

## Whole Foods link through in London

30 Jun 2007 by Nick Lander/ FT

Upstairs, the simply-named, eating-in floor of the 80,000 sq ft Whole Foods on High Street Kensington, seats 350 which makes it one of the largest café/restaurants to open in London this year irrespective of the two vast floors of food retail beneath it. And it was there shortly before it opened that David Lannon, President of the North Atlantic region of the Texas based company, outlined their systematic approach to opening in the UK.

"We bought Fresh & Wild, a small, organic food company, a few years ago and since then we have watching as the British appetite for organic produce has grown and developed. There have been numerous challenges along the road such as a fire in our former head office, the fact that Tesco have a range of their own label food called Whole Foods, sensitive negotiations with our neighbours regarding delivery times and that we are obviously not the first retailer in this market."

As two painters behind him put the finishing touches to the sign above 'The Barley', their pub which naturally only sells organic beers, Lannon explained one of the key differences in Whole Foods business model between the UK and the US. One that, surprisingly perhaps, has nothing at all to do with the organic movement.

"The eating-in aspect of this branch of Whole Foods is much more significant than anything we have ever done in the US because of the relative ease of acquiring a liquor licence here rather than in the US where it is difficult in certain states and impossible in others. We simply could not do anything like this back home," Lannon explained.

As a result, although the initial publicity concentrated on price comparisons between Whole Foods, M&S, Waitrose and Tesco this new store in fact owes more of its inspiration to the more established London department stores where restaurants and cafes sit side by side with their bountiful food halls. Fortnum & Mason's five restaurants will seat 600 by the autumn; the Fifth Floor at Harvey Nichols seats 450 but both are dwarfed by what must be the biggest restaurant in town, Harrods, where 28 different eating places can accommodate 1,839 shoppers at any one time.

In these settings, both sides, selling and serving food benefit from their proximity. The retail side benefits from the greater volume, and therefore lower unit costs that comes from buying for the kitchens as well, while the chefs, unlike their counterparts in individual restaurants or even hotels, have the benefit of highly professional in-house buyers as their colleagues. In practical terms it can mean that any fruit or vegetables that may not be aesthetically pleasing enough to sell off the shelf can be handed over at the close of the day for tomorrow's soups or salads and the butchery department can find a home for the sausages and burgers that are invariably left over when a carcass has been stripped of the fillet, ribeyes and rumps which invariably sell first.

In practice, this is often not so easy as the two departments may simply not get on and there is a finite capacity to the stews, casseroles or chowders, made from the less expensive cuts of meat and fish, that can be sold in the summer. But creating as many as possible of these 'link throughs' or 'link sales', as they are known in the trade, is the key to this type of business according to Dominic Ford, who created the Fifth Floor at Harvey Nichols and plans to launch two new foodmarkets, Food. Inc in west London later this year and Union Market in Islington in 2008. Such potential synergy can come from the most unexpected quarters, as he explained to me. "When Simon Hopkinson was at Bibendum restaurant he used to come in to buy veal and I realised that we had the meat, the butchers and the vans delivering to our private customers to develop this further. Pretty soon we were supplying 35 restaurants with their meat," Ford added with a smile.

Whole Foods' management may well stumble across an equally unexpected and profitable 'link through' but in the short term there are certainly numerous ways in which to take advantage of their enormous and well-directed buying approach.

On the ground floor, between a large wine department (where not all the wines on sale are organic) and their temperature-controlled cheese room is a small wine bar where one can sample the produce from either department. Far more significant, however, in terms of generating sales and the vital synergy between retail and the kitchens, are the three large banks of counters in the middle from which customers can help themselves to a vast array of prepared food. These counters go a long way to justifying Whole Foods choice, and expensive but well-judged conversion, of this former Barkers store. It is particularly well placed to appeal not just to those who work and live close by but also to anyone heading off to Kensington Park or stopping off, pre-concert, en route to the Royal Albert Hall.

Upstairs incorporates one large self-service counter which serves pasta, pizza and salads, separate stations for ice-creams, crepes and waffles and a juice bar. But the more distinguished cooking is set around three separate counters which serve shellfish and seafood, dim sum and sushi and a range of Mediterranean small dishes (although in true American fashion the portion sizes tend to be large).

At each of these counters intelligent design allows their relatively inexperienced chefs to deliver pretty good food from the outset as a lot of the preparatory work is obviously done behind the scenes and the cooked food has only to travel a brief distance between the kitchen range and the customer. Ham croquetas and salt cod fritters arrived piping hot while the grilled halloumi had not yet turned to the rubbery consistency it easily acquires from waiting around too long in the kitchen.

On my way out I bumped into Lannon, characteristically wearing a badge announcing him as Dave, and told him how good in particular the spiced lemons with the salt cod and the drunken raisins - macerated in red wine, olive oil and vinegar - that accompany the Welsh lamb kebabs had been. He said that these were on his list for the kitchen to produce in enough quantity to be sold in the store, another potential 'link through' in the making.

But a much more long-lasting effect has already occurred in the marketplace in which Whole Foods and a smaller competitor, The Natural Kitchen, which has just opened in Marylebone High Street, have chosen to operate. Talking to a number of committed growers, producers and farmers they are thrilled to see the arrival of Whole Foods in particular. "They are definitely going to up the ante for consumers," said one who preferred to remain nameless. "I think the major British supermarkets have become complacent over the past few years and have become takers rather than givers on the back of the growing interest in organic food. That approach is going to have to change now."

**Whole Foods**, 63/97 Kensington High Street, London W8, 020-7368 4500.

**The Natural Kitchen**, 77/78 Marylebone High Street, London W1, 020-7486 8065.