



Carrefour

ANALYST DAY

*Reinventing  
the hypermarket!*

SEPTEMBER 16th, 2010



# *Reinventing the Hypermarket in France*

JAMES McCANN

*Reinventing the hypermarket!*

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**1. The hypermarket opportunity**

**2. Our strategy to reinvent the hypermarket**

**3. Roll-out plan**



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# The hypermarket opportunity

**TURN THE  
HYPERMARKET INTO A  
DESTINATION AGAIN**



## France

### Hypermarket key figures

<b>INTEGRATED STORES</b>	<b>203</b>
<b>2009 SALES INC VAT (€ bn)</b>	<b>21.7</b>
<b>2009 SALES EX VAT ex petrol (€ bn)</b>	<b>17.1</b>
<b>AVERAGE STORE SIZE ('000 sqm)</b>	<b>9.7</b>
<b>SALES PER SQM ('000€)</b>	<b>11.0</b>
<b>FORMAT MKT SHARE</b>	<b>~ 13%</b>
<b>CARREFOUR MKT SHARE</b>	<b>~ 24%</b>

(1) Number of stores, size and sales in 2009; market shares in 2010

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# Our strategy in France to reinvent the Hypermarket



## DELIGHT

MULTISPECIALIST  
BEST FRESH & QUALITY OFFER  
PRICE COMPETITIVENESS

## CULTURE & PEOPLE

EXECUTION  
CLIENT ORIENTATION  
COMMITMENT

## EFFICIENCY

ORGANIZATION  
PURCHASING  
SUPPLY

# DELIGHT

## A new shopping experience to delight customers in France

### 9 specialist poles



- Offer organized around 9 specialist poles
- With specific services

### Services



To be the preferred hypermarket chain in France

# DELIGHT

## A new shopping experience to delight customers in France

### 9 specialist poles



- Offer organized around 9 specialist poles
- With specific services

### Services



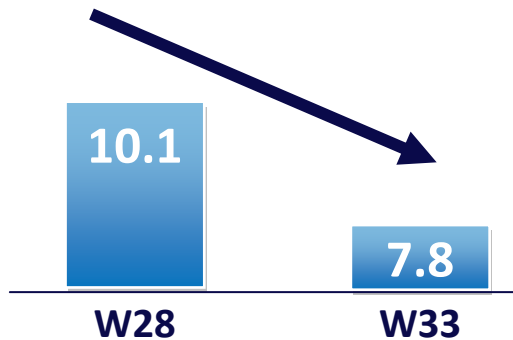
To be the preferred hypermarket chain in France

# DELIGHT

## Improve the fundamentals

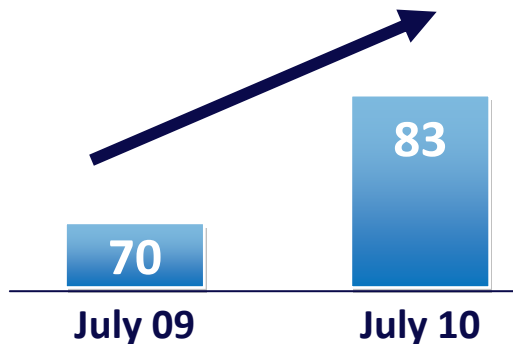
### Less out of stock

(in 2010, in %)



### Faster check-out

(% of stores with "2+1" at check-out )



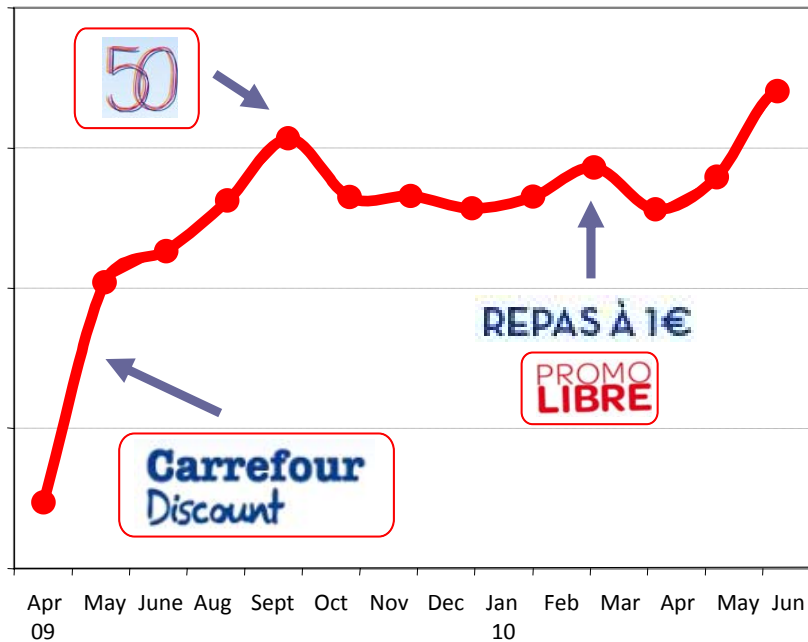
- KPI tracking
- New store routines
- Increase in delivery frequency
  
- Cameras & KPIs
- Planning
- Engagement
- Investment
- The "Blue line"

# DELIGHT

## Consistent low prices and bigger promotions

### Improved price image

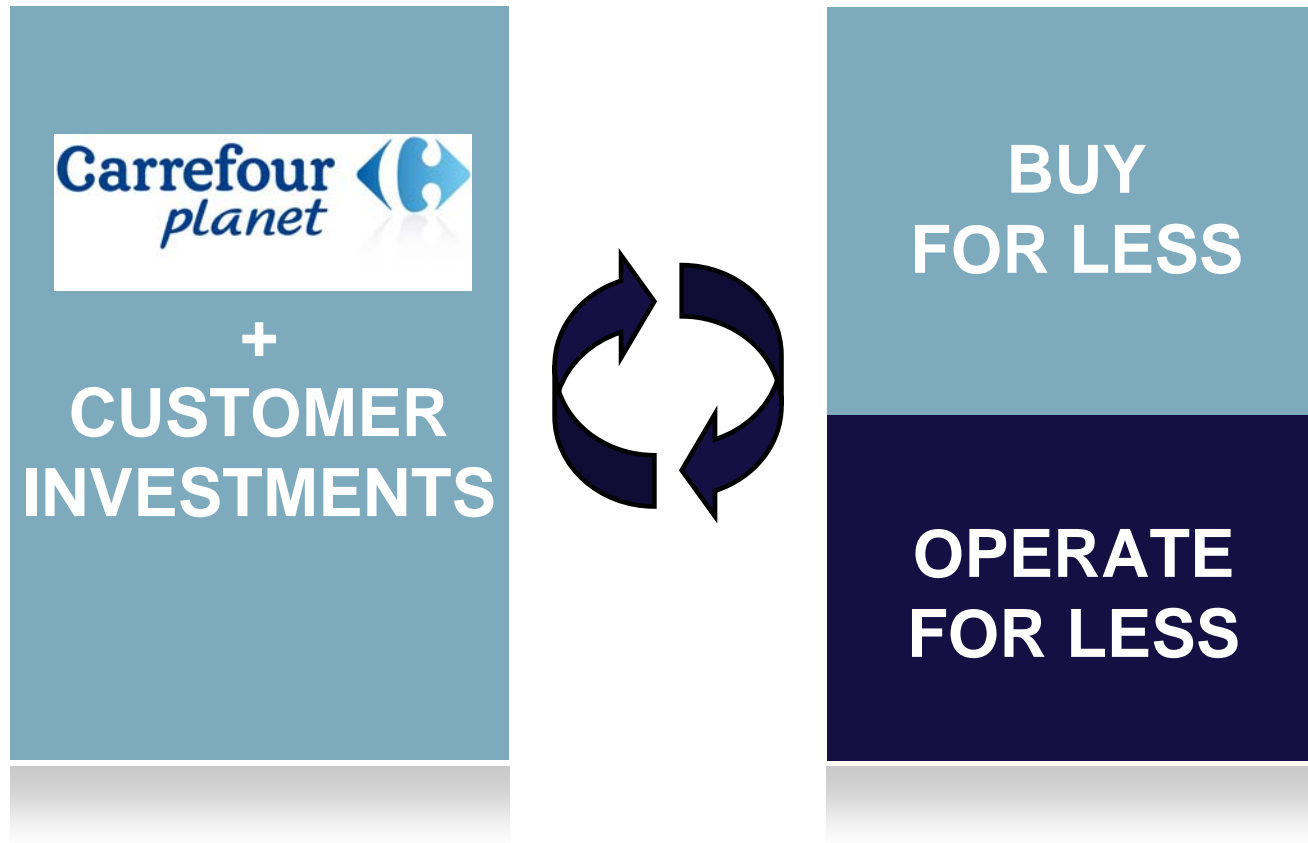
Carrefour price image vs. competition (survey)



- More Carrefour Discount
- Competitive price investments
- Stronger promotions
  - Promo Libre
  - Weekly catalogue

# EFFICIENCY

## Enhancing our efficiency



## EFFICIENCY

## Front end productivity: Check-outs



- **Check-outs**
  - New check-outs
  - Self service
  - Scan Lib
- **Better planning tools**

## EFFICIENCY

## Replenishment operating model



- New dry grocery team organisation
- Best practice work routines
  - Shelf-ready packaging/pallets
- Close monitoring of performance

## EFFICIENCY

## Back-office operating model

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- **New back-office operating model**
  - Rationalization of administrative tasks through centralization and process optimization
- **MBC system roll-out**
  - Completed 2011

## EFFICIENCY

## New supply chain model



- **End to end supply chain**
  - Dry grocery cross-docking
  - Centralized ordering
  - New forecasting tool and team
- **Transportation**
  - Optimization of delivery routes
  - Optimization of truck fill

## CULTURE & PEOPLE

## Develop talents to implement strategy



- Engagement
- Dedicated roll-out teams
- Real customer culture
- Incentives
- Execution

## CULTURE & PEOPLE

## A strong track record in rolling out new concepts



- **Supermarket**

- 922 Carrefour Market successfully converted in 15 months
- +80bp LFL market share gains <sup>1</sup>

- **Convenience**

- 87 Carrefour Contact to date  
+20% LFL on average <sup>2</sup>
- 99 Carrefour City to date  
+30% LFL on average <sup>2</sup>

(1) Nielsen, YTD

(2) Sales in H1 2010

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## Roll-out plan in France

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**Carrefour**  
*planet* 

**120**  
**STORES**

**76% of sales**

**Carrefour** 

**83**  
**STORES**

**24% of sales**

## An aggressive roll-out plan



### Number of stores rolled-out

