

# The Co-Operative Food as a Convenient Food Retailer

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# The Co-operative Group

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

Market trends

The Co-operative Food as a Convenient Food Retailer

- People
- Products
- Location

# The Co-operative Group

## 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

# The Co-operative Group



# The Co-operative Group: History



**1844**  
**First** shop opened by the Rochdale Pioneers.



**1948**  
**First** self-service supermarket in the UK.



**1986**  
**First** to introduce customer friendly labelling.



**1999**  
**First** internet bank launched in the UK.



**2000**  
**First** Fairtrade bananas in the UK.



**2001**  
**First** UK pharmacy to use Braille on our own-brand medicines.



**2005**  
**Successful** brand pilot in Northampton and Hull.



**2007**  
**We sell food grown by us.**



**2007**  
**All** fresh beef, pork & poultry is 100% British.



**2008**  
**First** ever RSPCA lifetime achievement award for animal welfare.



**2008**  
**First** to change all our own-brand hot drinks to Fairtrade.



**2008**  
**All** our own-brand fish is responsibly sourced.



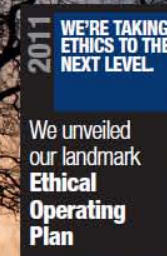
**2009**  
**Launch** of our **biggest ever** brand campaign.



**2009**  
**First** UK travel agent to launch an ethical strategy.



**2010**  
**Over 1 million** members trading with more than 1 Co-operative business.

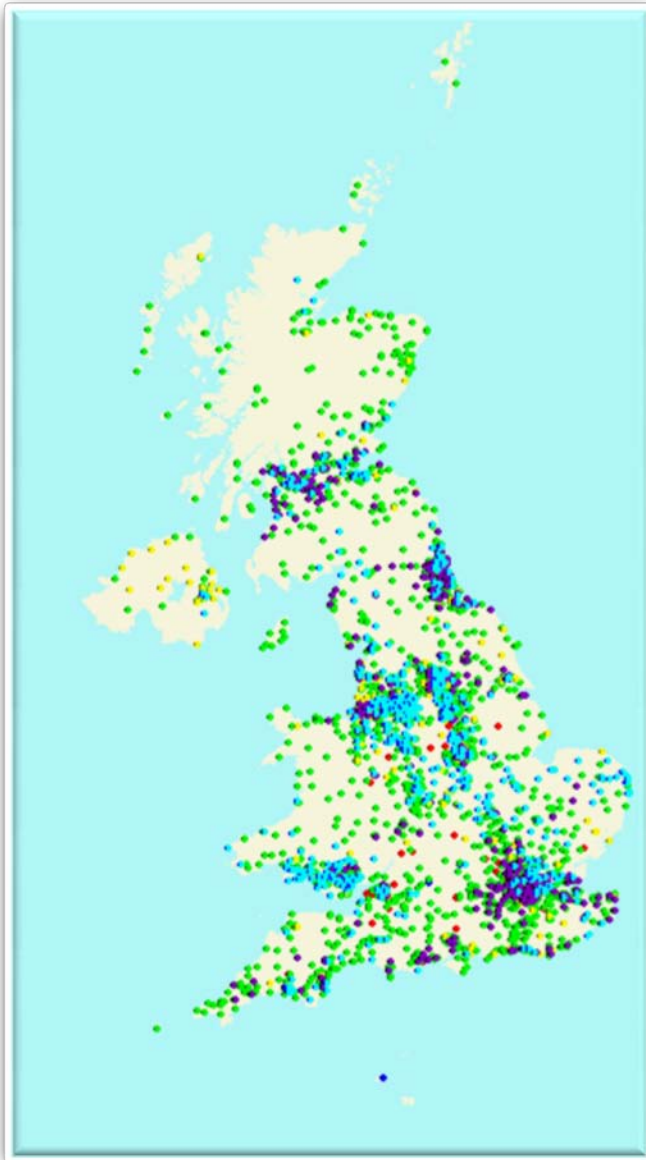


**2011**  
**We unveiled** our landmark **Ethical Operating Plan**

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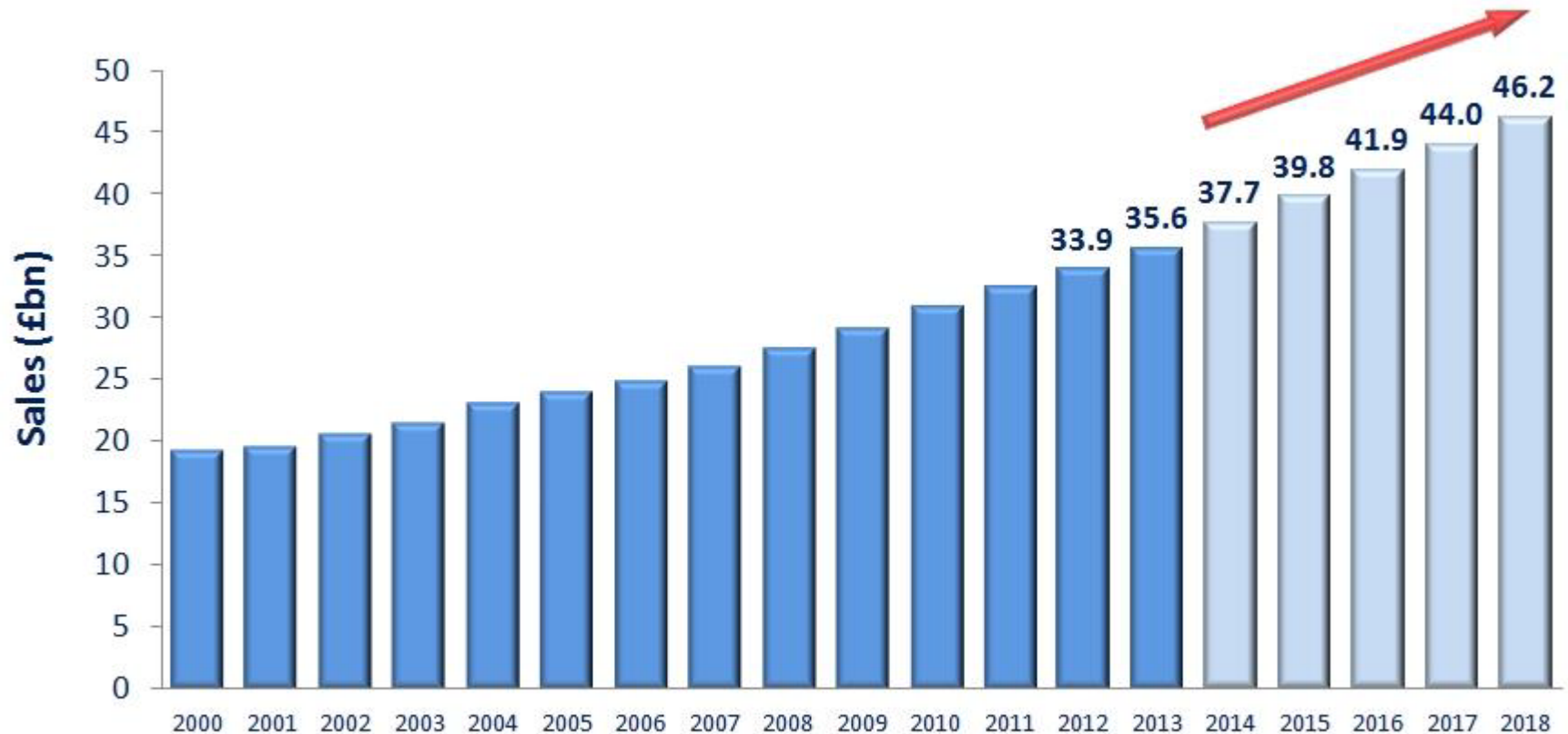


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# Convenience Food: Market trends

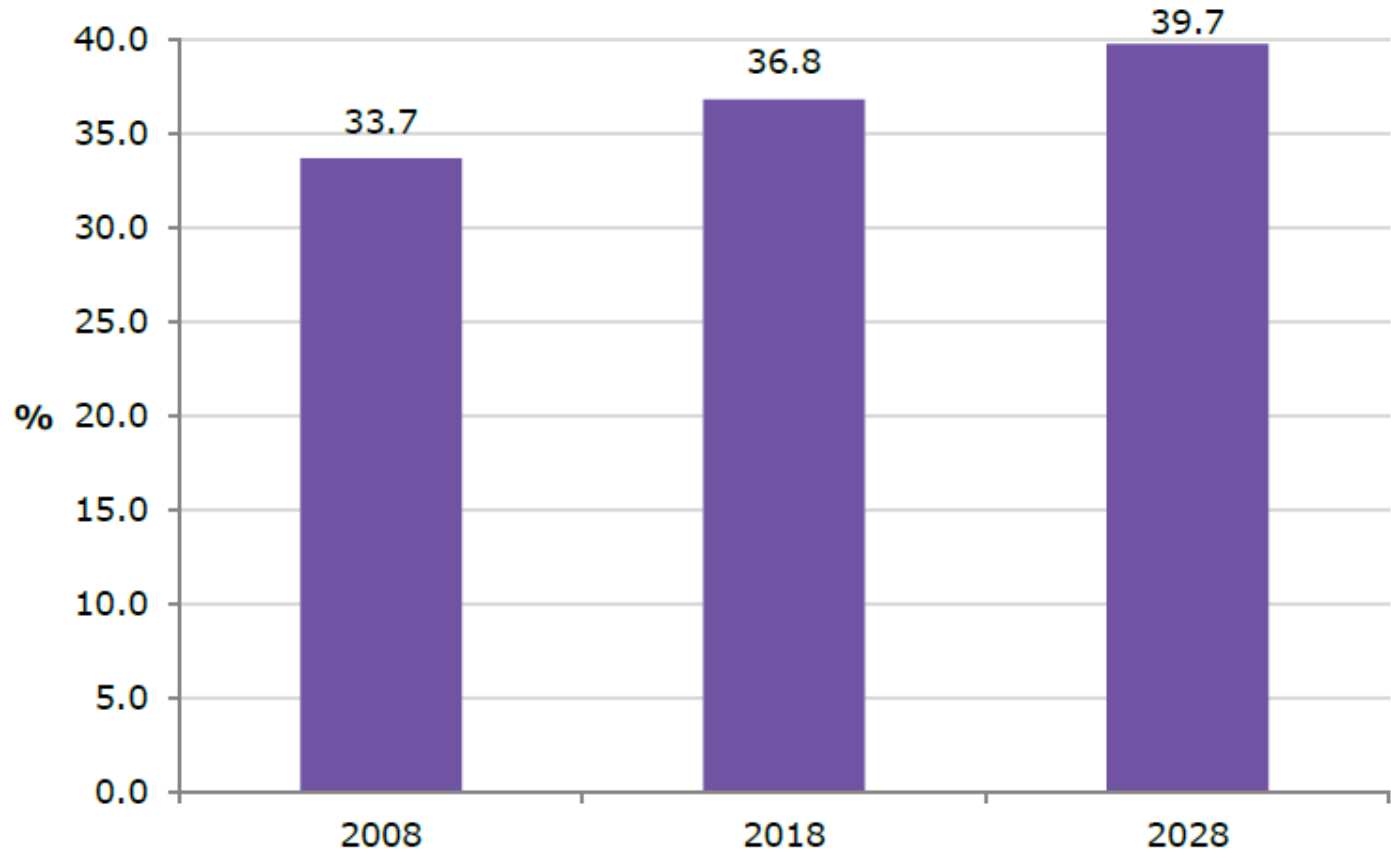


Source: IGD Research, 2013

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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



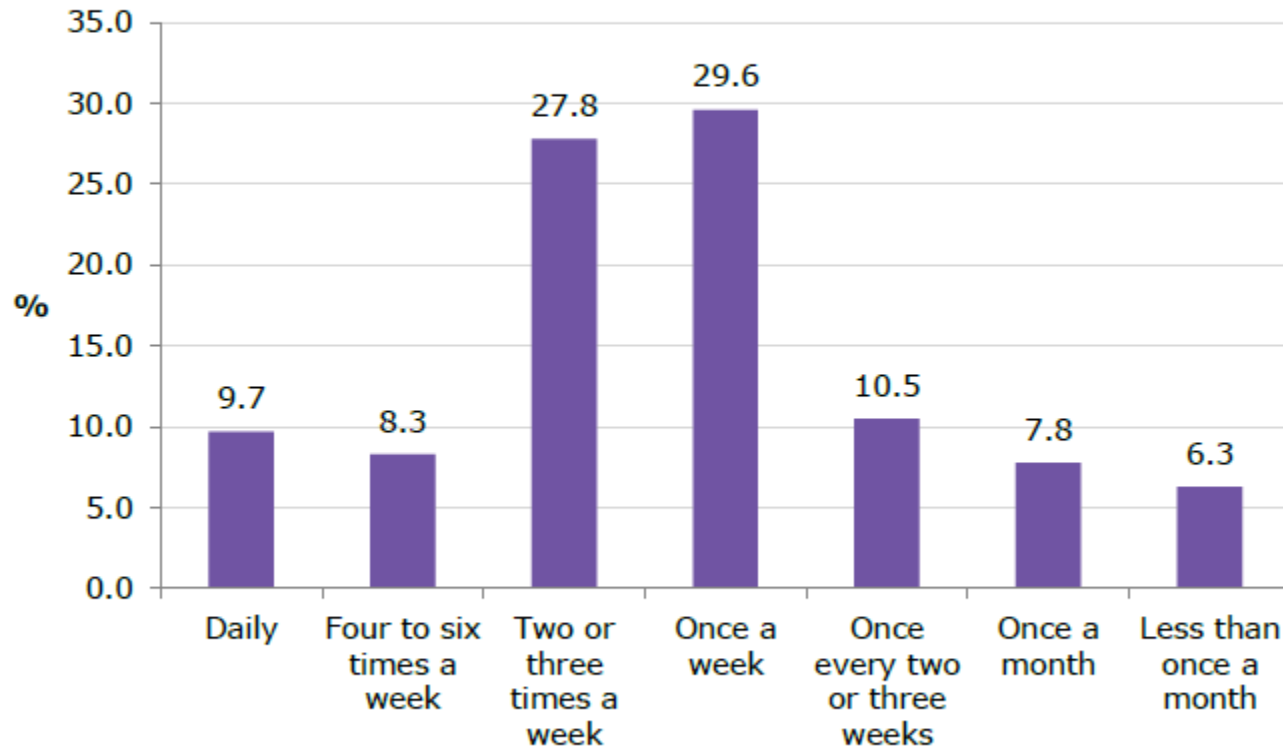
SOURCE: NATIONAL STATISTICS/MINTEL



# 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

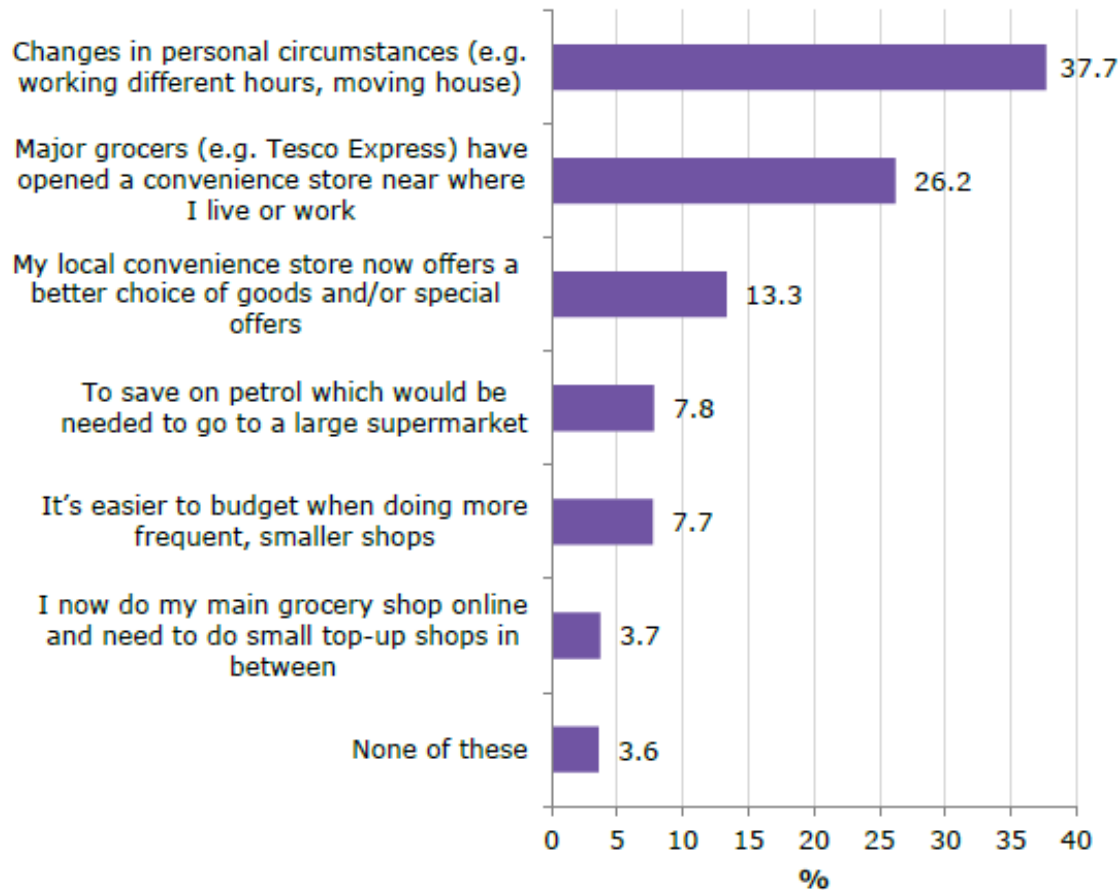


SOURCE: IPSOS MORI/MINTEL

# 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

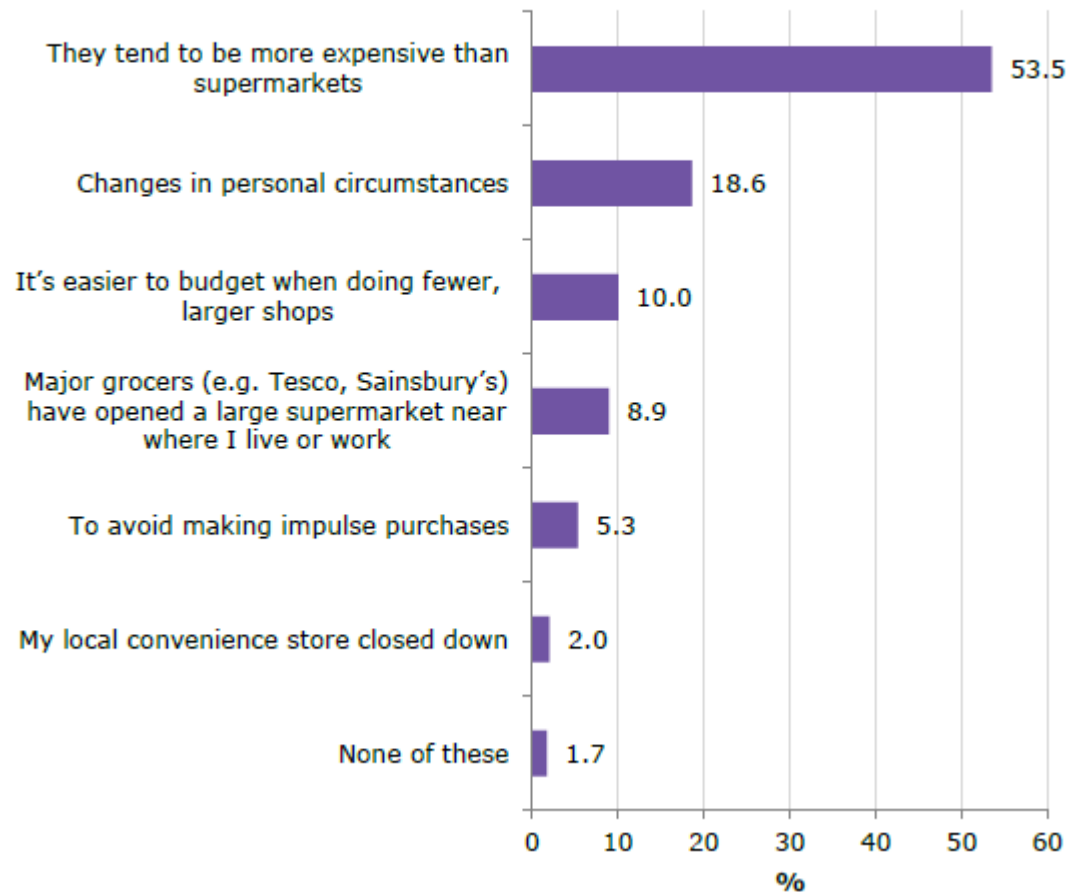


SOURCE: IPSOS MORI/MINTEL

# Convenience Food: Shopping less

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

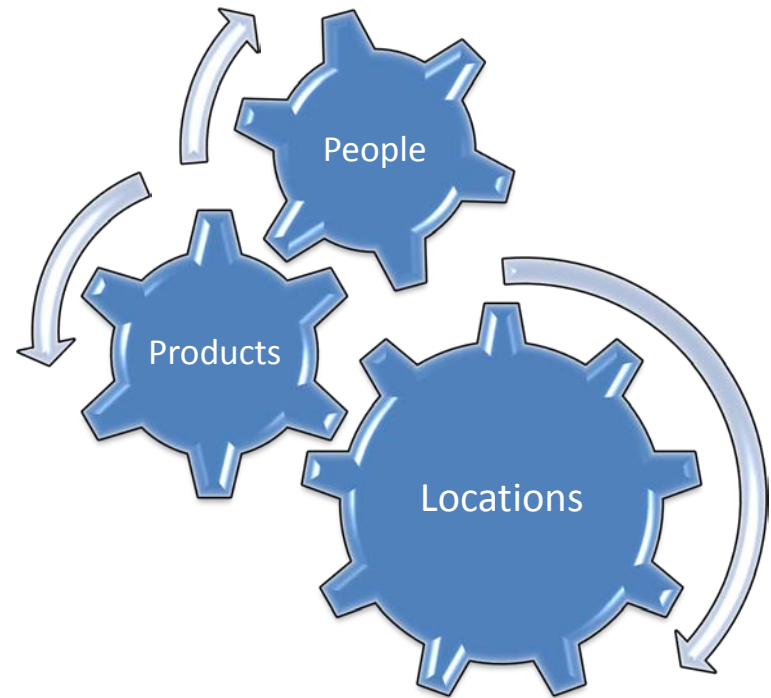
Base: 289 adults aged 16+ who shop less at convenience stores compared to two years ago



SOURCE: IPSOS MORI/MINTEL

# 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



# 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



# 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



# The Co-operative Food: Locations

- In-house indicative model
- Essential site visits
- Due diligence
- Approvals process
- Delivering numbers
- Team growth
- Broad skill set



# Any Questions?