

“Spar Natural will be present across Europe” Interview with Jesús Díaz

We talk to Jesús Díaz about Spar Natural, the store concept that saw him land the prize of International Convenience Retailer of the Year by NACS Insight.



Jesús Díaz and his family at a Spar Natural store

Jesús Díaz is a real veteran of the retailing industry. After creating his own chain of independent supermarkets in the Canary Islands (Spain) he decided to join the Spar family. Twenty years later, Jesús has an empire of 173 supermarkets and was named International Convenience Retailer of the Year by NACS Insight last June. The reason behind such recognition is the creation of the Spar Natural concept – a supermarket solely focused on organic products, healthy diet and alternative therapy.

You were recently awarded a prize for the best convenience retailer of the year in London during the NACS Insight event. What does this mean for you and your family?

It is a recognition to the work done by the whole team. We're very excited. It is the first time we've received such a prestigious award and it is a great honour for us.

How did you come up with the idea to develop Spar Natural?

We have already been developing this concept for two years. The European market for healthy products is growing by over 35%; in Spain by 20%. In the last year Spain has become the fifth country in Europe in consumption of bio products when just four years ago we were near the bottom. In addition, our clients started demanding certain products that were not available in the traditional Spar stores. Today there are many people who suffer from food intolerances.

We presented the project to the director of Spar International and, after receiving the green light, we got to work. Our team and (Spar) International worked together in this project and in January the first store opened its doors. The results are very good and customers are happy, reason why we have already opened a second store and are close to building another one.

Do you think this store concept, which focuses on natural and bio products, could be a success in other parts of Spain where there aren't so many foreigners?

As I was saying, the market is growing by more than 20% in Spain. It is not only tourists but also locals that are starting to worry about their health and to focus on healthy food. The second store that we've opened is in Las Palmas, the capital of Gran Canaria, where customers are almost entirely local and so far, it's been a success.

You also have online shopping available on the Spar Natural website. Are you experiencing good results in this segment?

We rolled out the online shopping option in February. So far, the total repercussion that it is having on our sales is quite small – about 2%. But we need to offer the service as we only have two shops in the island and many people live far away. We hope that online shopping will increase bit by bit.

The two stores include educational centres for alternative therapies. Are they inherently integrated into the Spar Natural concept or will there be future stores without these services?

For now, the two stores include educational and instruction centres, and so will the third store that is being built. For future stores it will depend on the levels of population as well as the existing interest in therapies.

The second store you have opened has a café, unlike the first. What kind of results has this format had?

We have carried out studies that show positive results – it represents around 4% of the total income. We're happy. We offer vegan ice creams, bio coffee, sandwiches... Customers are showing interest, especially during breakfast times. We are going to incorporate ready-made food (vegan, without gluten and other) as a new element.

In what way has consumer behaviour changed over the last years?

People are far more conscious about health in general. Many suffer from food intolerances and seek alternatives to traditional products. I believe that is why this market is growing so fast. In eight or 10 years the volume of sales for bio products will be similar to that of traditional food products.

Can you tell us about Spar International's plans for the concept of Spar Natural outside of Spain?

By what I know from my last conversations with them, they are working really hard in some countries, including Austria, South Africa, Italy and India. They are already working on the concept and I believe that in 2017 we'll see the first openings. In the next years Spar Natural will probably be present across most of Europe.

What are your targets for Spar Natural in Spain?

We have the Spar license for the Canary Islands, so that is where we can be active. Shortly we'll be opening our third store in a city of 100,000 people of the Islands. The plan is to continue to expand. I calculate that we could fit 7 or 8 stores in Gran Canaria. But I am aware that many Spar partners from the peninsula (Spain's inland territory) are thinking about opening a Spar Natural.

Interview by Oscar Smith Diamante