



© Cost Savings

5

Where Retail Consumables Erode Margin

Cost Savings is the fifth pillar in the 7 Cs of Retail Consumables because savings are not achieved in isolation. They are the result of better control, clarity, centralisation and consolidation.

acopia[®]

Empowering organisations globally
to achieve more with less

Cost Savings

Where Retail Consumables Erode Margin

Cost Savings is the fifth pillar in the 7 Cs of Retail Consumables because savings are not achieved in isolation. They are the result of better control, clarity, centralisation and consolidation.

Introduction

In retail, pressure on margins is constant. Rising operating costs, supply chain volatility and increasing regulatory demands mean every area of spend is under scrutiny. Yet operational consumables are often overlooked, seen as low-value, unavoidable or too complex to optimise.



Why the true Cost of consumables is difficult to see

Consumables rarely appear on strategic agendas because they do not fail dramatically. Instead, they create a steady drift in cost, small inconsistencies multiplied across every store, every week and every order.

In reality, consumables represent one of the most controllable areas of indirect spend. When poorly managed, they quietly erode margin through duplication, inefficiency and waste. When managed well, they protect profitability and release capital back into the business.

Unlike products for resale (GFR), most consumables (GNFR) are purchased frequently and in smaller values. This makes inefficiencies harder to spot but no less impactful at scale.

Common challenges include:

- **Multiple suppliers providing similar products**
- **Inconsistent pricing across stores or regions**
- **Over-ordering to avoid stockouts**
- **Excess inventory tying up budget**
- **Time spent managing fragmented processes**

Individually, these issues may seem minor. Across a large retail estate, they compound quickly.

Research into indirect spend management consistently shows that categories lacking visibility and ownership are where the greatest inefficiencies accumulate, not because they are high value, but because their cumulative impact on margin is rarely measured or actively managed.



What ‘Cost Savings’ really means in retail



The rising costs in retail are outpacing revenue.

Andy Kerr, Tefal



According to The Centre for Retail Research ¹, 57 UK Retailers closed their doors in 2025 as operation costs continue to rise. In an environment where margins are under sustained pressure, controllable operational costs take on greater significance.

Cost savings are traditionally associated with cutting back. In practice, sustainable savings come from efficiency, consistency and better decision-making.

In a retail consumables context, cost savings mean:

- Paying the right price for the right products
- Reducing duplication and unnecessary alternatives
- Avoiding waste caused by over-ordering
- Simplifying processes to reduce administrative effort
- Improving total cost of ownership, not just unit price

What cost savings are not:

- Reducing quality at the expense of operations
- Short-term cuts that create long-term risk
- Isolated initiatives disconnected from day to day operations

In a high-cost environment, margin protection depends less on dramatic cost-cutting and more on eliminating silent inefficiencies across controllable spend categories.

The most effective savings strategies improve how consumables are managed, not just how much is spent.

How procurement systems enable sustainable cost savings

Sustainable cost savings require structural change. Online procurement platforms such as MyAcopia enable Retailers to address the root causes of margin leakage rather than applying short-term cost cuts.

By centralising and consolidating consumables purchasing, a purpose-built system will enable Retailers to bring demand together across locations, supporting:

- More competitive pricing
- Improved supplier terms
- Reduced price variation

As one Retailer explained:



Our store teams have access to MyAcopia, we can set a monthly limit, they can see all the prices and this enables us to control costs.

Mark Swinden, ALDO



Reducing waste and over-ordering

Better visibility of usage and ordering patterns reduces the tendency to order defensively.

Procurement systems help Retailers identify excess purchasing, allowing them to:

- Reduce waste
- Free up storage space
- Lower write-offs

These savings often go unnoticed, yet they have a direct impact on the bottom line.

Cost is not only measured in pounds spent on products. Time and effort matter too.

The benefits of cost control

Cost savings in consumables are rarely isolated to procurement. When margin improves here, the financial benefit is felt across operations, finance and sustainability.

By replacing fragmented processes with a single platform, Retailers reduce administrative burden and free teams to focus on higher-value activity. This operational efficiency contributes to long-term cost control. Retailers are then able to reduce costs in a way that supports operations rather than undermining them.

Effective cost control in retail consumables is not simply about reducing spend. It is about managing purchasing in a more structured and transparent way so that costs are predictable, waste is reduced and resources are used more efficiently.

When retailers gain better visibility and control over consumables, the benefits extend beyond procurement and are felt across the wider organisation.



Cost Savings across the organisation

Online systems such as MyAcopia benefits the whole business from store operations to finance and sustainability teams:

Retail Operations

- Reduced emergency ordering and associated premium costs
- Less time spent sourcing or resolving consumables issues
- More consistent ordering that prevents over-stocking and write-offs

Procurement

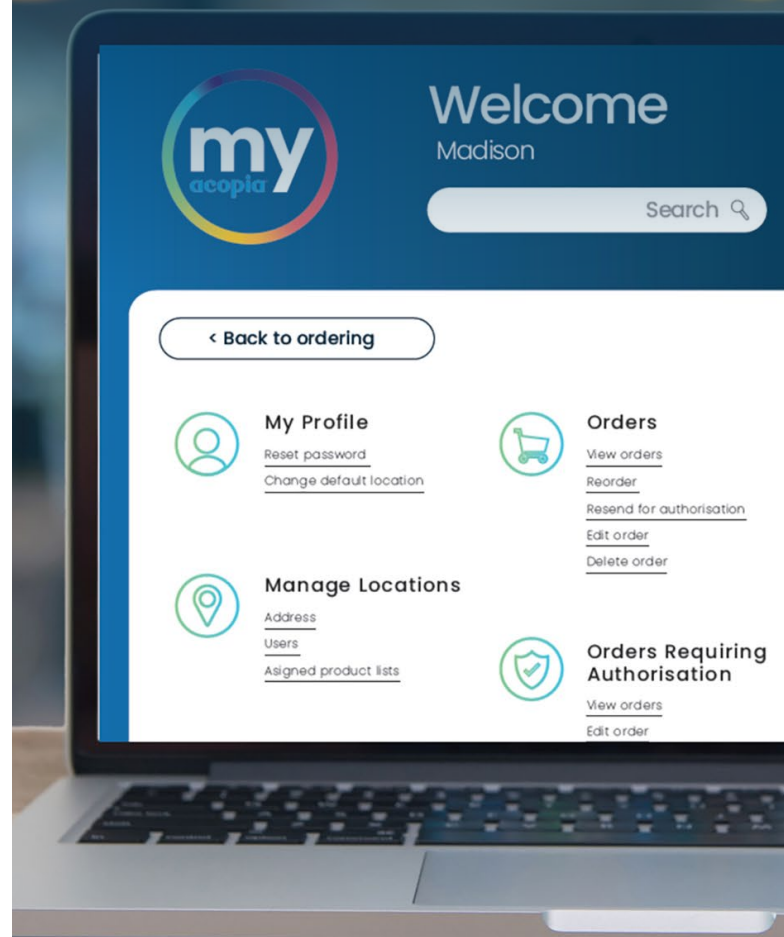
- Greater buying leverage through aggregated demand
- Reduced price variation across sites and suppliers
- Stronger negotiating position through consolidated purchasing

Finance

- More predictable consumables spend across the estate
- Improved budgeting and cost control through clearer spend visibility
- Better understanding of total cost of ownership beyond unit price

Sustainability Teams

- Lower waste reduces both disposal costs and product spend
- More efficient deliveries reduce packaging and transport costs
- Sustainability initiatives that support both environmental and financial outcomes



Improved cost control results in smoother operations, stronger financial planning and more responsible resource management.

Cost Savings

The fifth step in the 7 Cs journey

Cost Savings build on **Control**, **Clarity**, **Centralisation** and **Consolidation**.

It is the result of the preceding disciplines.

Once Retailers understand what is being purchased, have visibility into usage and have simplified supplier and product landscapes, savings become achievable and sustainable.

- Reduce duplication across suppliers and products
- Unlock economies of scale through aggregated demand
- Lower waste-related costs
- Improve total cost of ownership
- Reinvest savings into operational improvement

Without these foundations, cost reduction efforts risk being short-term and disruptive.



Turning Consumables into a Source of Margin Protection

Retail consumables may not be headline spend categories, but they have a real impact on margins. Hidden costs created by inefficiency, fragmentation and waste erode profitability over time.

In a margin-constrained retail environment, the Retailers that succeed are not those who cut indiscriminately, but those who manage deliberately

Cost Savings, in the 7 Cs framework, is not about reduction. It is about protection, control and sustained margin improvement.

References used within this document

1. The Centre for Retail Research
Who's gone bust

acopia[®]

**Empowering organisations globally
to achieve more with less**



Global Point, Steyning Way, Bognor Regis PO22 9SB
033 033 300 21

acopia.co.uk

Published 2026 by Acopia Group. AC7CS0226