



NEWSLETTER

AUGUST 2009

### WELCOME TO THE AUGUST NEWSLETTER – A QUICK EDITORIAL

Swine Flu remains dominant in the headlines so once again this month we have some information on the virus and how it is spread. Along with this we have all the regular features and an industry special on the results of a CHSA survey on the current and future expectations of the cleaning & hygiene market.

**UPDATE ON REGULATORY / LEGISLATIVE ISSUES:** Views are being sought on European proposals for a revised regime for regulating the placing on the market and use of biocides. Biocides include disinfectants, preservatives and pest control agents used to control harmful organisms such as bacteria, fungi and rodents. The Health and Safety Executive has launched a 10-week consultation on the European Commission proposal, which will apply directly in the UK and will eventually revise and replace the current Biocidal Products Directive (BPD) 98/8/EC. The new draft regulation proposes several important changes to the current approach to dealing with biocides. We will keep you updated on the results.

**PRODUCT NEWS:** As everyone is well aware the Kitchenmaster Reload products are packed in case sizes of 4x2Lt. However the Reload no.10, washing up liquid concentrate, has always been packed in 6x2Lt. Well this is now going to change and the Reload no.10 will be packed the in the same size case as all the rest, 4x2Lt.

### EVENTS & EXHIBITIONS:

- Next years ISSA / INTERCLEAN Amsterdam will be taking place on 26<sup>th</sup>-29<sup>th</sup> April 2010. It is one of the industry's biggest shows and is very popular so I am giving you plenty of time to get your hotels booked.

**SWINE FLU:** Swine Flu is not going away - there have been 83 laboratory confirmed cases in NI (as by 05.08.09) and a young woman became the first person in the Republic of Ireland to die after contracting Swine Flu. Flu viruses are transmitted in a number of ways. There is contact transmission which can be either direct (by touching an infected human) or indirect (by touching an object that an infected human touched). Droplet transmission occurs when large droplets are generated by sneezing, coughing or talking.

Germs can survive on different surfaces for varying lengths of time; according to NI Direct government services, Swine Flu can live on hard surfaces for up to 4 hours and on soft surfaces for up to 20 minutes.

According to the Department of Health, Social Services and Public Safety Northern Ireland (DHSSPSNI) the best thing you can do to protect yourself against Swine Flu is to follow good hygiene practices. When you sneeze or cough it is especially important to:

- Always carry tissues
- Use clean tissues to cover your mouth & nose when you cough or sneeze
- Bin tissues after one use
- Wash your hands with soap and hot water or a hand sanitising gel often

According to the Health Service Executive Ireland, hard surfaces, such as worktops, door handles etc, should be washed regularly with a 'normal household cleaner' as the virus can live on these surfaces. Kitchenmaster have a whole host of hard surface cleaners available both with and without a biocide.

**INDUSTRY NEWS:** Since 1966 CHSA (Cleaning & hygiene suppliers association) has conducted biennial benchmarking surveys on behalf of its distributor members. Recently the CHSA commissioned a comprehensive research study into the current and future expectations of the cleaning & hygiene market. The research objectives of this survey were to examine service requirements, current purchasing patterns and assess any future trends. In total 415 respondents were interviewed across 8 different sectors including commercial, contract cleaning, food processing, food service, healthcare, lodging, industrial and retail sectors. If you wish to read some of the results please see appendix 1.

**AND FINALLY....**Top Gear is coming to Belfast to do an Italian Job in the city's sewers, which are being updated in a multi-million pound project. The show's presenters, along with 'The Stig', are expected to film their latest stunt in the city over the next few weeks. Previously, the intrepid Top Gear trio have raced across the Channel and explored America's Deep South — but their Belfast sewer adventure will be their first underground shoot. Basically what they want to try and do is emulate or recreate that famous scene in the Italian Job, where the Minis are escaping from a heist in Turin and they end up doing a loop-the-loop in the sewers.

**PURCHASING** - Over 90% of respondents purchase paper hygiene products, cleaning equipment & cleaning chemicals. 70% of respondents purchase laundry and dishwash detergents and 54% purchase catering disposables. On average 36% of respondents purchase monthly, 28% purchase weekly and 18% purchase every 2-3 weeks.

**ANNUAL SPEND:** 63% of respondents provided information on annual spend on cleaning supplies and paper disposables. The survey found that the food service organisations were the largest spenders (£33,348 in total per year) closely followed by the food processing sector (£31,656) and the contract cleaning sector which spends £31,548. The lowest spenders are the commercial, industrial and retail sectors, spending less than £4000 per year.

**SERVICE** - In terms of service levels expected from suppliers, 65% of respondents wanted to build a relationship with suppliers able to offer value added support. 25% wanted to obtain the best possible price for items needed and nothing else and just 10% of the sample provided a different answer.

Respondents were asked, unprompted, to define their ideal supplier based upon product range and quality. A wide product range (28%), specialist sourcing (4%), product effectiveness (20%), price (20%), value for money (3%), quick delivery (8%), good stock levels (10%), on-time delivery (7%) and reliability (7%) were the most common answers.

Price stability was rated essential by 53% of respondents and very important by 40%. A wide range of products was also deemed essential. A website showing the whole range was seen as essential by 19% of the survey and as very important by 28%. 43% of the sample would like to be able to go online to research products and obtain information.

With regards to back office support, an accurate order placement system was deemed essential by 60% of the sample and an easy to use ordering system was stated to be essential by 53% of respondents. Informing customers promptly if there is a problem with an order was seen as being the most essential. An easy to use payment system was also considered essential by 44% of the survey.

**BRANDS:** The survey results indicate that effectiveness, price and familiarity play a large role when it comes to deciding which brand to buy. Brand names, promotions and environmentally friendliness play a smaller role. The majority of respondents prefer specialist commercial brands as opposed to value and consumer brands and the popularity of these products increase with annual

spend. Reasons behind this popularity are primarily focused upon quality, price and effectiveness. Other perceived benefits include value for money, supplier recommendation and bulk buying.

**SUPPLY SOURCES** – The majority of respondents currently purchase from specialist janitorial distributors (49%). 16% of the sample only purchase from distributors used for other supplies and just 1% only purchase from cash & carry outlets.

Loyalty appears to be strong across all sectors, with 45% of respondents having used their main supplier for more than 5 years. 44% have not changed their supplier for over 3 years and only 4% have changed in the past 6 months.

The main factor driving supplier change is price (37%). This is followed by service levels (11%), product quality (10%), poor delivery (6%) and change of management (4%). Price is also the main factor that attracts customers to new suppliers, with 33% switching to their current supplier based upon this. Other factors include better service (10%), delivering to a specific area (8%), better products (8%), wider product range (7%), helpful staff (6%) and representatives.

**ORDERING & PAYMENT METHOD:** Over half of the respondents currently prefer to order via telephone with just 13% preferring fax and 8% preferring to order face to face with a rep. 14% currently order online and 19% would prefer to do so. When it comes to payment methods 75% has a credit facility and 73% prefer to pay that way. Just 4% pay via debit or credit card at point of purchase and 3% currently pay via cheque. A small remainder of the sample currently pay either by BACS or cash on delivery.

**DELIVERY EXPECTATIONS:** Deliveries matching the order (68%) and reliable service (65%) were deemed essential by the survey. 49% of the sample said that accurate delivery dates and times were essential and 44% deemed deliveries at suitable times as essential.

**CUSTOMER SUPPORT EXPECTATIONS:** Respondents were asked, unprompted, to define their ideal supplier based upon customer support. Answering the phone during office hours (12%), fast telephone response (6%), good support (7%), good product knowledge (10%), helpful staff (7%), friendliness (5%), a single point of contact (6%), reliability (6%), able to solve queries (5%) and good communication (7%) were popular responses. The personal touch remains crucial with 44% deeming it as essential and 40% believing it is very important that they are provided with contacts who understand the needs of their business. 30% thought it was essential to have training on the correct use of their products.