

Reimagine feeding families



How digital technology creates the potential for radical change in the grocery market.

Digital technologies create the potential for radical change in both the grocery market and the way state benefits are managed, says Mark Essex. Combining these two ideas could help improve the nation's diet, cut public spending and food waste, and diminish the need for foodbanks.

In Britain, according to a 2015 House of Lords inquiry, we throw away 14m tonnes of food every year. Yet many people don't have enough to eat, and many food banks say they're experiencing fast-rising demand. This is outrageous.

I think there is a way through this.

In January this year I shared my vision for [a new business model](#) for grocers. It would see families avoiding the hassle of the weekly shop, menu planning and making shopping lists. Instead, they would have a grocery subscription. Families would pay a monthly fee to receive regular food deliveries, tailored to fit their lifestyle, preferences and weekly schedule, and delivered in reusable packaging to cut costs and protect the environment. The idea is essentially a comprehensive version of the vegetable boxes now available. I think it's the future for time-poor households.

In our recent piece on [benefits sacrifice](#), Bethan Ferguson and Ian Gravestock described how using government's buying power could help benefits claimants get a better deal on energy and other bills. The idea involves people voluntarily sacrificing some of their benefits, enabling the government to aggregate their buying power and access bulk discounts. The savings would then be shared between individuals and the taxpayer.

What if we applied that thinking to food, and persuaded retailers to develop a food subscription package for every budget? What if retailers took advantage of eliminating inventories and lower transaction costs to offer a special deal to families in receipt of means-tested benefits? Of course they'd have to allow for specific dietary requirements, but a more standardised package would be a strong incentive to offer discounts.

If retailers could produce a monthly food subscription for, say, £200 per month, then the government could offer predictable sales volumes contracted in advance. This could be worth a further discount, enabling government to offer that subscription to families in exchange for a benefits cut of, say, £150 – whilst keeping enough of a saving back to return something to the taxpayer.

Maybe the retailer could include some vegetables which don't meet the most demanding customer requirements? I'm heartened to see a market developing for 'wonky veg boxes'; in exchange for spending a few extra seconds peeling, families could access more affordable healthy food.

Talking of healthy, we frequently hear complaints that cheap food is often highly processed, with added sugar and salt. Could we take advantage of economies of scale and predictable demand to provide healthier food for families trying to feed themselves on small budgets? We aren't talking about rationing – but some techniques from that era could be useful. If lots of people in a region are eating similar food subscriptions during a particular week, will we see TV programmes and recipes produced about how to make a range of meals with this week's ingredients?

What else is in it for retailers? Customer acquisition: if families like the food they receive and the service they're provided with, then as people move off benefits into work they may choose to sign up to the supermarket's regular or premium subscription models – and the retailer has recruited a customer.

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What's in it for families? Healthy food arrives each week, no matter what other demands are placed on the budget, and no debt is allowed to come above food in the pecking order. What's in it for government? Potentially, this has significant public health benefits, helping to tackle rising rates of obesity and diabetes. Reduced packaging could see a reduction in landfill and, perhaps, public refuse collection costs. And the concept could help to ensure that poorer families never find their cupboards bare, reducing the need for food banks.

Just because an idea makes sense, that doesn't mean it'll be taken up. But it's interesting to see how, if we follow a line of reasoning on the development of two very different areas of activity, synergies emerge that could produce further benefits. So we'll keep on thinking about how disruptors might apply digital technologies to address our social, public and political priorities.

Why? Because in a world in which we are becoming used to constant change and in which innovators can access crowd-funding and reach markets at scale through digital channels, new useful ideas can take hold very quickly: often, the only limiting factors are our ambition and our imagination.

If you would like to discuss this article in further detail please contact Mark Essex or email us at reimaginegovernment@kpmg.co.uk



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