



**Lorna Gloria**  
Managing Editor  
*Retail World*

## Dear readers,

**N**ew financial year, new goals.

The grocery market is experiencing a shift in the competitive landscape as retailers outline their objectives for the year ahead.

Following its update on its operating model review, Woolworths announced its results for the 2016 financial year. Australian food sales for the year were \$34.8 billion, a decline of 0.2 per cent on the previous year.

The key priorities for Woolworths include:

- Regaining competitiveness: lower prices, better service, fruit and veg, and improved store experience.
- Customers noticing the difference – record voice-of-customer scores in food.
- Strong customer response to new-format stores.
- New operating model moving shared services closer to stores and customers.
- Cultural change underway, with team engagement improving.

Wesfarmers also announced its results for the 2016 financial year, with Coles division sales at \$39.2 billion (an increase of 2.7 per cent on the previous year). Food and liquor sales came in at \$32.6 billion (an increase of 5.8 per cent on the previous year), while convenience sales came in at \$6.7 billion (an increase of 10 per cent on the previous year).

The food and liquor highlights for Coles include:

- Lowering the cost of the weekly shop for customers.
- Fresh offering continues to drive growth.

- Continued investment in service.
- Building long-term supplier partnerships.
- More efficient supply chain.
- Simpler and smarter stores.
- Extending convenience with Coles Online.
- Leveraging flybuis to deliver better value.
- More value through Coles Financial Services.

SPAR Australia Managing Director Lou Jardin provided an update on SPAR's performance, saying that the business has maintained a good momentum in the past 12-18 months. He also acknowledged that independent retailers have felt the effect of ALDI and Costco's expansion in the Australian market and the need for retailers to upskill themselves to remain competitive.

IGA Inc CEO Mark Batenic speaks to *Retail World* on his extensive career in grocery, and draws comparisons between the Australian, US and Chinese markets.

Private Label Manufacturers Association CEO Bill Trainor provides an update on the private-label market: the increasing demand for premium private-label offerings in the UK, the consolidation of 'entry'-tier offerings in the Australia-New Zealand markets, and the optimisation of 'mid'-tier offerings.



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