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**SWOT of Wholesale Markets as  
outlet for production: reciprocal  
expectations from wholesalers  
and producers to tighten their  
links**

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# Introduction

- Opportunity to analyse the situation
  - Adequate framework
    - WUWM Conference
    - 40 anniversary Rungis Symposium
  - Participation of professionals, academics and other expertise

# Methodology of analysis

- We are in a very dynamic world
- Answers to questions should be dynamic
- Historical evolution: past-present-future
- Competition has changed from companies to food chains
- Need to analyse with benchmarking and SWOT

# The past

- Wholesale markets are linked to the trade in the world
  - Strategic position in the food chain
  - Great bargaining power over producers and retailers
  - Asymmetry in the behaviour
    - Preference towards retailing
    - 2005 Baltimore declaration including Retailer Committee
    - Need to look after the suppliers: food safety and security



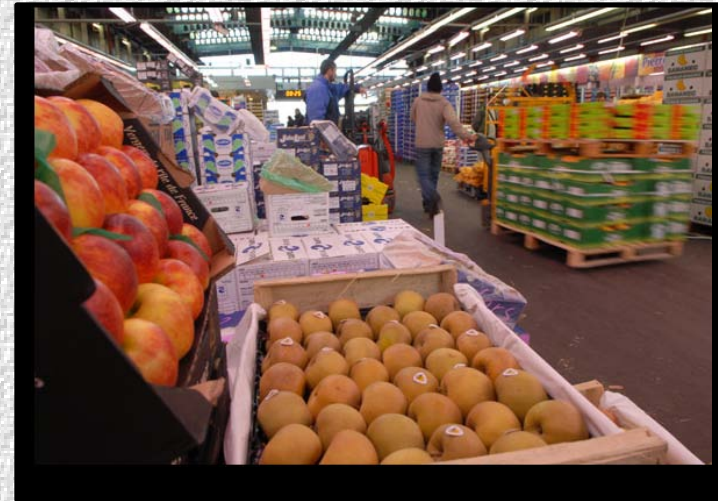
WUWM experience  
accumulated since 1958

Capacity to respond to  
significant challenges:

Since 1970 fast urbanization process  
2004: Guide of Good Practices in  
Wholesale Markets  
WTO: Liberalization process

# The present (I)

- Decision challenge between alternatives
- Globalisation versus localization
- Globalisation requirements
  - Traceability, quality control and logistic
  - Complex transmission process
  - Intensive use of ICT
- Localization characteristics
  - Proximity to final consumer
  - Lower energetic foot print
  - Lower contamination



# The present (II)

- Dynamic integration activities
  - Great Retailers and producers
  - Producers – Wholesalers – Restaurants – Catering
- Higher information and transparency with ICT
- Marketing innovation through brands
- Increasing importance of formation in human resources
- Traditional relationship gives confidence

# The future (I)

- Challenge to identify new functions and activities
- Add value highly appreciated by final consumers
- Capture the added value
- Positive image towards society
- Maintain the relationship with SME's in production and retail
- Reduce transaction costs
- Adaptation to internalisation process
- Customize the transaction activities

# The future (II)

- Maintain the Wholesale Markets (WM) as references in the Food Chain
- Become prescriptors (advisors) of producers and retailers
- Facilitate market window in different WM
- Intensify studies in price forecasting, food safety and security
- Coordinate innovation activities between WM
- Higher competition and cannibalisation process

# SWOT matrix

## STRENGTHS

- Positive consumer attitude to Mediterranean Diet
- Traceability applications
- Good ratio quality / price in commercial transactions
- Capacity to select suppliers with low energy and carbon footprint
- Market price leadership

## WEAKNESSES

- Lack of confidence
- Low application of standard contracts
- Price instability and lack of forecasting
- Low level of vertical integration backward and forward
- Inadequate capacity to adopt ICT
- Low activity in trademarks

## OPPORTUNITIES

- Positive trend in F & V consumption
- Reorientation of CAP towards increasing F & V demand
- More attention to F & V in EU research projects
- Innovation of post-harvesting technology
- Joint venture in promotion and innovation activities

## THREATS

- Increasing activity of parallel channels
- Isolation of virtual markets and e-commerce (B2B)
- Structural changes in WM with cannibalisation process
- Low innovation
- Risk to be manipulated by outsiders in price formation
- Financial crisis brings additional problems

# Conclusions (I)

- Coming future with crisis scenario
  - Threats
  - Opportunities
- Producers and retailers are in a deep structural changing process
- External and internal factors will increase their role in WM performance
- Market regulations and CAP may change the food chain scenario
- New organization patterns in net chain value

# Conclusions (II)

- Wholesale markets (WM) have to pay attention to:
  - Structural changing process
  - Outsourcing activities: which and how
  - Adoption of ICT will be determinant
  - Increasing the confidence through transaction activities, image and marketing strategies
  - Opportunity to adopt new roles (prescriptors)
  - Research and formation of professionals
  - New commercial forms (e-markets, B2B, B2C, B2B2C)

# Conclusions (III)

- Opportunity to adopt new roles (prescriptors)
- Research and formation of professionals
- New commercial forms (e-markets, B2B, B2C, B2B2C)
- Stimulate new relationship with producers:
  - Win-win strategies at long term
  - Information
  - Transparency
- Last but not least coordinate the new changes at national and international level (WUWM)

Thank you for your attention

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