The Co-Operative Food as a Convenient Food Retailer

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Overview of the Co-operative: our history, values and scale

Market trends

The Co-operative Food as a Convenient Food Retailer

- People
- Products
- Location

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Ownership model

- Jointly owned by over six million members
- Our profits are shared with each member, in proportion to how much they trade with us over the year

Governance

- Forty Eight Area Committees (10-12 members, 3yr term)
- Seven Regional Boards (made up of committee members)
- Group Board (20 directors, entirely non-exec) – appoints the Group Executive

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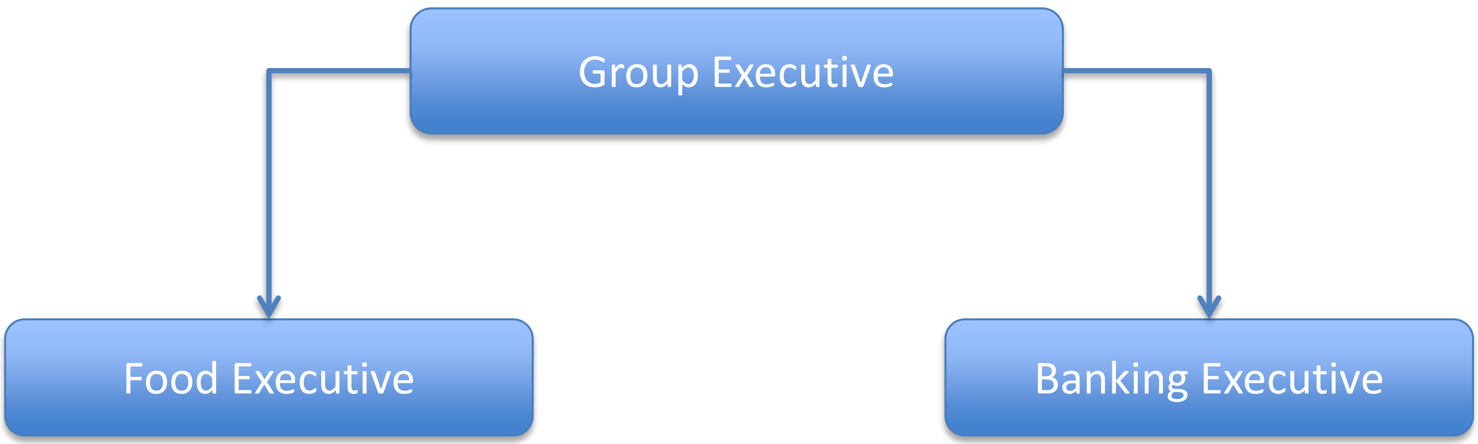

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The Co-operative Group: History

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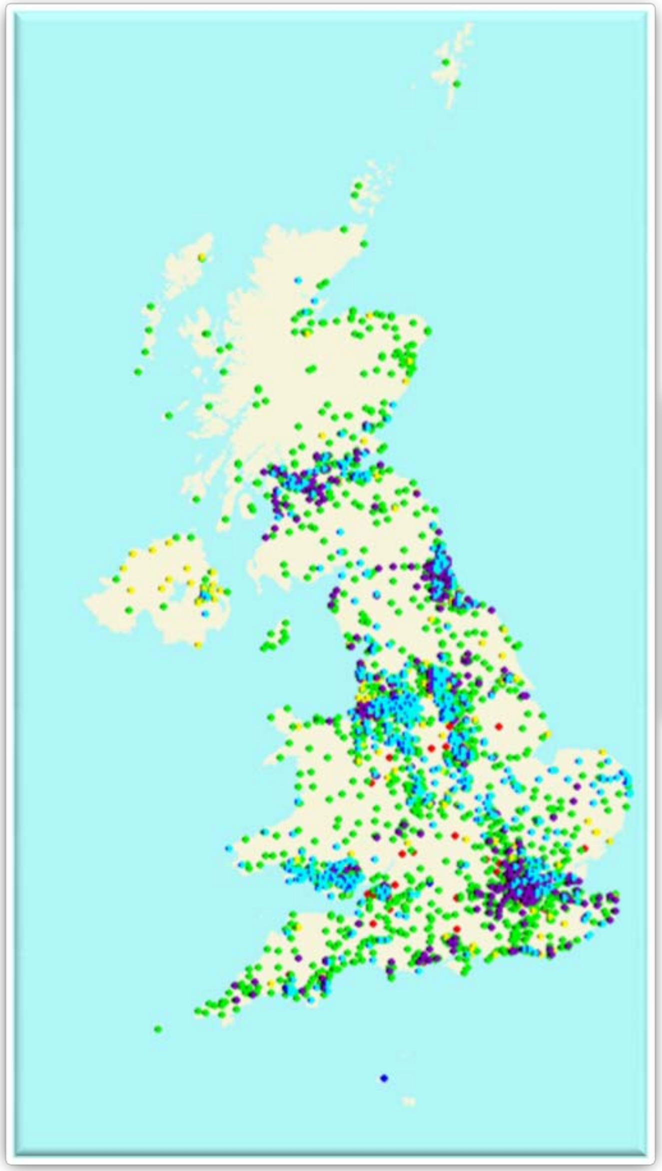

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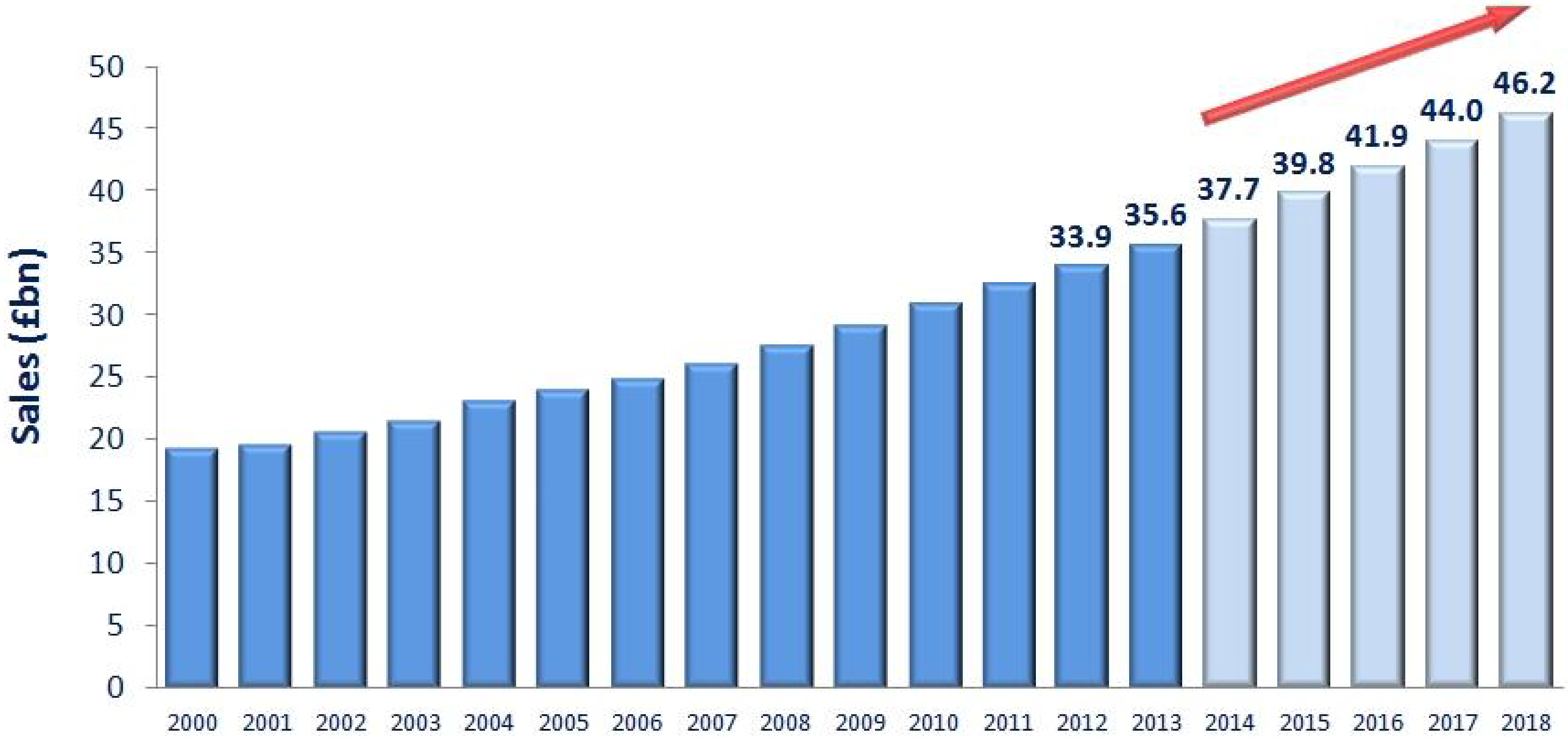
Convenience Food: Market trends



Source: IGD Research, 2013

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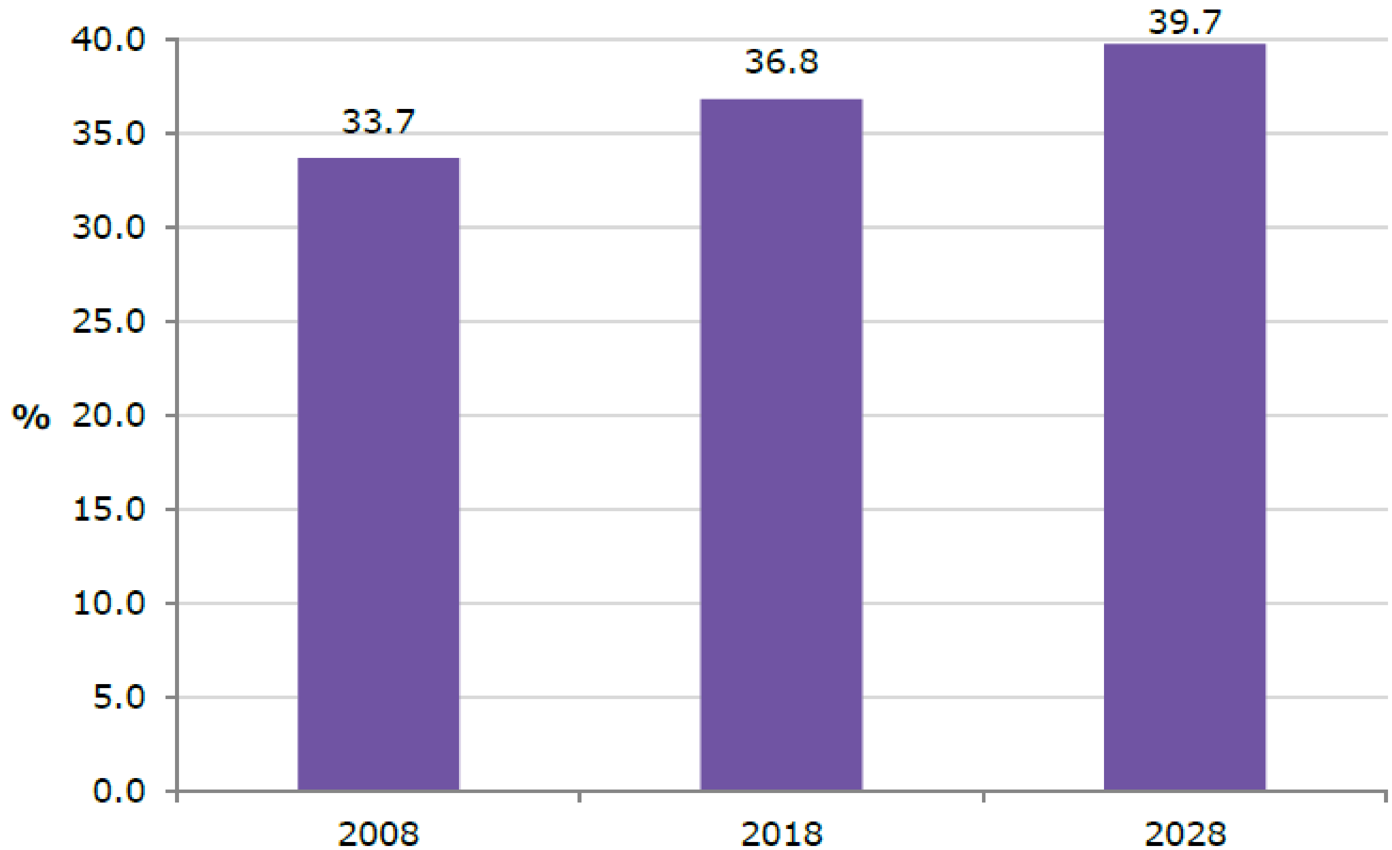
Convenience Food: Demographic trends

FIGURE 16: ENGLAND: ONE-PERSON HOUSEHOLDS AS PERCENTAGE OF ALL HOUSEHOLDS (PROJECTED FROM 2008 DATA), 2008-28



SOURCE: NATIONAL STATISTICS/MINTEL

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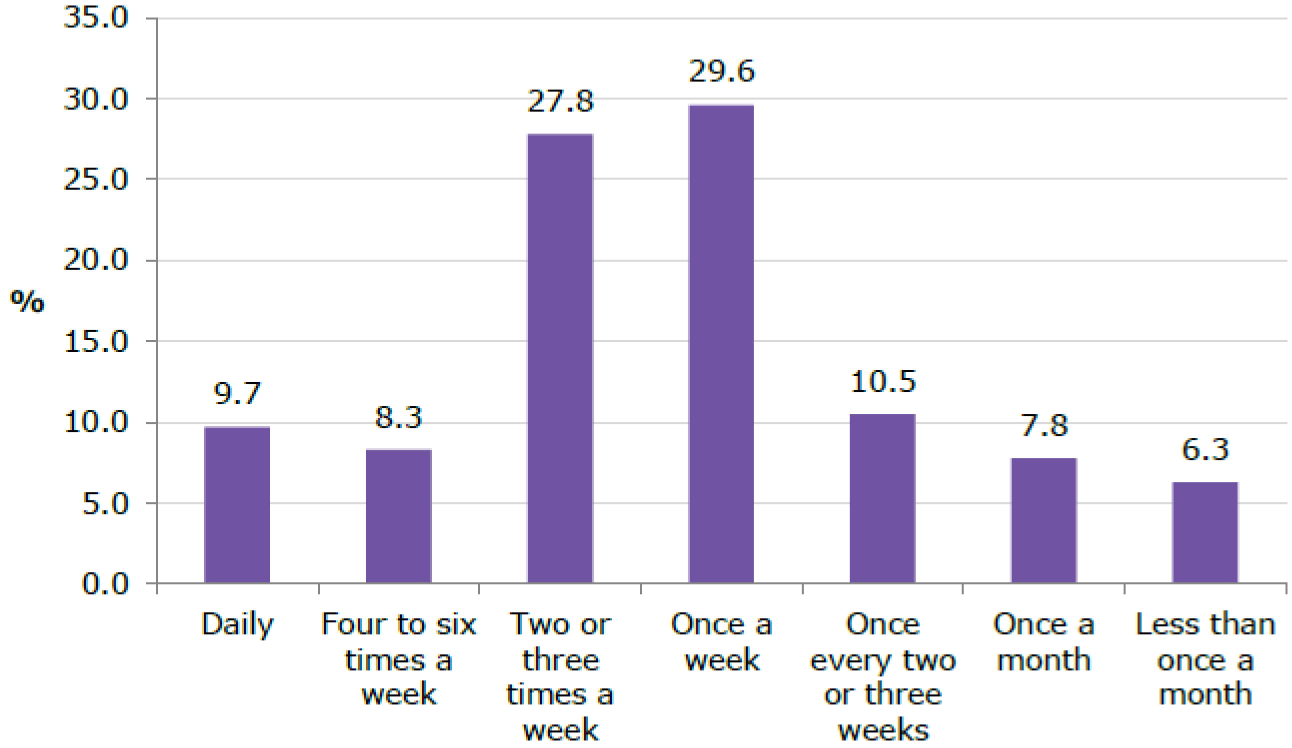
Convenience Food: Shopping frequency

FIGURE 28: FREQUENCY OF CONVENIENCE STORE SHOPPING, JANUARY 2013

Base: 1,771 adults aged 16+ who have bought from a convenience store in the last 3 months



SOURCE: IPSOS MORI/MINTEL

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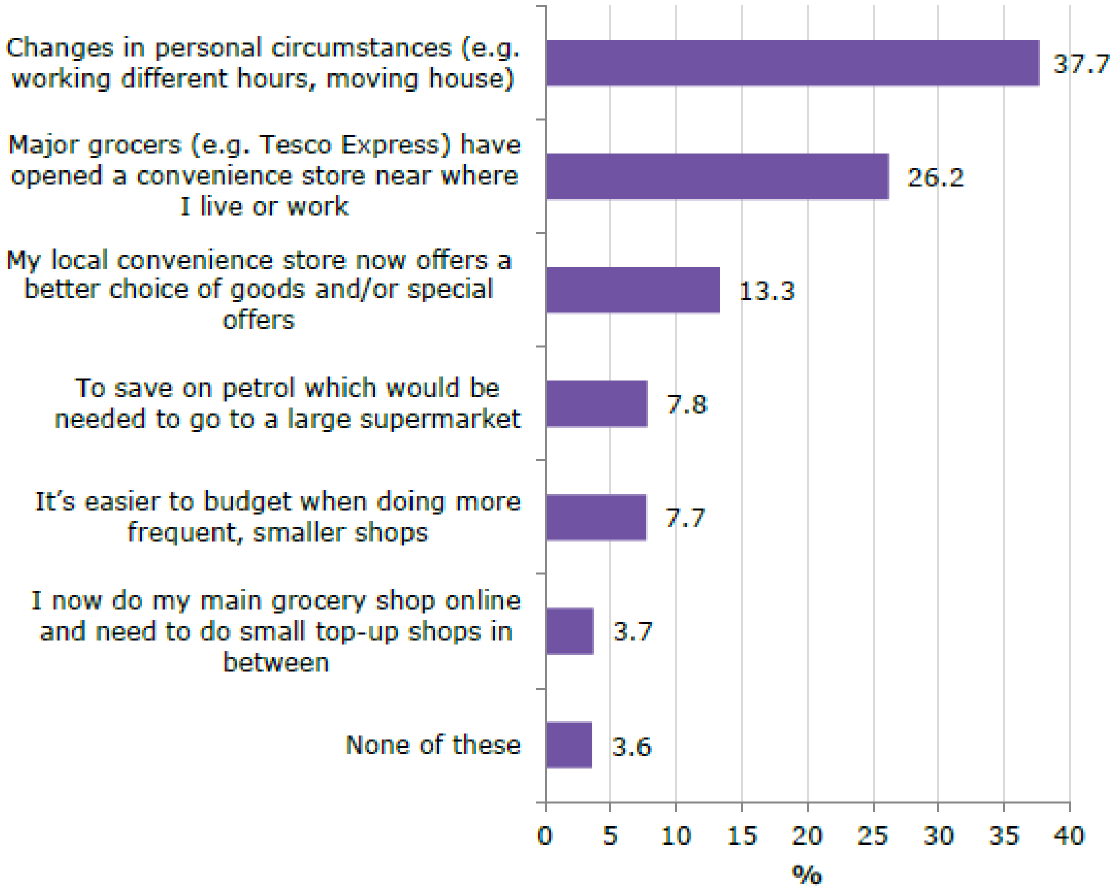
Convenience Food: Shopping more

FIGURE 38: REASONS FOR SHOPPING MORE AT CONVENIENCE STORES, JANUARY 2013

Base: 316 adults aged 16+ who shop more at convenience stores compared to two years ago



SOURCE: IPSOS MORI/MINTEL

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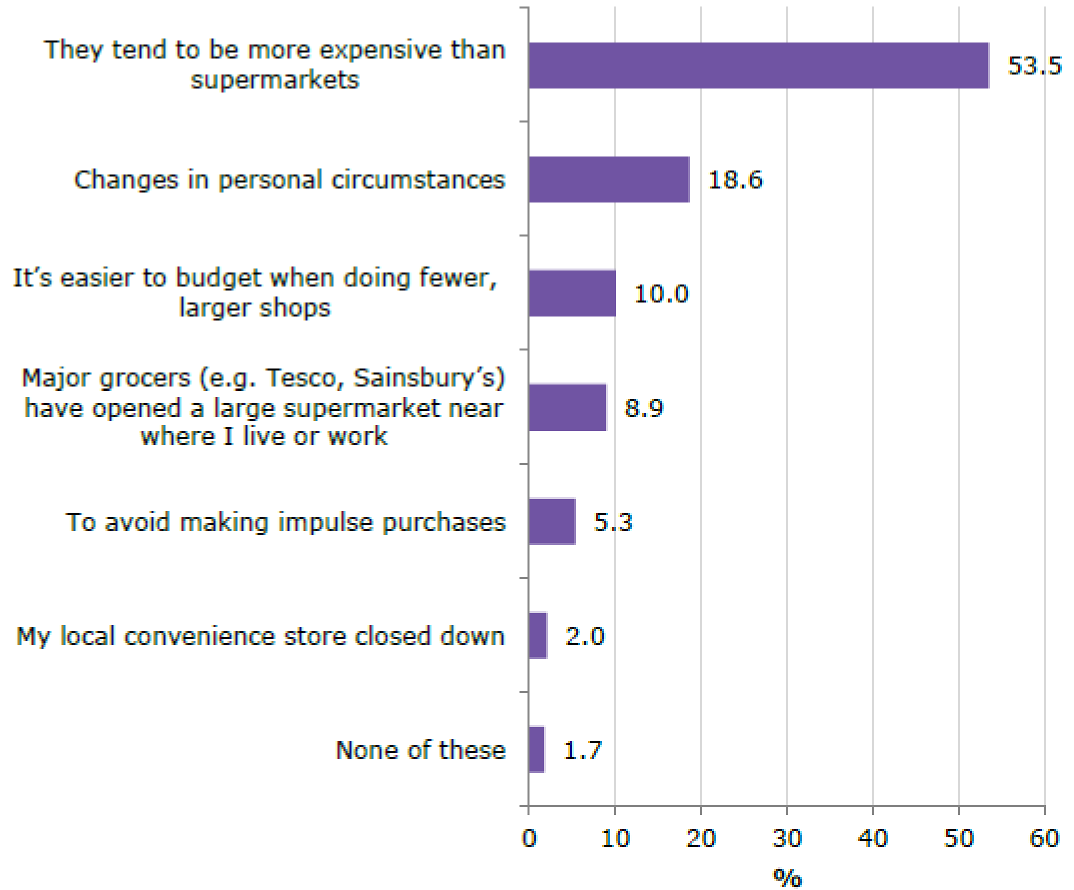
Convenience Food: Shopping less

FIGURE 40: REASONS FOR SHOPPING LESS AT CONVENIENCE STORES, JANUARY 2013

Base: 289 adults aged 16+ who shop less at convenience stores compared to two years ago



SOURCE: IPSOS MORI/MINTEL

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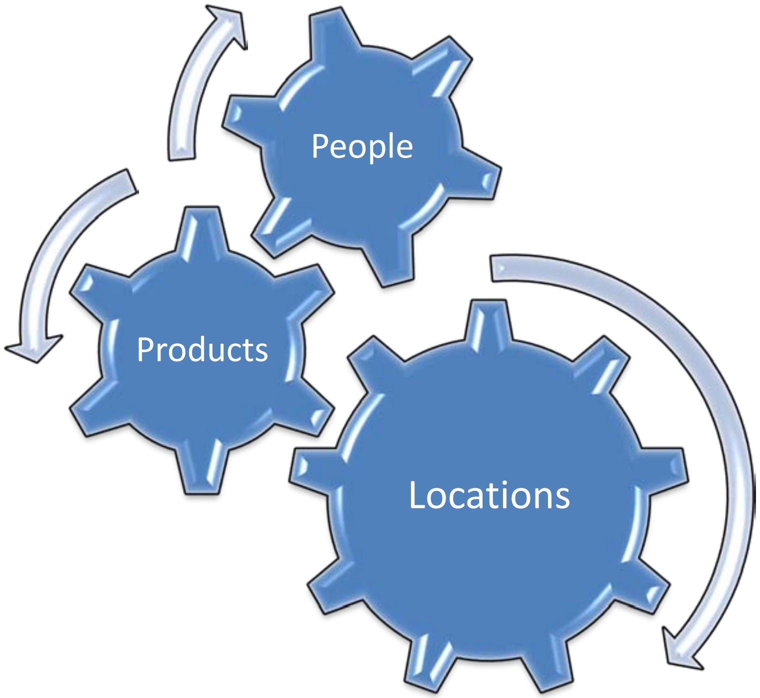
The Co-operative Food : Convenience Retail

- Evolution of Estate generated complexity
- Development of future direction
- New leadership – fresh ideas
- What are the challenges:
  - People
  - Product
  - Locations



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The Co-operative Food : People

- Identifying behaviours
- Key drivers for loyalty
- Identify opportunities for growth
- Generating appeal






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The Co-operative Food : Benefits

- Enable us to target areas across the UK where we feel we will get most return

- Defend our market share in key areas

- Identify those stores which need investment or a location decision making

- Actively seek out areas to gain competitive advantage

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The Co-operative Food : Product

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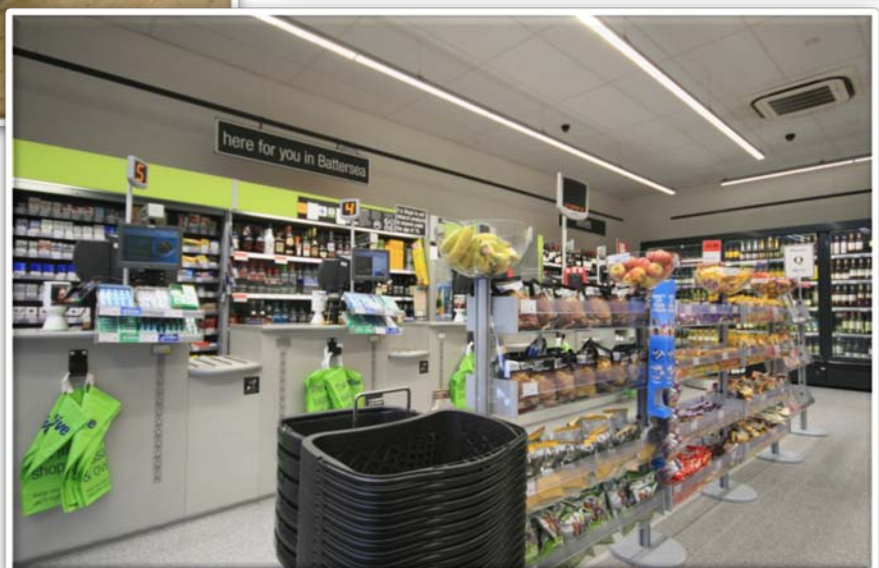
The Co-operative Food : Store Experience



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The Co-operative Food: Locations

- Location is everything

- Complexities in forecasting:
  - Transient populations
  - Quality of competition
  - Balancing the influences
  - Art v Science

- This is our Core business

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The Co-operative Food: Locations

- In-house indicative model
- Essential site visits
- Due diligence
- Approvals process

- Delivering numbers
- Team growth
- Broad skill set

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Any Questions?

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