified that it needed to better balance its efforts between theft and operational rigour.

To address these issues, Kroger focused on "getting all the right people at the table together", Harding explained, and the retailer is now implementing a series of measures methodically, as part of a continuous project stream focusing on reducing shrink through stronger partnerships and collaboration, and taking a different approach.

Grabbing Behaviour

Assistant professor Karel van Donselaar of the Eindhoven University of Technology (TU/e) was next up, with a challenge for delegates: is it possible to assess the 'grabbing behaviour' of shoppers and plan your food waste reduction strategy around that?

Or, to put it another way, do shoppers buy an item presented to them at the front of the shelf (which, assuming stores undertake product rotation, is generally the shortest-date product), or do they reach for products at the back?

"Can we use consumer grabbing behaviour to facilitate better replenishment in store?" van Donselaar asked.

Analysis of this 'grabbing behaviour' has been successfully implemented at Jumbo in the Netherlands, using sales, inventory and waste data. The retailer was able to determine that 40% of shoppers buy items at the front of the shelf and devised a strategy around this that has enabled it to cut its fresh-produce food waste by 8%.

"Can we use 'consumer grabbing behaviour' to facilitate better replenishment in store?

Karel van Donselaar
Eindhoven University of Technology

Further Uses

Using food waste in new-product development opportunities has been a recurring theme throughout many of the Shrink & OSA Group meetings, and at the Dublin meeting, the Meade Potato Company shared its insights on how it has sought to turn the waste problem into an opportunity.

The company has sought to address waste through several methods: developing a range of convenient product options for consumers, such as pre-peeled chipped potatoes; redirecting product to animal feed; and, more recently, investing in a food-grade starch extraction process that the company believes will offer valuable and sustainable import substitution for manufacturers requiring starch. ■

The next ECR Shrink & OSA Group meeting takes place on 24 and 25 June. For details, visit www.ecr-shrink-group.com.