AH+DELHAIZE GROUP IN BELGIUM

Can Delhaize /AH group become the leading retail group in Belgium and what strategy would be needed to make this happen ?

Dirk Vanderveken
SHOPPERWARE
Branch of ECO2ANDB BVBA
24 March 2016

TRAFFIC GENERATORS
SHOPPERWARE
CONVERSION ENGINES

BABM KNOWLEDGE CENTER

HISTORY – KICK OFF MARKETING CAMPAIGN 2011

AH IN BRASSCHAAT

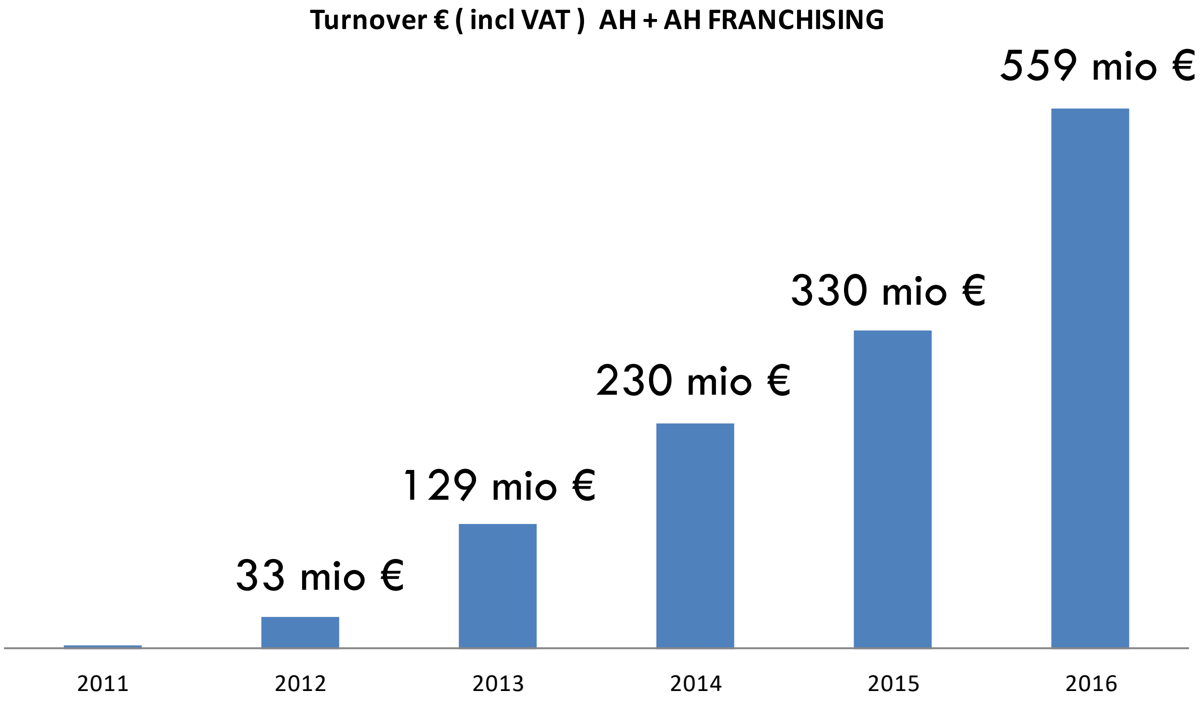
HAS HAPPENED

COULD HAPPEN

WILL HAPPEN

HISTORY – ah FROM THE START IN 2011 TO 2015

AH IN FLANDERS – TURNOVER EVOLUTION



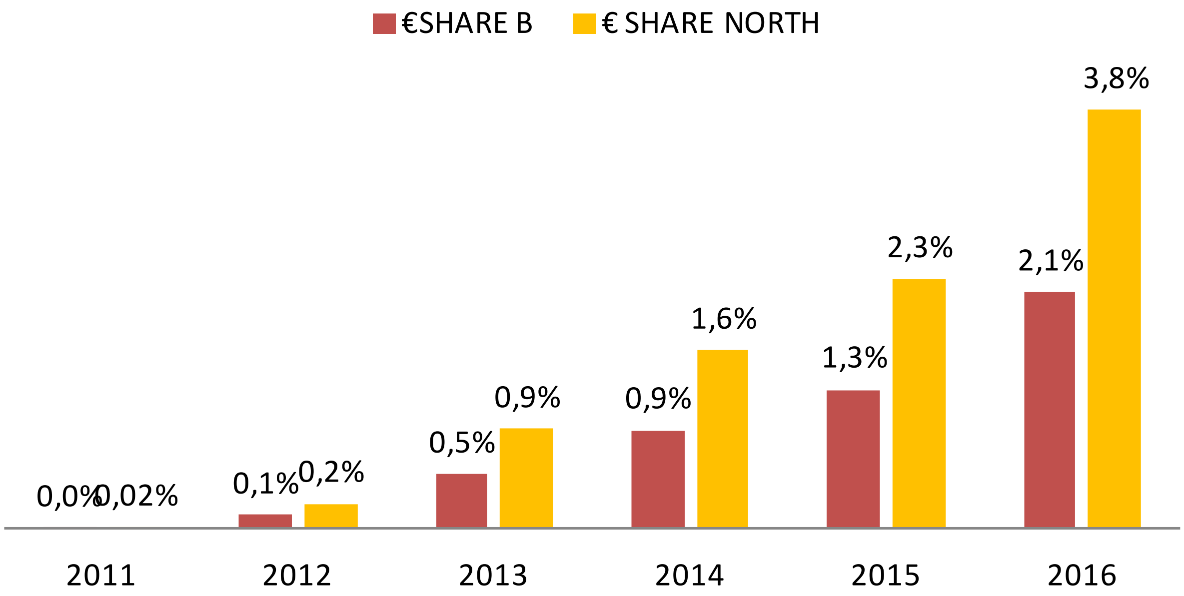
SOURCE / NBB BALANSCENTRALE 2012, 2013, 2014, 2
2016 extrapol SHOPPERWARE

(# average number of shops full year equivalent) (#2) (#5,4) (#13,7) (#23,0) (#30,7) (#40,5)

HISTORY – ah FROM THE START IN 2011 TO 2015

AH IN FLANDERS AND BELGIUM – VALUE SHARE EVOLUTION EVOLUTION

AH + AH FRANCHISE IN BELGIUM



SOURCE / NBB BALANSCENTRALE 2012, 2013, 2014,, 2015, 2016 extrapol SHOPPERWARE

(# average number of shops full year equivalent) (#2) (#5,4) (#13,7) (#23,0) (#30,7) (#40,5)

HISTORY 2015 - 2016

Officiel: les groupes Delhaize et Ahold vont fusionner

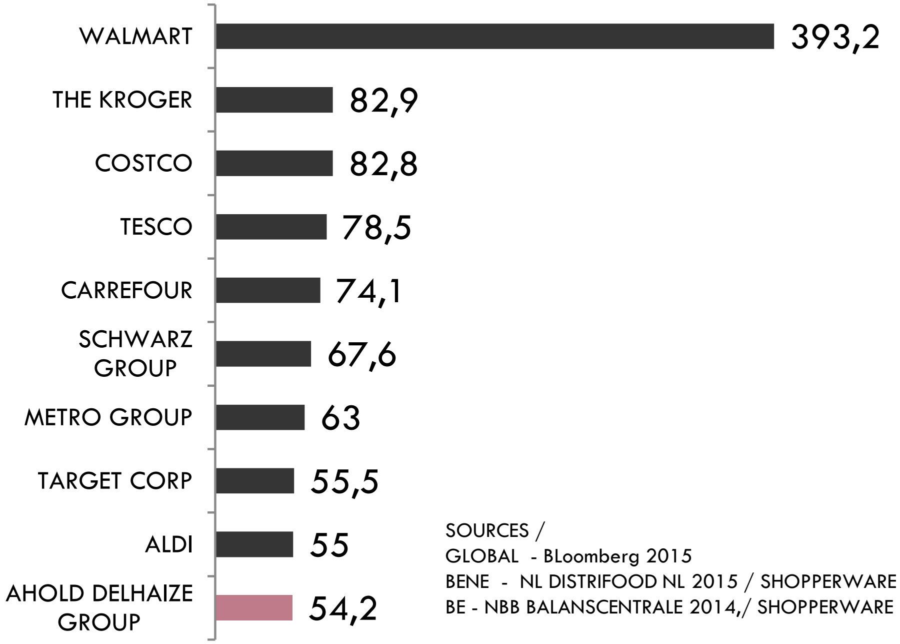
BELGA Publié le mercredi 24 juin 2015 à 07h51 - Mis à jour le mercredi 24 juin 2015 à 10h57

IMPLICATIONS

KONINKLIJKE AHOLD DELHAIZE GROUP ENTERS THE GLOBAL TOP 10

nbr. 10

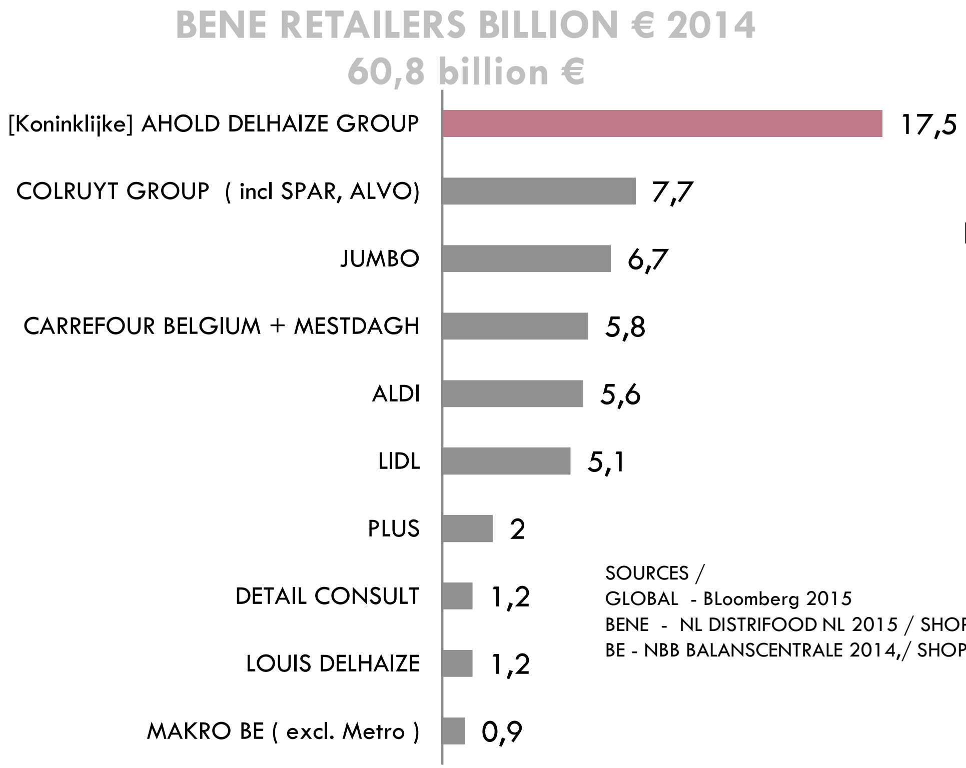
GLOBAL RETAILERS BILLION € 2014



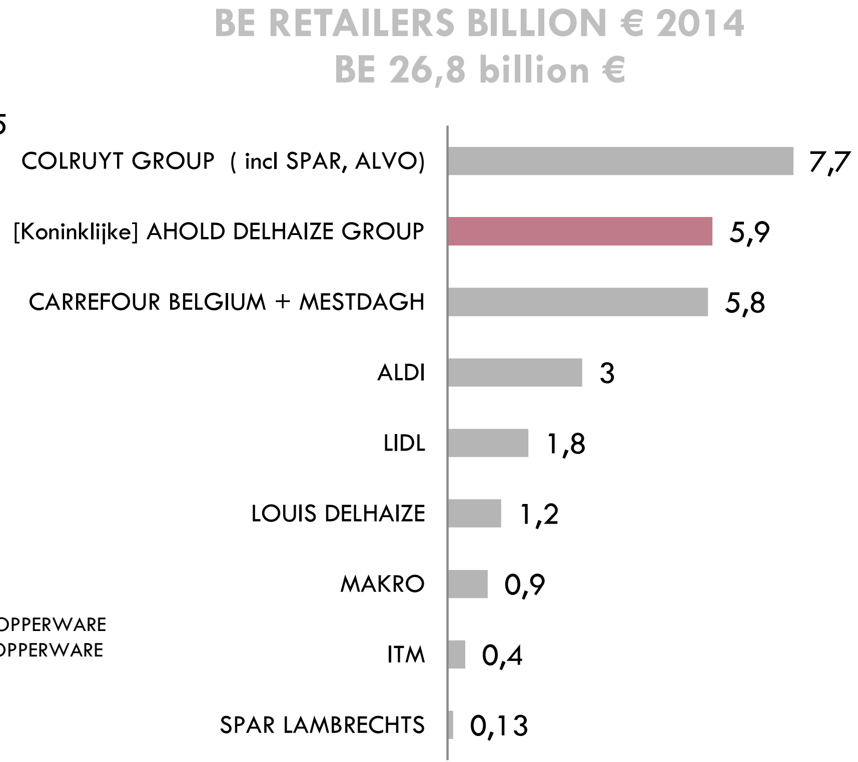
SOURCES /
GLOBAL - BLoomberg 2015
BENE - NL DISTRIFOOD NL 2015 / SHOPPERWARE
BE - NBB BALANSCENTRALE 2014,/ SHOPPERWARE

IMPLICATIONS

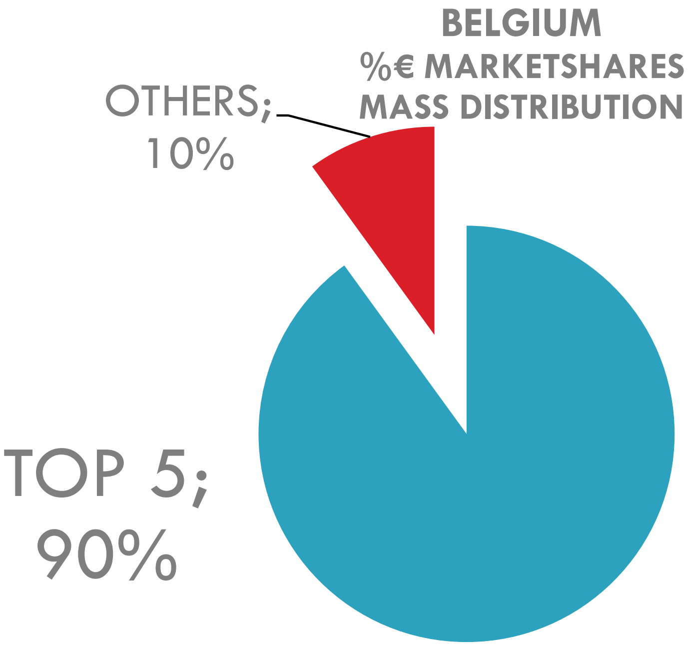
Koninklijke AHOLD DELHAIZE GROUP dominant retailer in the Be

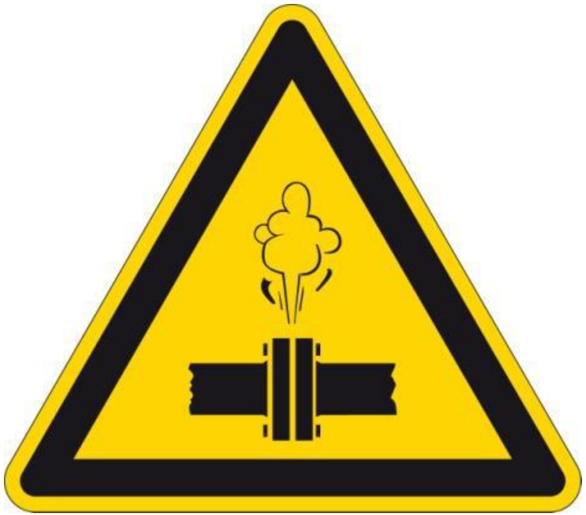


SOURCES /
GLOBAL - BLoomberg 2015
BENE - NL DISTRIFOOD NL 2015 / SHOPPERWARE
BE - NBB BALANSCENTRALE 2014,/ SHOPPERWARE



IMPLICATIONS
INCREASED CONCENTRATION OF DISTRIBUTION IN BELGIUM





SOURCES /
GLOBAL - BLoomberg 2015
BENE - NL DISTRIFOOD NL 2015 / SHOPPERWARE
BE - NBB BALANSCENTRALE 2014,/ SHOPPERWARE

IMPLICATIONS
AH DELHAIZE GROUP TO CLOSE DOWN OR SELL SOME SUPERMARKETS BECAUSE OF A TOO DOMINANT POSITION IN SOME LOCALITIES

De Belgische Mededingingsautoriteit wil dat de fusiegroep Ahold Delhaize winkels in België afstoot om groen licht te krijgen voor de deal.

Dat bleek dinsdag na afloop van een speciale syndicale vergadering bij Albert Heijn België. Hoeveel Delhaize-winkels dicht moeten, is nog niet bekend. Het zou wel nog gaan om een ontwerpbesluit van de Mededingingsautoriteit. Een finaal oordeel, dat midden maart wordt verwacht, kan daarvan nog afwijken.

Maar voor Albert Heijn zou het volgens de eerste informatie die De Tijd te pakken kon krijgen gaan om **8 winkels**: Kiel, Antwerpen Groenplaats, Oudenaarde, Lokeren, Leuven, Boortmeerbeek, Turnhout en Gent Overpoort. Al die winkels zijn in eigen beheer; het gaat dus niet om franchisewinkels. Albert Heijn houdt intussen vast aan zijn geplande winkelopeningen.

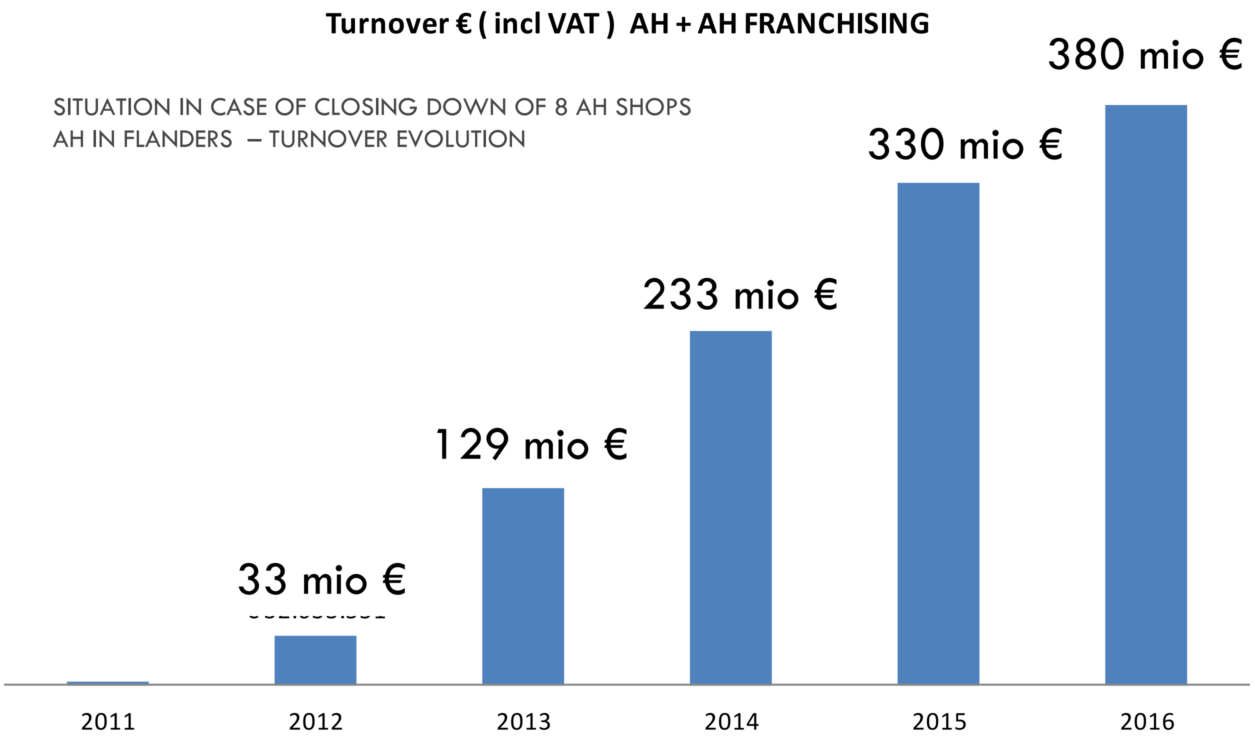
In totaal zouden zowat **400 werknemers** getroffen worden door de opgelegde maatregelen. Ahold Delhaize zou wel proberen de betrokken winkels te verkopen met behoud van de werkgelegenheid.

Bij Delhaize wil de directie voorlopig enkel bevestigen dat er een ondernemingsraad is. Bij Albert Heijn België is voorlopig niemand bereikbaar voor commentaar.

Bron: De Tijd

SITUATION IN CASE OF CLOSING DOWN OF 8 AH SHOPS

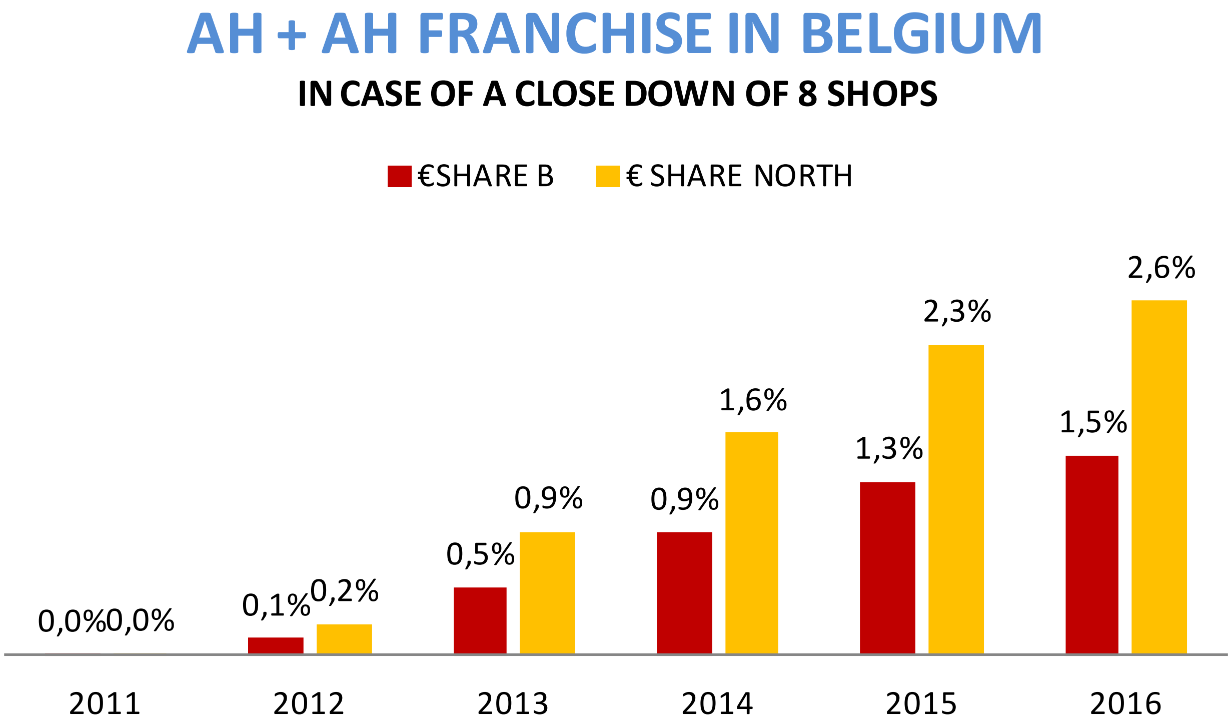
AH IN FLANDERS – TURNOVER EVOLUTION



SOURCE / NBB BALANSCENTRALE 2012, 2013, 2014
2015, 2016 extrapol SHOPPERWARE

CURRENT SITUATION IN CASE OF CLOSING DOWN 8 SHOPS

AH IN FLANDERS AND BELGIUM – TURNOVER EVOLUTION



SOURCE / NBB BALANSCENTRALE 2012, 2013, 2015, 2016 extrapol SHOPPERWARE

CURRENT SITUATION IN CASE OF CLOSING DOWN 8 SHOPS
REASON WHY : COMPETITION IN THE CATCHMENT AREA

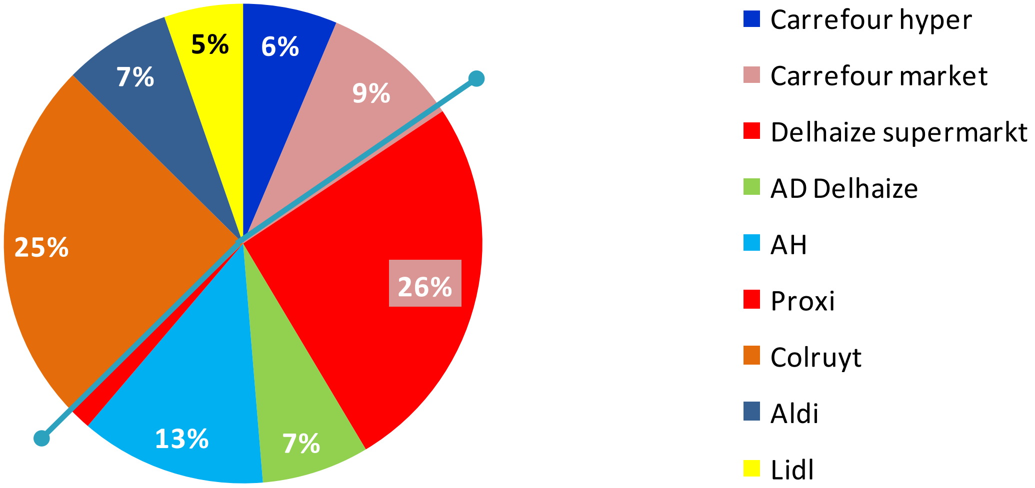
- Methodology : SHOPPERWARE GEO MARKETING ANALYSIS
  - ESTIMATION OF TURNOVER OF RETAIL FORMATS WITHIN THE CATCHMENT AREA OF AH TURNHOUT, AH OUDENAARDE, AH BOORTMEERBEEK, LOKEREN, LEUVEN ENGELSE PLEIN, GENT OVERPOORT, KIEL HOBOKEN, ANTWERPEN GROENPLAATS
  - THE ESTIMATION OF COMPETITION IS LIMITED TO FOLLOWING RETAIL BANNERS : CARREFOUR HYPER, MARKET CARREFOUR, DELHAIZE SUPER, AD DELHAIZE, PROXY DELHAIZE, AH, COLRUYT , ALDI, LIDL
  - ESTIMATION BASED ON NATIONAL AVERAGE TURNOVER PER SHOP 2014

    (source Annual reports 2014 – Balanscentrale NBB / Kruispuntendatabank, Storecheck Poster 2015)
  - CATCHMENT AREA 5 MINUTES DRIVING TIME

AH+DELHAIZE GROUP IN BELGIUM
COMPETITION IN THE CATCHMENT AREA OR AH TO BE CLOSED

ON AVERAGE
47 % MARKETSHARE
FOR AHOLD DELHAIZE GROUP

MARKETSHARES IN THE CATCHMENT AREA OF AH TO BE CLOSED
% € SHARE



SOURCE : SHOPPERWARE GEO MARKETING 2015

FUTURE IMPLICATIONS

FUTURE IMPLICATIONS

WHAT WILL BE THE MOST LIKELY BANNER STRATEGY AND WHAT WILL BE THE IMPACT ON THE BELGIAN MARKET ?


“Albert Heijn zal verdwijnen in België”

24/06/2015

239 Shares · Facebook · Twitter · Pinterest · Nieuwsbrief

De deal tussen Albert Heijn en Delhaize heeft geen grote gevolgen voor de klant. Dat zegt marketingprofessor Gino Van Ossel van de Vlerick Business School.

SCENARIO 1

AH WITHDRAWAL

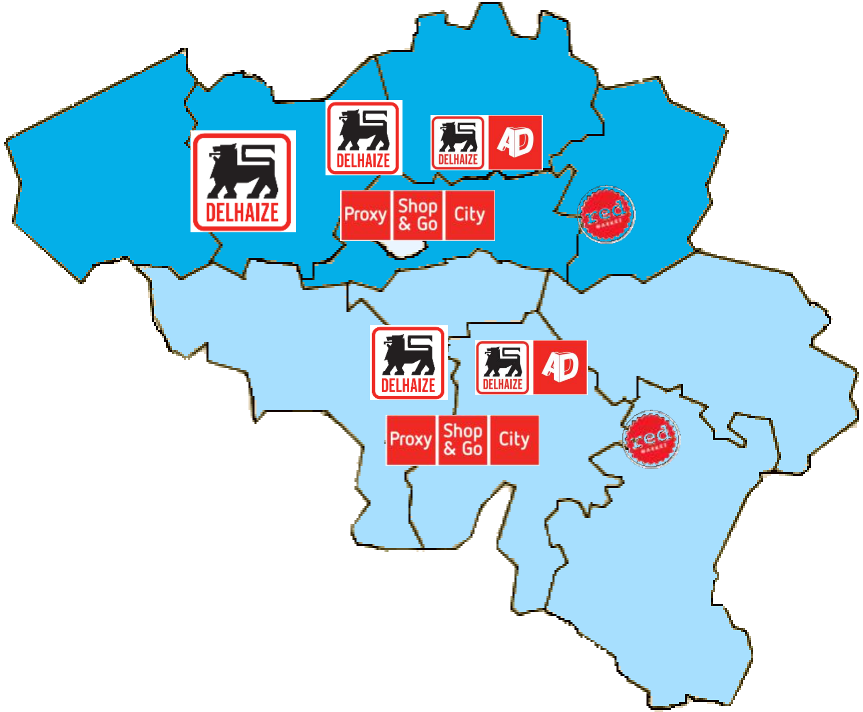
SCENARIO 1

AH BANNER FADES OUT IN FLANDERS AND DELHAIZE REMAINS THE BANNER FOR SUPERMARKET AND FRANCHISE

REASONS TO BELIEVE

TRAFFIC GENERATORS SHOPPERWARE CONVERSION ENGINES

- Political / Trade union pressure and public opinion.
- Synergies : purchase, reducing cost of services, increasing efficiencies
- AH as a Dutch origin banner would never be accepted by the BXL and the Walloon shopper
- AH + Delhaize board estimates that Delhaize has a better brand equity than AH
- Reducing complexity : banner management, private label



Summer – Winter Report
STORECHECK - GfK

SCENARIO 1 – MARKETSHARE EVOLUTION

REPLACING AH BANNER WITH DELHAIZE BANNER WILL GENERATE A LOSS OF SHOPPERS

Brand equity of AH 100 and Brand equity of Delhaize 92

UNIVERSE :

Mass distribution

All categories

SOURCE :

Sales (incl VAT)

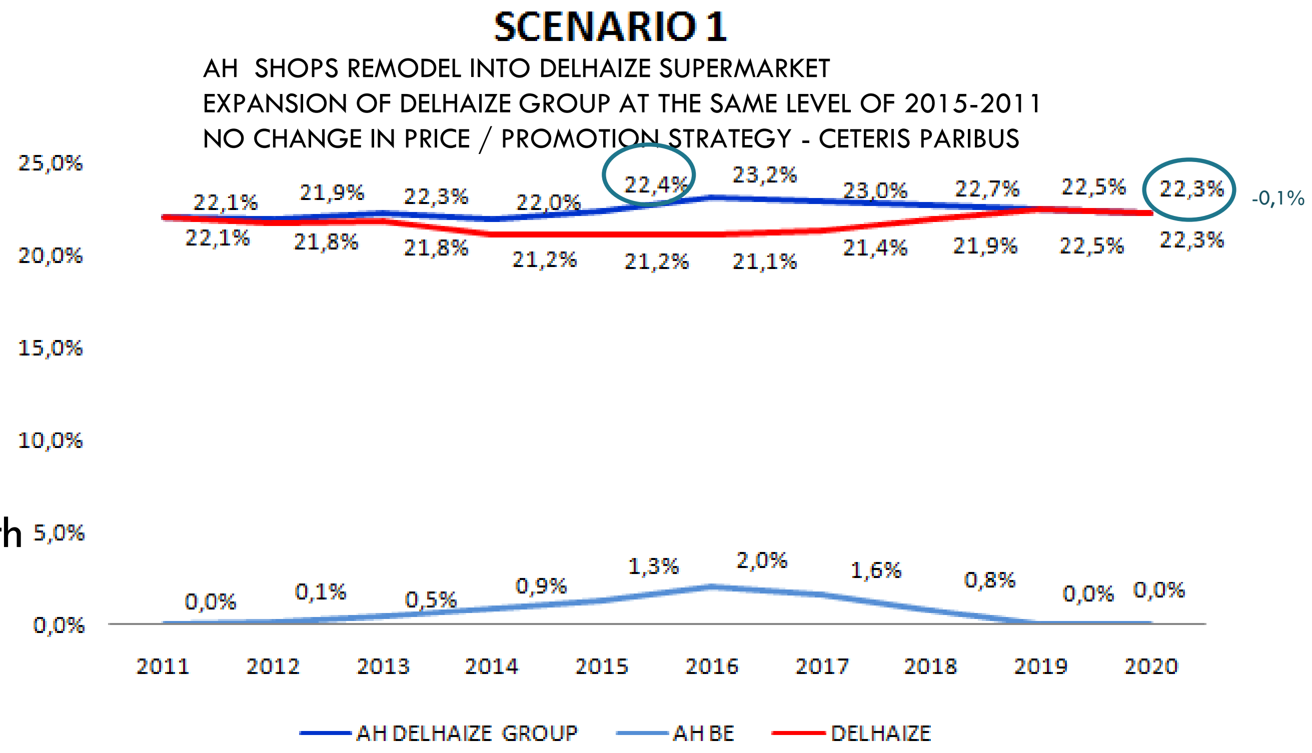
Published annual reports

Fmcg 27,2 billion € 2015

Extrapolated market growth

1% per year

2016 - 2020



SCENARIO 1 : IMPACT ON MARKETSHARES

AH BANNER FADES OUT IN FLANDERS AND DELHAIZE REMAINS THE BANNER FOR SUPERMARKET AND FRANCHISE

- In this scenario Delhaize can recover AH marketshare **but only if the price perception** of Delhaize grows to the level of AH. (summer-winter Report GfK)
- To improve price perception of Delhaize , it will **need to introduce a more aggressive promo strategy** with deep promotions on major national brands and core categories will be necessary.
- Significant long term growth based on existing park of Delhaize Supermarkets is unlikely seen the specifics of **the catchment area's**. To grow the AH +Delhaize group will need **to continue investing** in new locations and renewal of older shops with potential.
- Though it is not expected that this strategy would lead to a significant increase in marketshare the **operational profit** of Delhaize group in Belgium could improve because of the synergies and economies of scale. (**= working on the cost side not on the sales side**)
- What about current 5 AH franchisers + Peeters Goovers ?

SCENARIO 1 : IMPACT ON MARKETSHARES

AH BANNER FADES OUT IN FLANDERS AND DELHAIZE REMAINS THE BANNER FOR SUPERMARKET AND FRANCHISE

REASONS NOT TO BELIEVE

TRANSFORMING AH SUPERMARKETS INTO DELHAIZE SUPERMARKETS WILL LEAD TO **A LOSS OF THE PRICE SENSITIVE** SHOPPERS

THIS SCENARIO **IS NOT VERY AMBITIOUS** AND DOES NOT REFLECT THE CURRENT TONE OF COMMUNICATION OF AHOLD GROUP TO THE FINANCIAL MARKETS ON **THE STRONG PERFORMANCE OF AH** IN FLANDERS.

A SCENARIO THAT SEEMS UNLIKELY AND SUBOPTIMAL FROM A BUSINESS POINT OF VIEW

SCENARIO 2

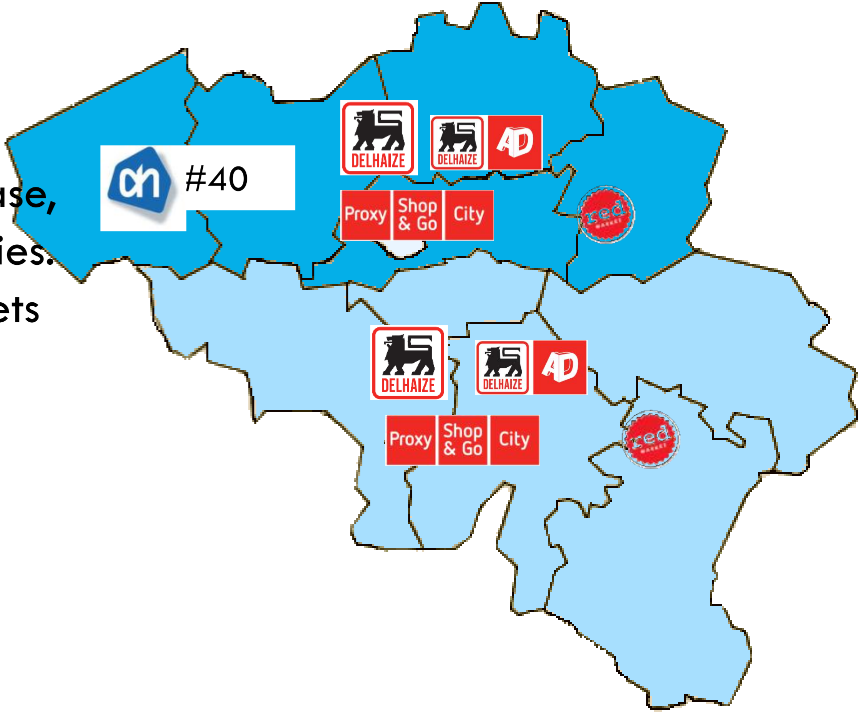
STATUS QUO

SCENARIO 2

AH KEEPS EXISTING SHOPS IN FLANDERS BUT NO EXPANSION OF THE AH BANNER AND DELHAIZE REMAINS THE BANNER FOR SUPERMARKET AND FRANCHISE

REASONS TO BELIEVE

- Political / trade union pressure and public opinion to **maintain the Delhaize banner**
- Possible to improve operating profit and increase market share via **synergies** : purchase, reducing cost of services, increasing efficiencies.
- No further expansion of the AH supermarkets but seeking **payback of the investment** and **respecting franchise contracts**.
- Managing AH private labels and Delhaize private labels separately.



SCENARIO 2

AH KEEPS EXISTING SHOPS IN FLANDERS BUT NO EXPANSION OF THE AH BANNER AND DELHAIZE REMAINS THE BANNER FOR SUPERMARKET AND FRANCHISE

AHOLD DELHAIZE GROUP WINS 0,3 POINTS MARKETSHARE VERSUS 2015

UNIVERSE :

Mass distribution

All categories

SOURCE :

Sales (incl VAT)

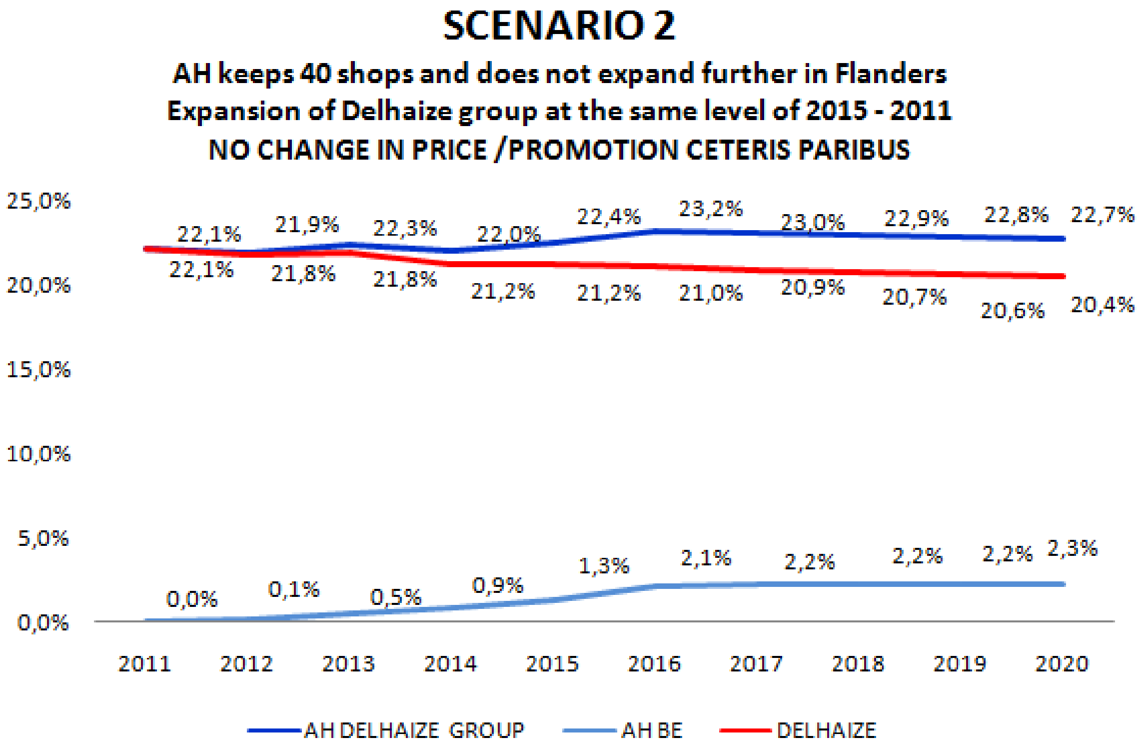
Published annual reports

Fmcg 27,2 billion € 2015

Extrapolated market growth

1% per year

2016 - 2020



SCENARIO 2* – closing 8 AH supermarkets

AH KEEPS EXISTING SHOPS IN FLANDERS BUT NO EXPANSION OF THE AH BANNER AND DELHAIZE REMAINS THE BANNER FOR SUPERMARKET AND FRANCHISE

UNIVERSE :

Mass distribution

All categories

SOURCE :

Sales (incl VAT)

Published annual reports

Fmcg 27,2 billion € 2015

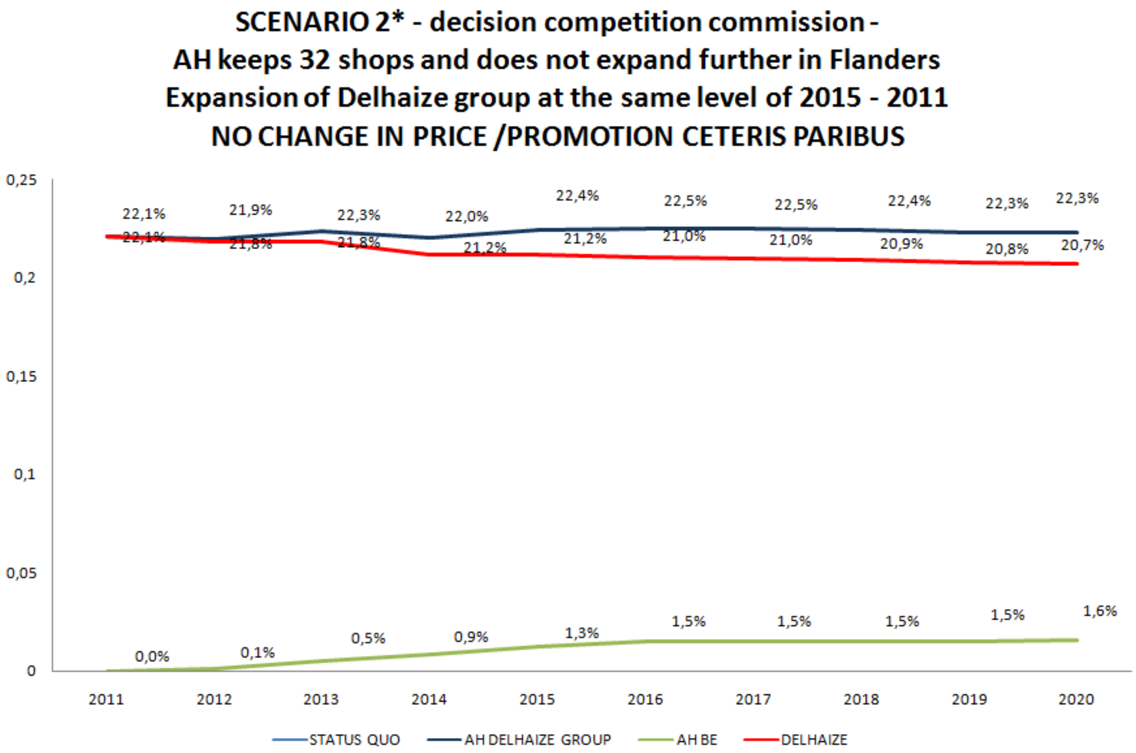
Extrapolated market growth

1% per year

2016 - 2020

Rem :

Number of AH would be reduced to 32



SCENARIO 2*

AH KEEPS EXISTING SHOPS IN FLANDERS BUT NO EXPANSION OF THE AH BANNER AND DELHAIZE REMAINS THE BANNER FOR SUPERMARKET AND FRANCHISE

REASONS NOT TO BELIEVE

LIMITING THE NUMBER OF AH SUPERMARKETS TO 32 WOULD MAKE THE OPERATION AH BE **UNPROFITABLE AND NOT VIABLE** IN THE LONG RUN

PUTTING THE EXPANSION ON HOLD STOPS THE MOST IMPORTANT CURRENT GROWTH DRIVER OF RETAIL SHARES IN BELGIUM : **PROXIMITY**

A SCENARIO THAT SEEMS **UNLIKELY AND SUBOPTIMAL** GIVEN THE STRONG BRAND EQUITY OF AH

SCENARIO 3

AH CONTINUED EXPANSION IN REGIO NORTH

SCENARIO 3

CONTINUED EXPANSION OF AH IN FLANDERS AND CLOSING DOWN SOME DELHAIZE SUPERMARKETS IN CASE OF TOO HIGH CANNIBALIZATION

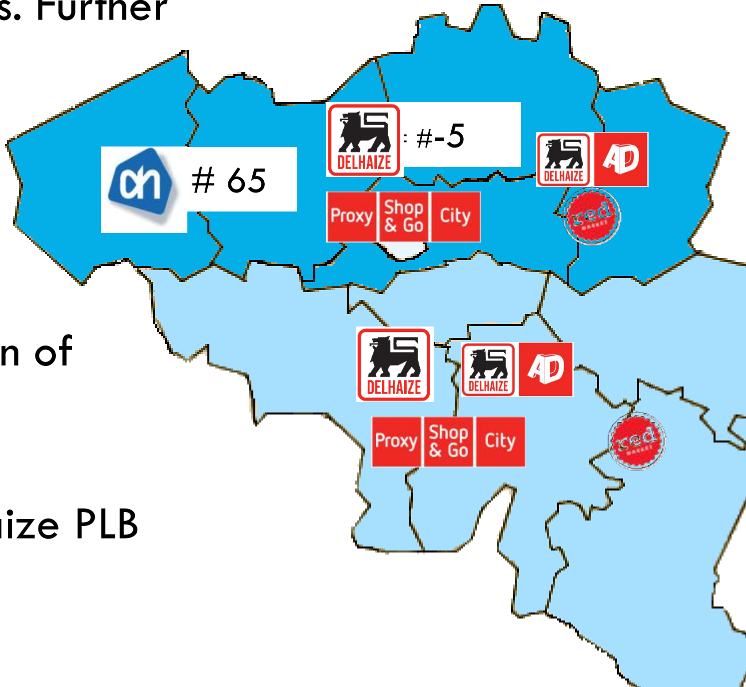
REASONS TO BELIEVE

- **Strengthening the position** of Delhaize in BXL + South using synergies and **anticipating the strong AH brand image** in Flanders. Further expansion of AH supermarkets.

- **Rationalizing the park of shops AH or Delhaize** in case of bad performance or risk of cannibalization.

- **Franchisers in Flanders don't object** a further expansion of the AH format.

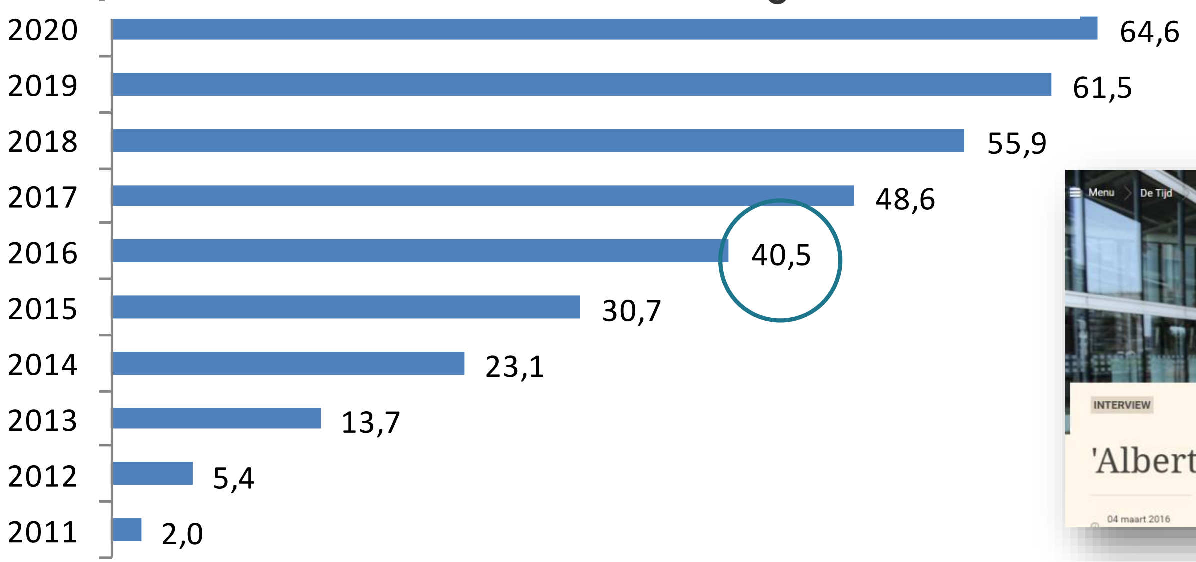
- Feasability to manage both private label AH and Delhaize PLB



SCENARIO 3

CONTINUED EXPANSION OF AH IN FLANDERS AND CLOSING DOWN SOME DELHAIZE SUPERMARKETS IN CASE OF TOO HIGH CANNIBALIZATION

Possible future evolution of
the number of AH in North Belgium

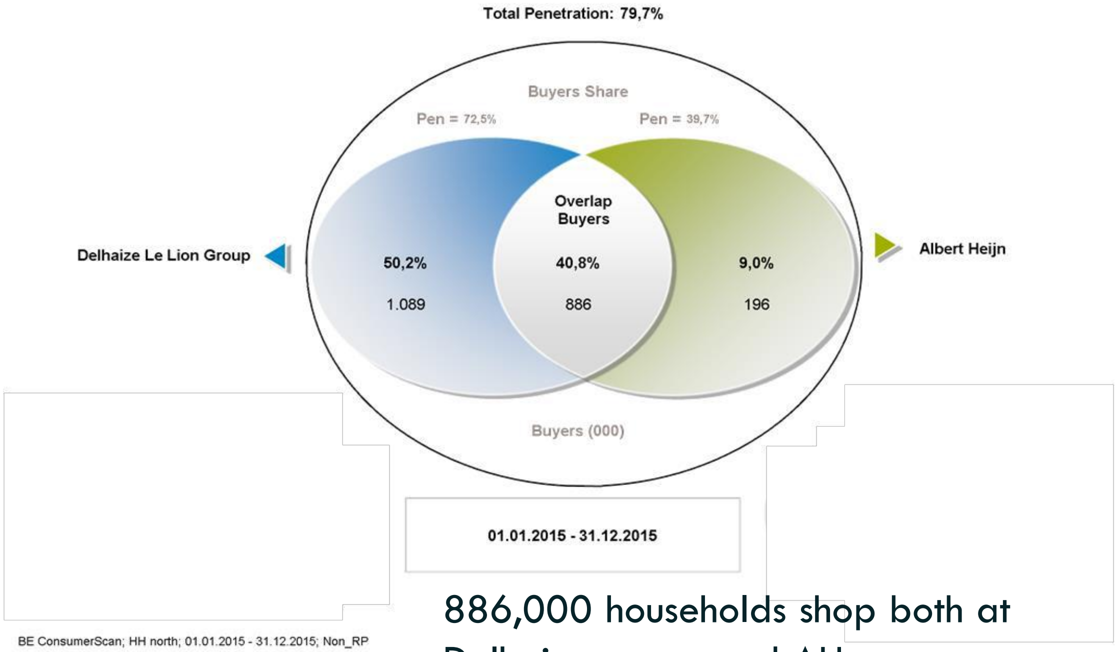


Source : De Tijd , 4 march 2016

SCENARIO 3

CURRENT SITUATION OF COMPETITION BETWEEN AH AND THE DELHAIZE GROUP IN FLANDERS

Source : GfK Consumerpanel Belgium 2015



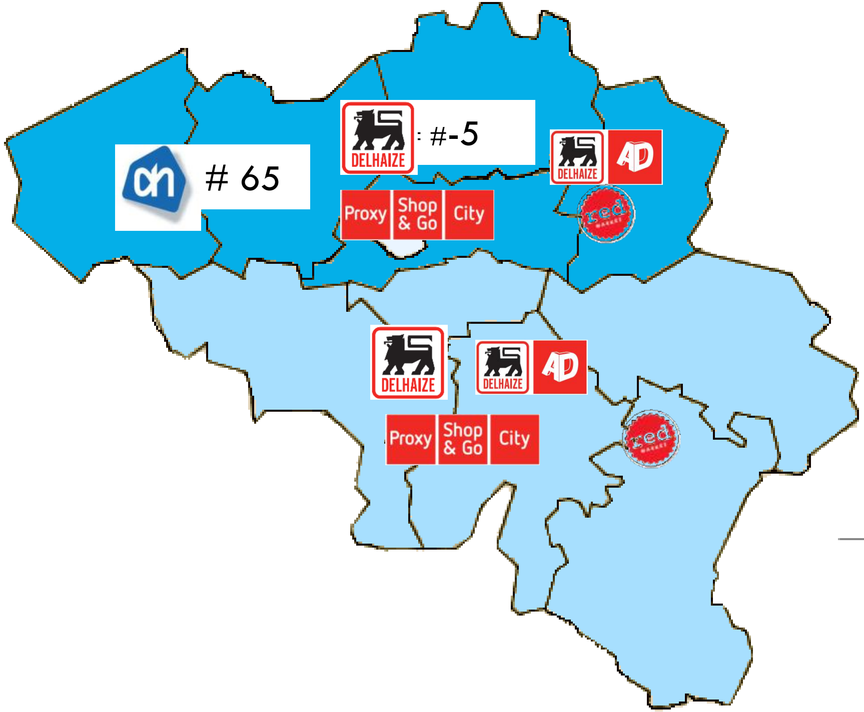
886,000 households shop both at Delhaize group and AH
32,5% of households in region North

- Delhaize (groep) en AH hebben samen een penetratie van 79,7% in Vlaanderen.
- Delhaize heeft een penetratie van 72,5% en AH van 39,7%.
- 1,089,000 gezinnen zijn klant van Delhaize maar niet van AH.
- 196,000 gezinnen kopen alleen maar bij AH en niet bij Delhaize.
- 886,000 gezinnen zijn klant van beide retailers
- Het gaat over
  - 45% van alle Delhaize klanten
  - 82% van alle AH klanten

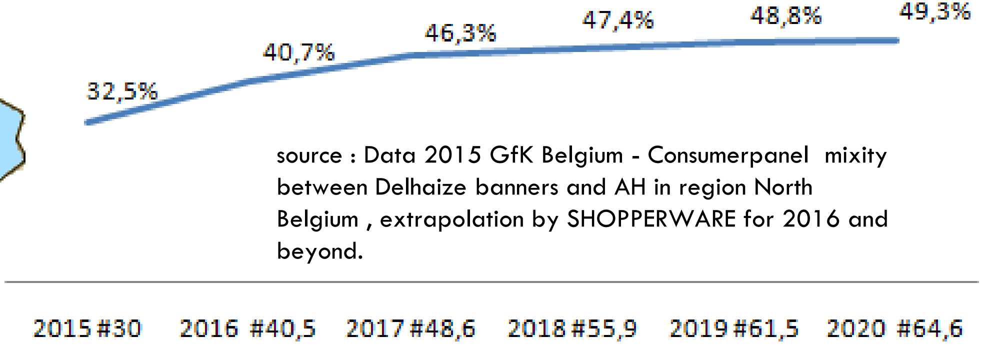
Source GfK Belgium 2015 and ©

SCENARIO 3

CONTINUED EXPANSION OF AH IN FLANDERS (#65) AND CLOSING DOWN SOME DELHAIZE SUPERMARKETS IN CASE OF TOO HIGH CANNIBALIZATION



The number of mix buyers (% of HH) between AH banner and Delhaize group as a function of the number AH shops



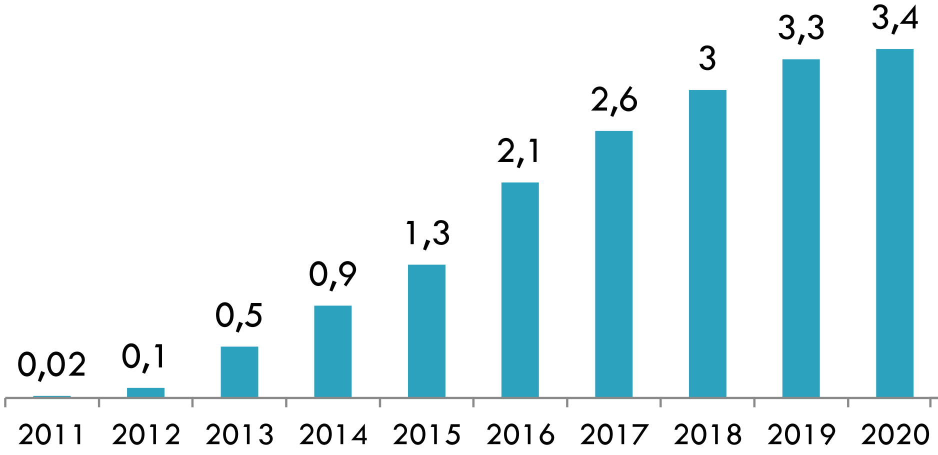
source : Data 2015 GfK Belgium - Consumerpanel mixity between Delhaize banners and AH in region North Belgium , extrapolation by SHOPPERWARE for 2016 and beyond.

SCENARIO 3

CONTINUED EXPANSION OF AH IN FLANDERS (#65) AND CLOSING DOWN SOME DELHAIZE SUPERMARKETS IN CASE OF TOO HIGH CANNIBALIZATION

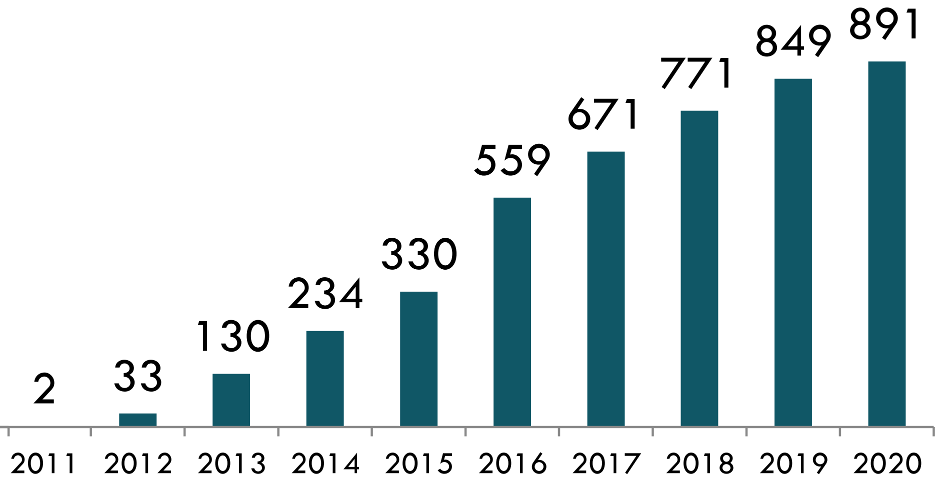
AH SUPERMARKETS 900 mio € by 2020

AH + AH Franchise Valueshare €



SOURCE / NBB BALANSCENTRALE 2012, 2013, 2014, 2015, 2016 extrapol SHOPPERWARE

AH + AH Franchise Turnover mio € (incl VAT)



SOURCE / NBB BALANSCENTRALE 2012, 2013, 2014, 2015, 2016 extrapol SHOPPERWARE

SCENARIO 3

CONTINUED EXPANSION OF AH IN FLANDERS TO 65 SHOPS AND CLOSING DOWN SOME DELHAIZE SUPERMARKETS IN CASE OF TOO HIGH CANNIBALIZATION

+1.4 POINT MARKETSHARE WON VERSUS 2015

UNIVERSE :

Mass distribution

All categories

SOURCE :

Sales (incl VAT)

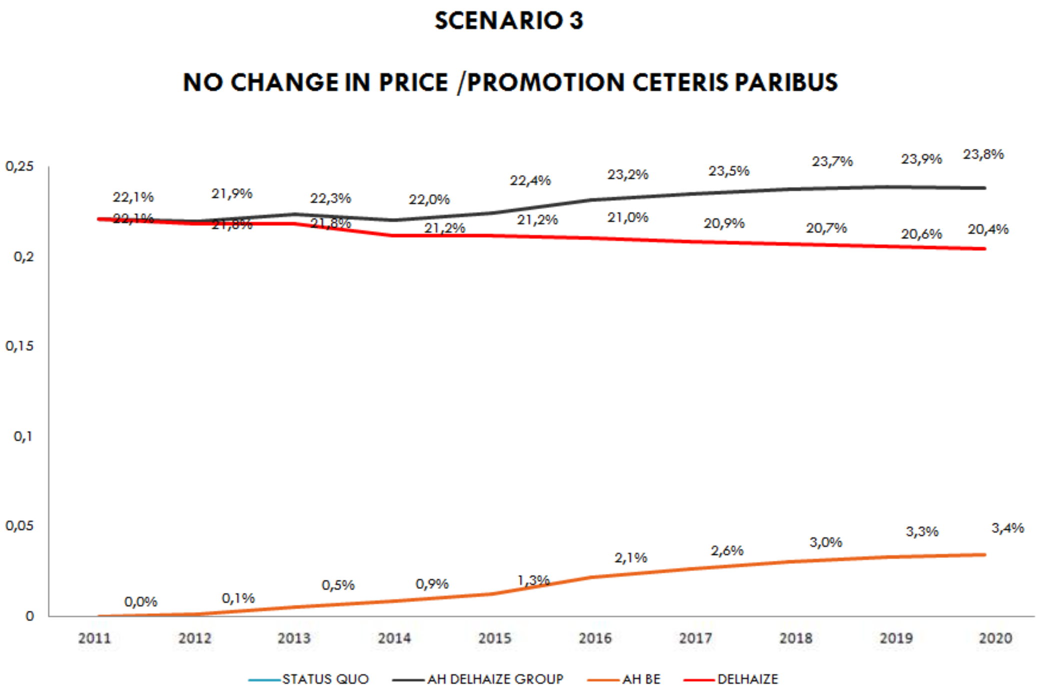
Published annual reports

Fmcg 27,2 billion € 2015

Extrapolated market growth

1% per year

2016 - 2020



SOURCE / NBB BALANSCENTRALE 2012, 2013, 2014, 2015, 2016 extrapol SHOPPERWARE

SCENARIO 3

CONTINUED EXPANSION OF AH IN FLANDERS AND CLOSING DOWN SOME DELHAIZE SUPERMARKETS IN CASE OF TOO HIGH CANNIBALIZATION

THIS SCENARIO WOULD BUILD ON **THE STRONG POINTS** OF THE AH FORMAT AND COULD BE A SMART WAY TO RATIONALIZE AND INCREASE EFFICIENCY OF CURRENT NETWORK IN FLANDERS

THIS STRATEGY THAT LIMITS ITSELF TO A LINGUISTIC BORDER IN AN EU COUNTRY OF 11 MIO INHABITANTS **IS UNLIKELY** TO BE A POINT OF DISCUSSION IN THE BOARDROOM OF A N°10 GLOBAL RETAILING COMPANY.

THE PROVOCATIVE

SCENARIO

TRANSFORMING DELHAIZE SUPERMARKETS INTO AH XL AND EXPANSION IN BELGUM DELHAIZE BANNER RESERVED FOR FRANCHISE AND PROXIMITY

THE PROVOCATIVE SCENARIO

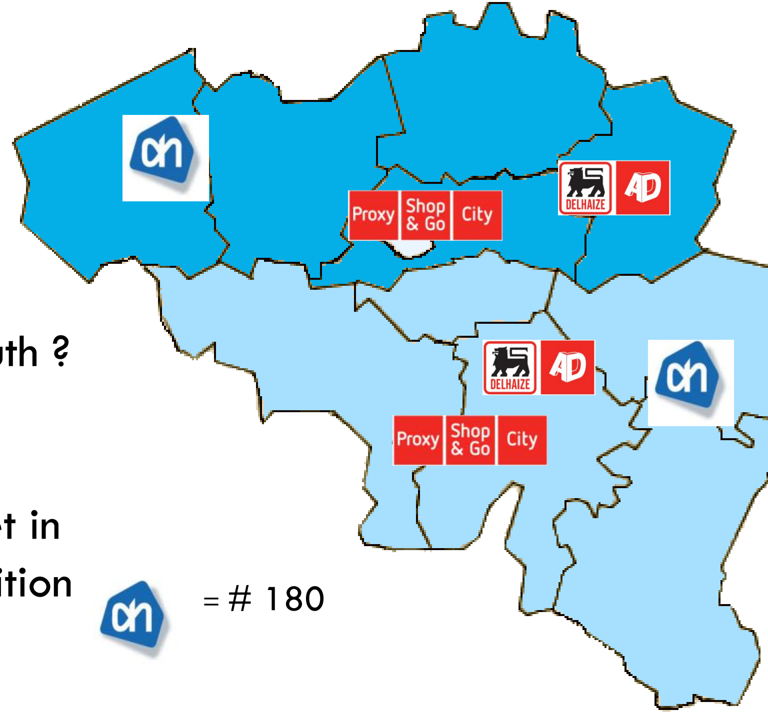
TRAFFIC GENERATORS
SHOPPERWARE
CONVERSION ENGINES

REASON TO BELIEVE

- Nationwide expansion of the AH format allows to **de-invest old facilities/ locations** and reduce the cost of salaries by reducing the average age of the staff in the shops.

- The strong **AH brand image is exportable** to BXL and Wallonia. Is AH well accepted by the shopper in the south ? SHOPPERWARE online research .

- Franchisers see the rebranding of Delhaize Supermarket in AH supermarket as **an opportunity** to strengthen the position of AD franchising.



HAS AH POTENTIAL IN REGION SOUTH ?

AH BANNER EQUITY IN WALLONIA AND BRUSSELS

ON LINE QUESTIONNAIRE

PERCEPTION RESEARCH

METHODOLOGY :

ONLINE QUESTIONAIRE RANDOM SAMPLE OF RPA – VVA

FIELD : February 2016 – March 2016

SUBSAMPLE 1 WITHIN 10 MINUTES DRIVING TIME OF AH n = 200

SUBSAMPLE 2 FLANDERS OUTSIDE 10 MINUTES DRIVING TIME OF AH n= 150

SUBSAMPLE 3 WALLONIA AND BRUSSELS n= 150

Aided Awareness

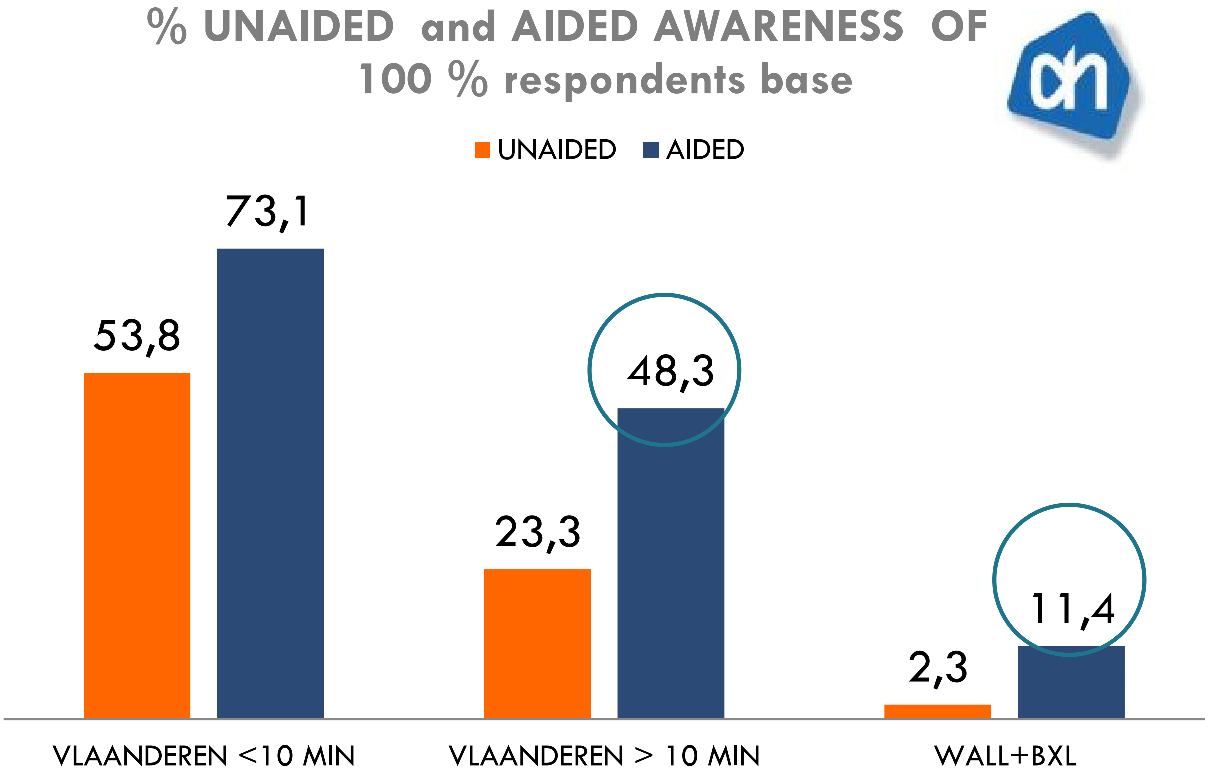
11%

of households
in South + Brussels

1. AIDED AND UNAIDED AWARENESS OF AH

TRAFFIC GENERATORS
SHOPPERWARE
CONVERSION ENGINES

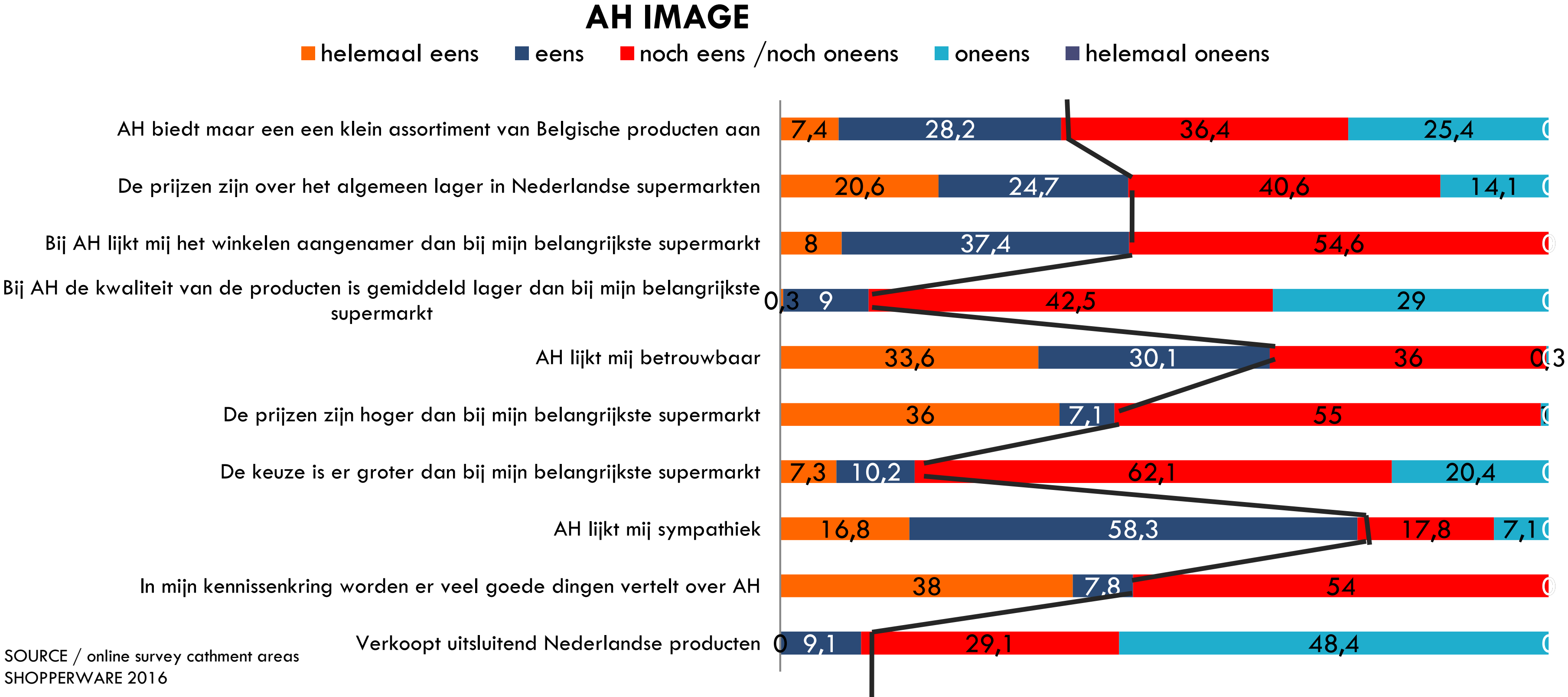
WITHIN CATCHMENT AREA AH FLANDERS , OUTSIDE CATCHMENT AREA AH FLANDERS , WALLONIA AND BRUSSELS



SOURCE / online survey cathment areas
SHOPPERWARE 2016

2A. BRAND IMAGE OF AH

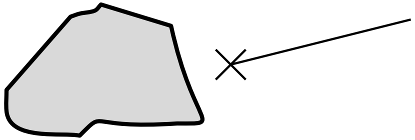
WITHIN CATCHMENT AREA 10 min. AH FLANDERS



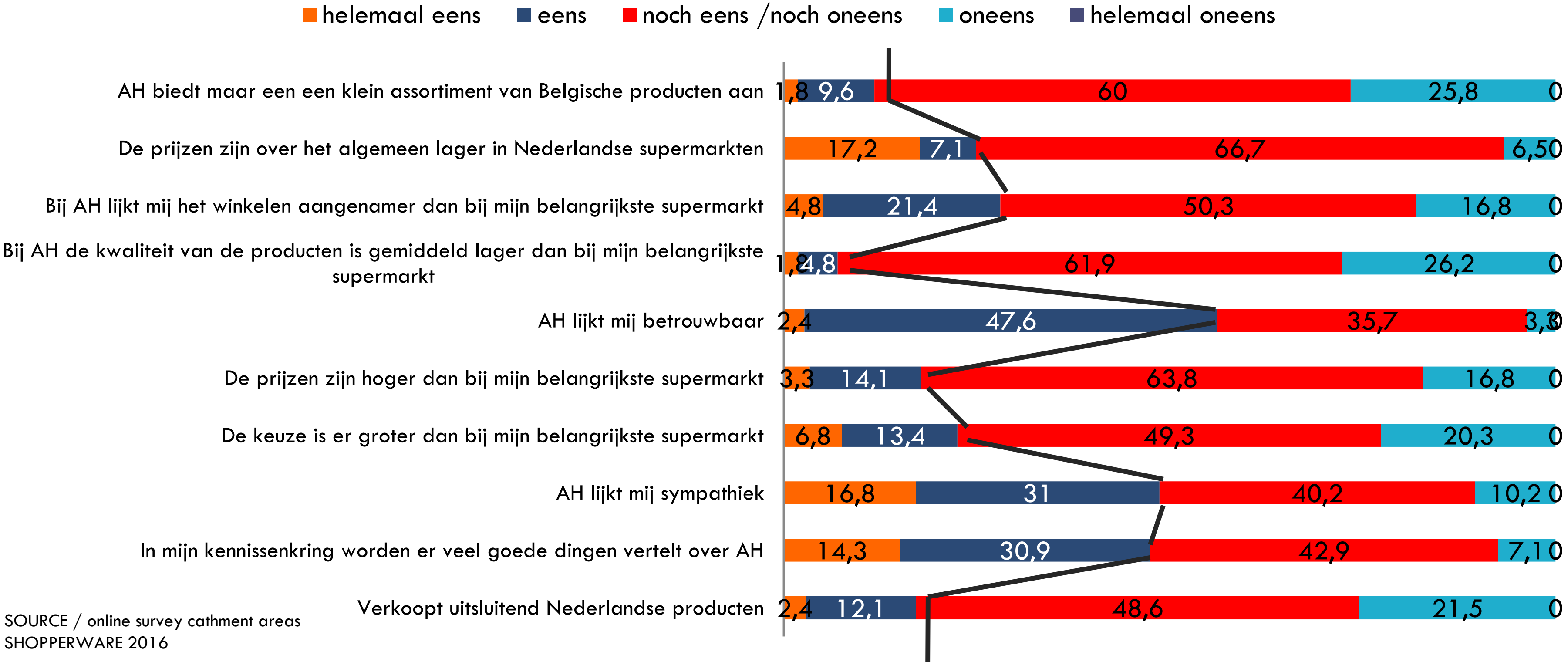
SOURCE / online survey cathment areas
SHOPPERWARE 2016

2A. BRAND IMAGE OF AH

OUTSIDE CATCHMENT AH AREA **FLANDERS**



AH IMAGE

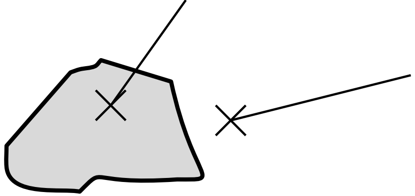


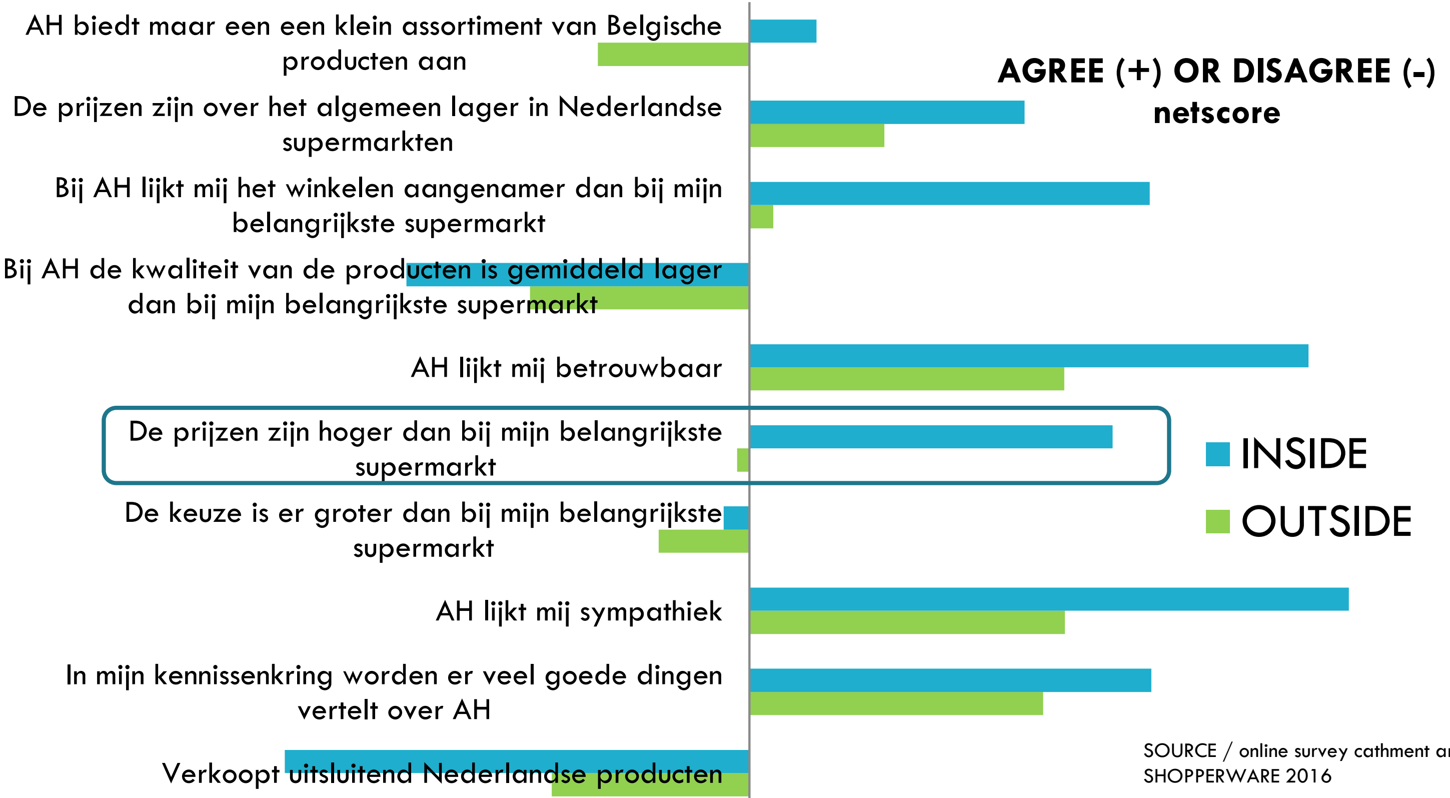
SOURCE / online survey cathment areas
SHOPPERWARE 2016

SHOPPERS
OUTSIDE CATCHMENT AREA
PERCEIVE AH
AS BEING CHEAP

2A. BRAND IMAGE OF AH

IN AND OUTISIDE OUTSIDE CATCHMENT AH AREA FLANDERS
VERY STRONG BRAND IMAGE WITHIN THE CATCHMENT AREA
THE PROOF OF THE PUDDING IS IN THE EATING



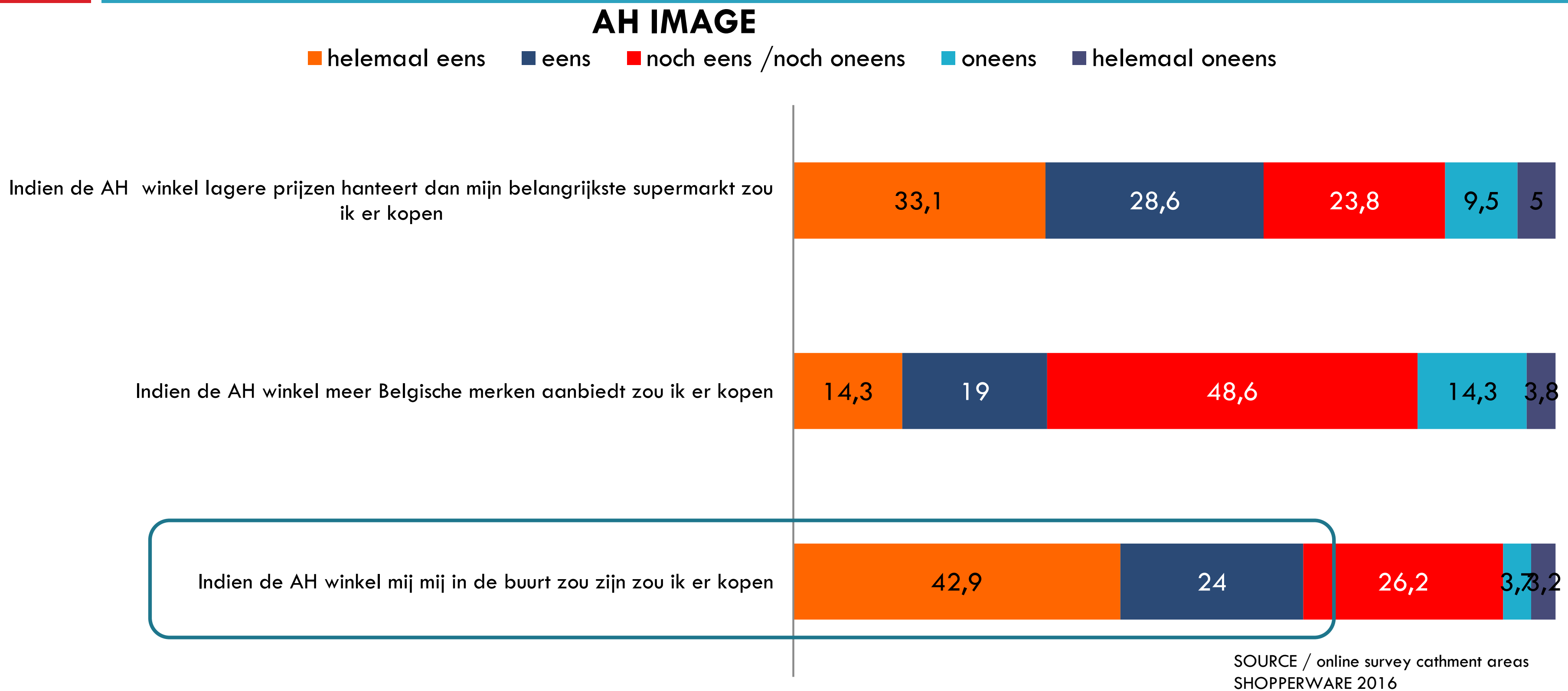


SOURCE / online survey cathment areas
SHOPPERWARE 2016

> 50% SHOPPERS OUTSIDE CATCHMENT AREAS WOULD SHOP AT AH IF NEARBY

2B. SHOPPERS PURCHASE INTENTION

OUTSIDE CATCHMENT AH AREA FLANDERS

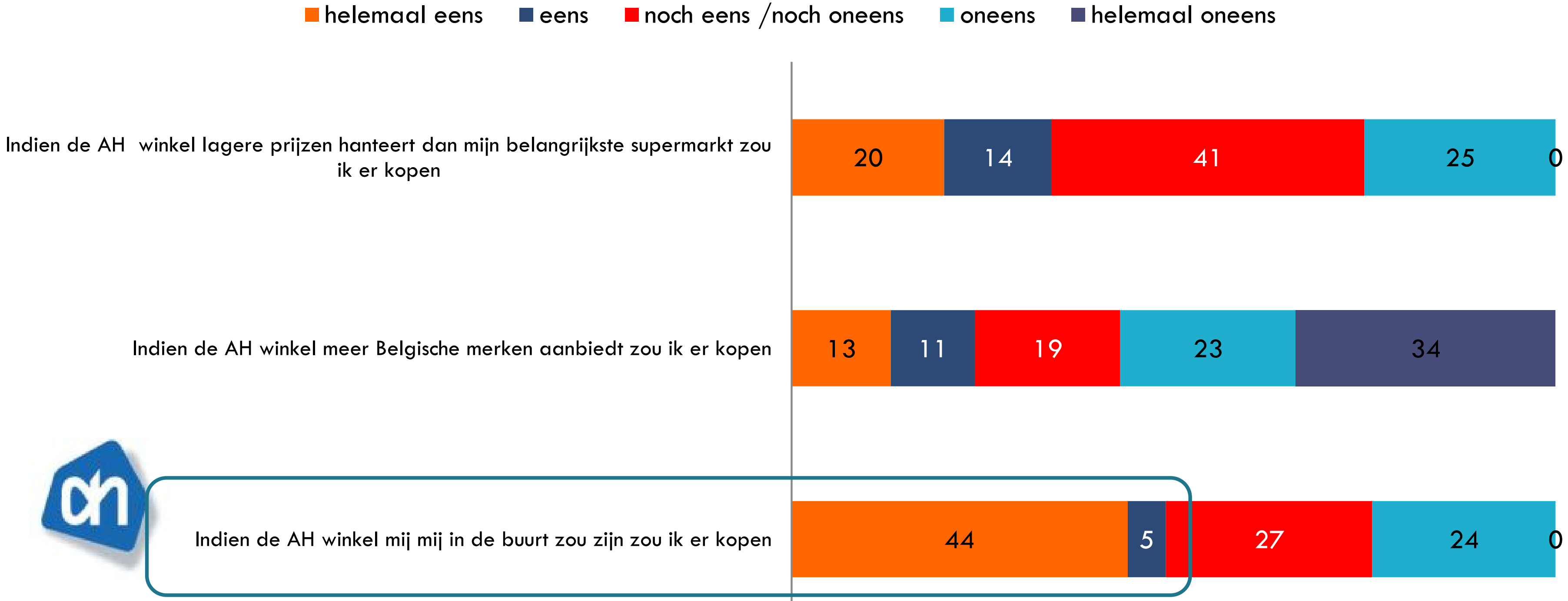


SOURCE / online survey cathment areas
SHOPPERWARE 2016

2B. SHOPPERS PURCHASE INTENTION

WALLONIA AND BRUSSELS : 49% would buy at AH if the shop was closer to their home

AH IMAGE



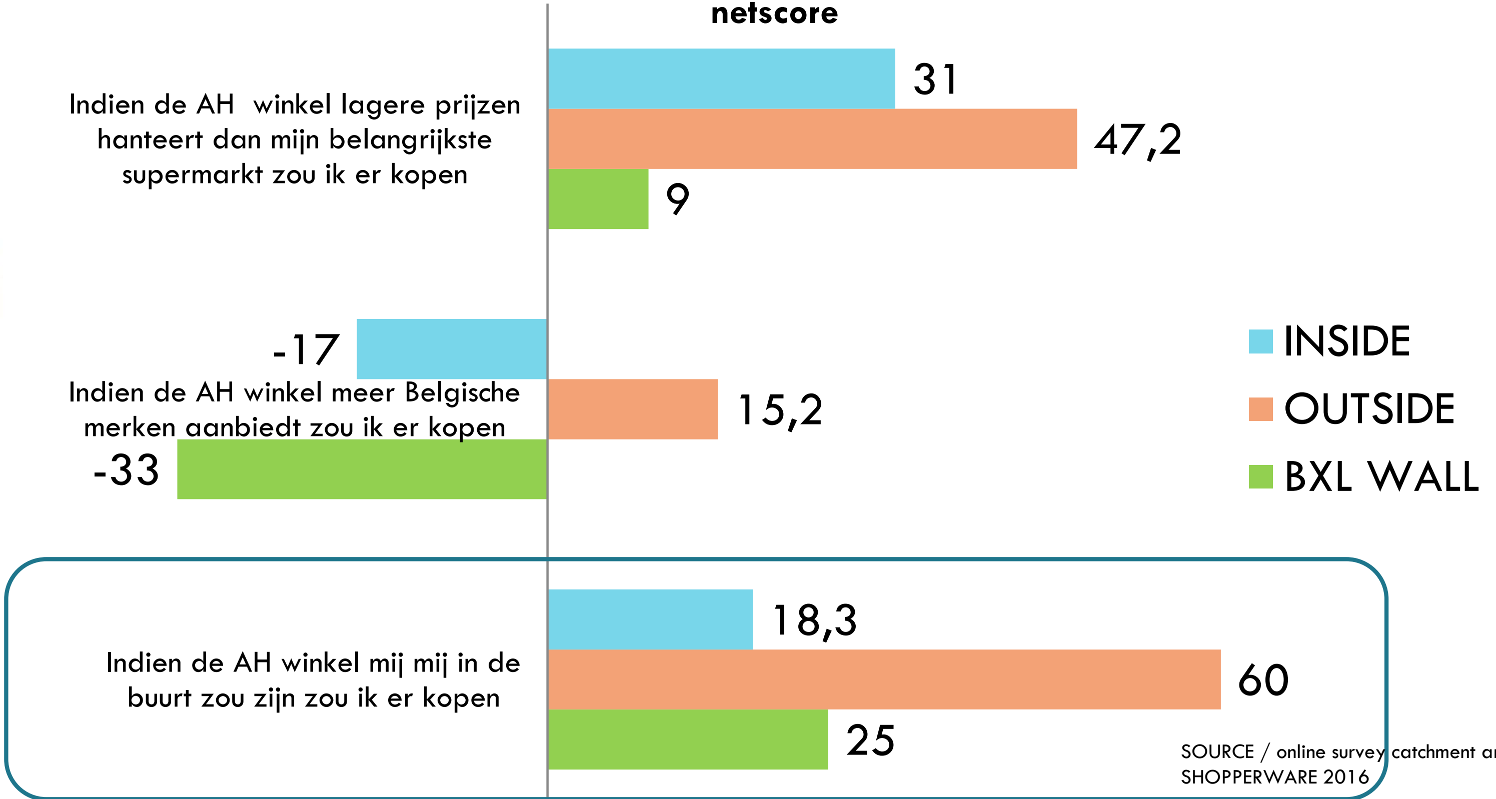
SOURCE / online survey cathment areas
SHOPPERWARE 2016

2B. SHOPPERS PURCHASE INTENTION

INSIDE THE CATCHMENT AREA , OUTSIDE THE CATCHMENT AREA FLANDERS AND WALLONIA/BRUSSELS

DRIVER 1 = PROXIMITY DRIVER 2 = PRICE

AGREE (+) OR DISAGREE (-)



SOURCE / online survey catchment areas
SHOPPERWARE 2016

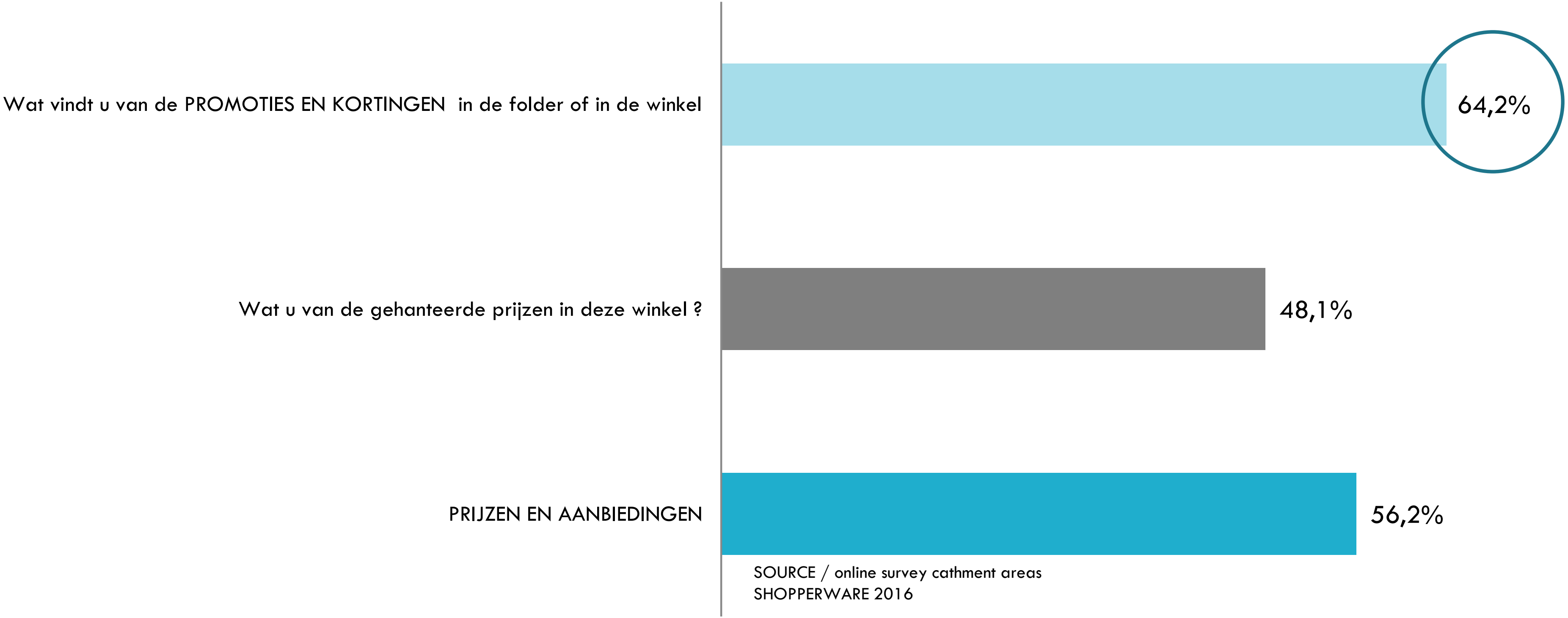
PROMOTION
IS THE DRIVER

4. AH SHOPPER SATISFACTION ON SHOPPER RELEVANT ATTRIBUTES

PRICE AND **PROMOTIONS**

differentiator

AH SHOPPER SATISFACTION



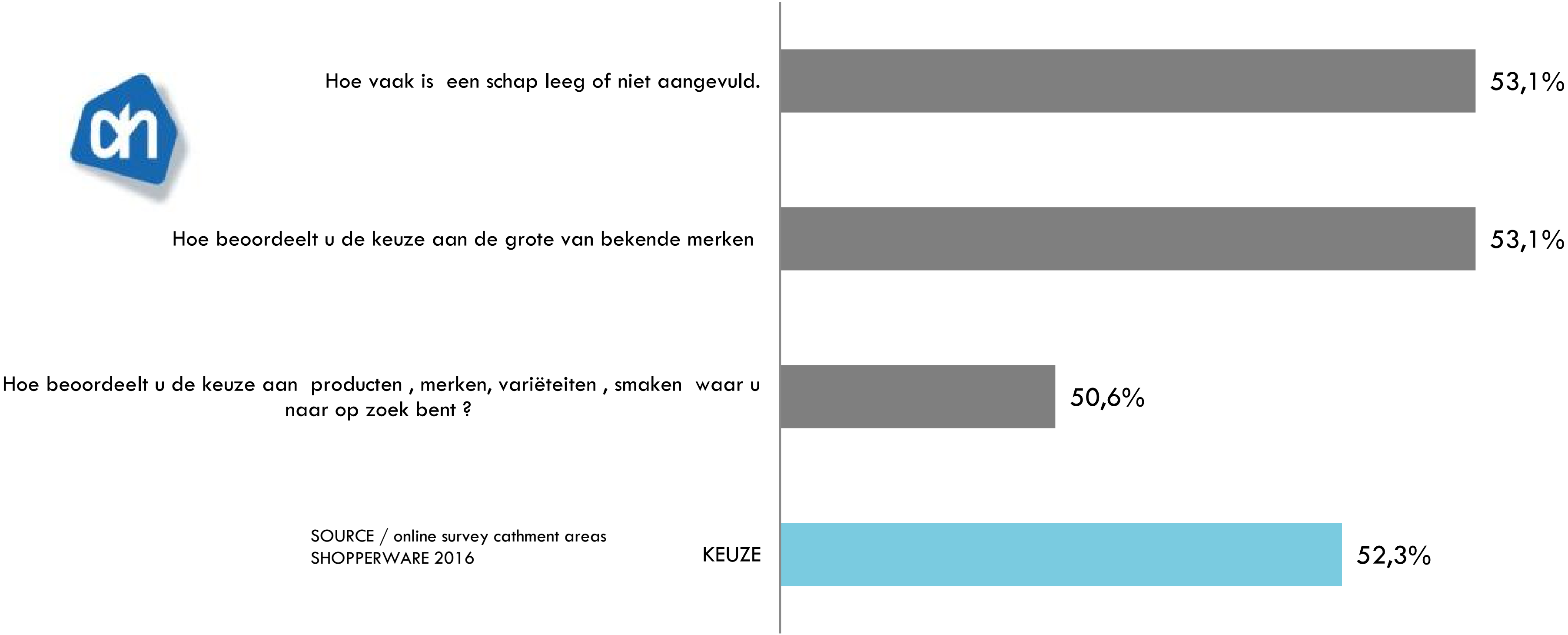
SOURCE / online survey cathment areas
SHOPPERWARE 2016

4. AH SHOPPER SATISFACTION ON SHOPPER RELEVANT ATTRIBUTES

CHOICE

TRAFFIC GENERATORS SHOPPERWARE CONVERSION ENGINES

AH SHOPPER SATISFACTION

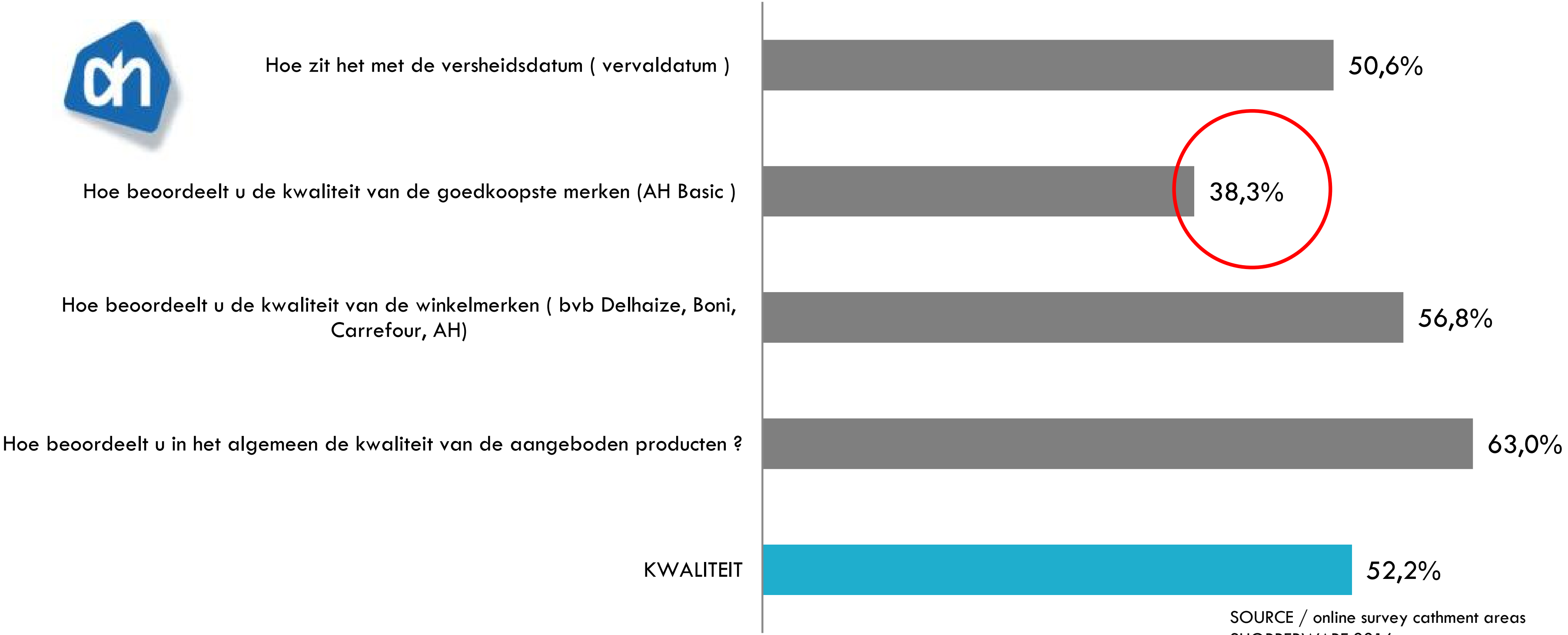


SOURCE / online survey cathment areas
SHOPPERWARE 2016

4. AH SHOPPER SATISFACTION ON SHOPPER RELEVANT ATTRIBUTES
PRODUCT QUALITY PERCEPTION

TRAFFIC GENERATORS SHOPPERWARE CONVERSION ENGINES

AH SHOPPER SATISFACTION



SOURCE / online survey cathment areas
SHOPPERWARE 2016

4. AH SHOPPER SATISFACTION ON SHOPPER RELEVANT ATTRIBUTES

THE SHOPPING ENVIRONMENT

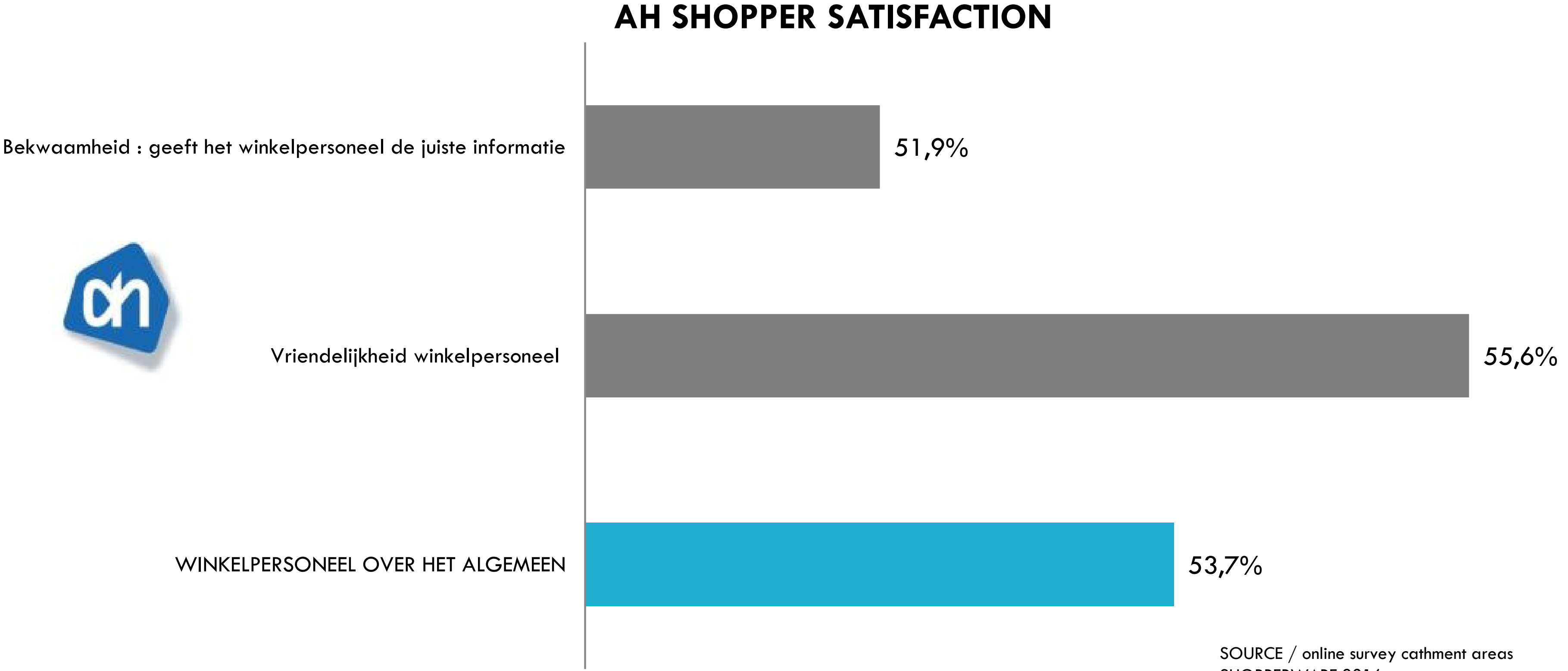
TRAFFIC GENERATORS
SHOPPERWARE
CONVERSION ENGINES

SOURCE / online survey cathment areas
SHOPPERWARE 2016

4. AH SHOPPER SATISFACTION ON SHOPPER RELEVANT ATTRIBUTES

PERSONEL/STAFF

TRAFFIC GENERATORS
SHOPPERWARE
CONVERSION ENGINES



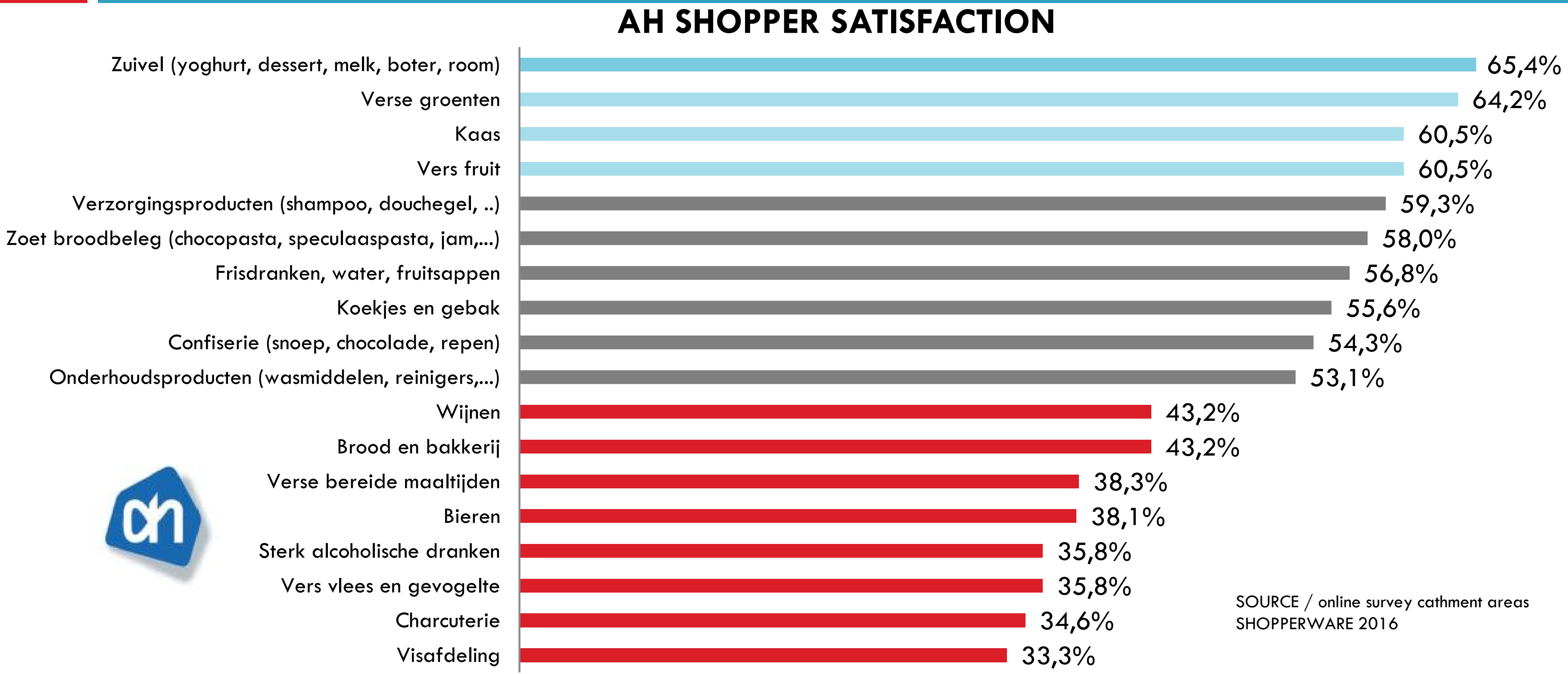
SOURCE / online survey cathment areas
SHOPPERWARE 2016

ASSORTMENT ROOM FOR IMPROVEMENT

4. AH SHOPPER SATISFACTION ON SHOPPER RELEVANT ATTRIBUTES
ASSORTMENT AND CATEGORY

TRAFFIC GENERATORS
SHOPPERWARE
CONVERSION ENGINES

differentiators
opportunities

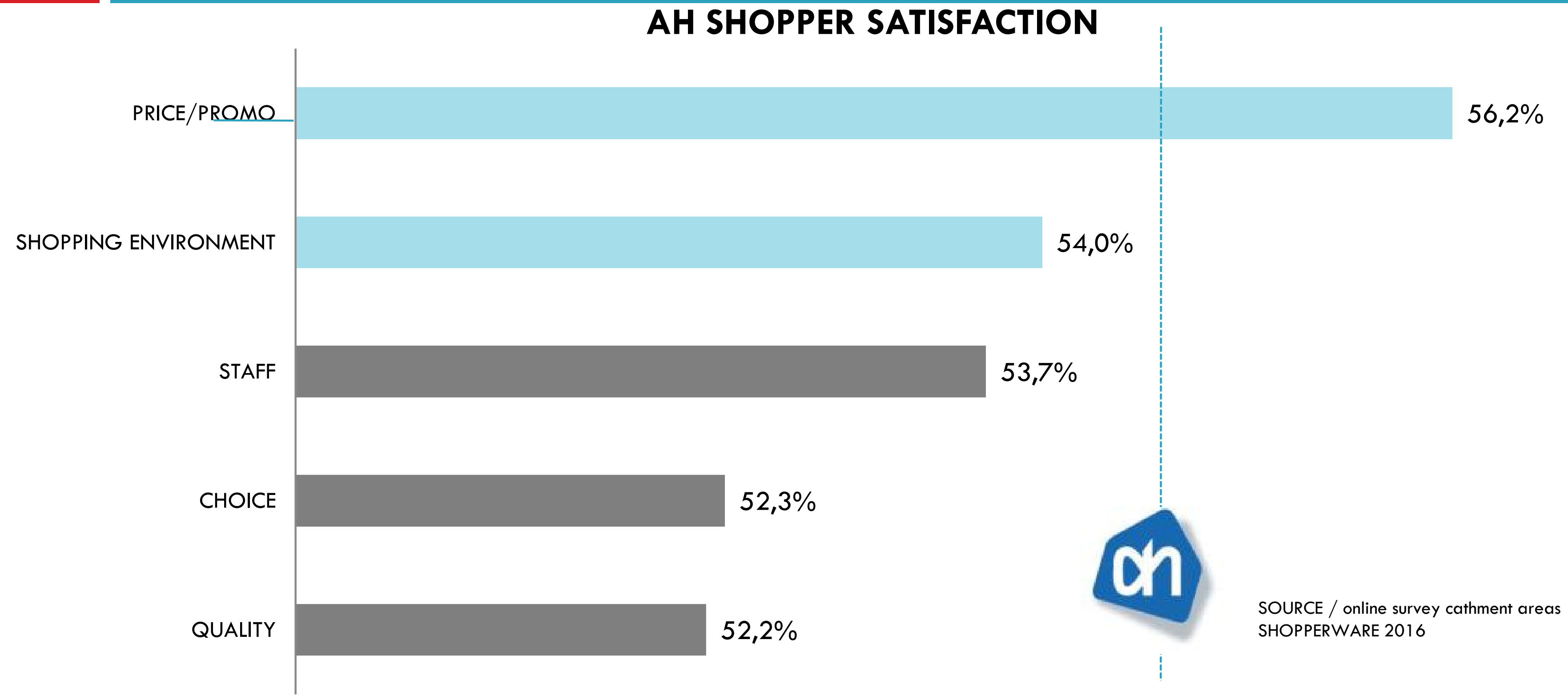


SOURCE / online survey cathment areas
SHOPPERWARE 2016

4. AH SHOPPER SATISFACTION ON SHOPPER RELEVANT ATTRIBUTES
OVERALL SATISFACTON

differentiators

TRAFFIC GENERATORS
SHOPPERWARE
CONVERSION ENGINES



SOURCE / online survey cathment areas
SHOPPERWARE 2016

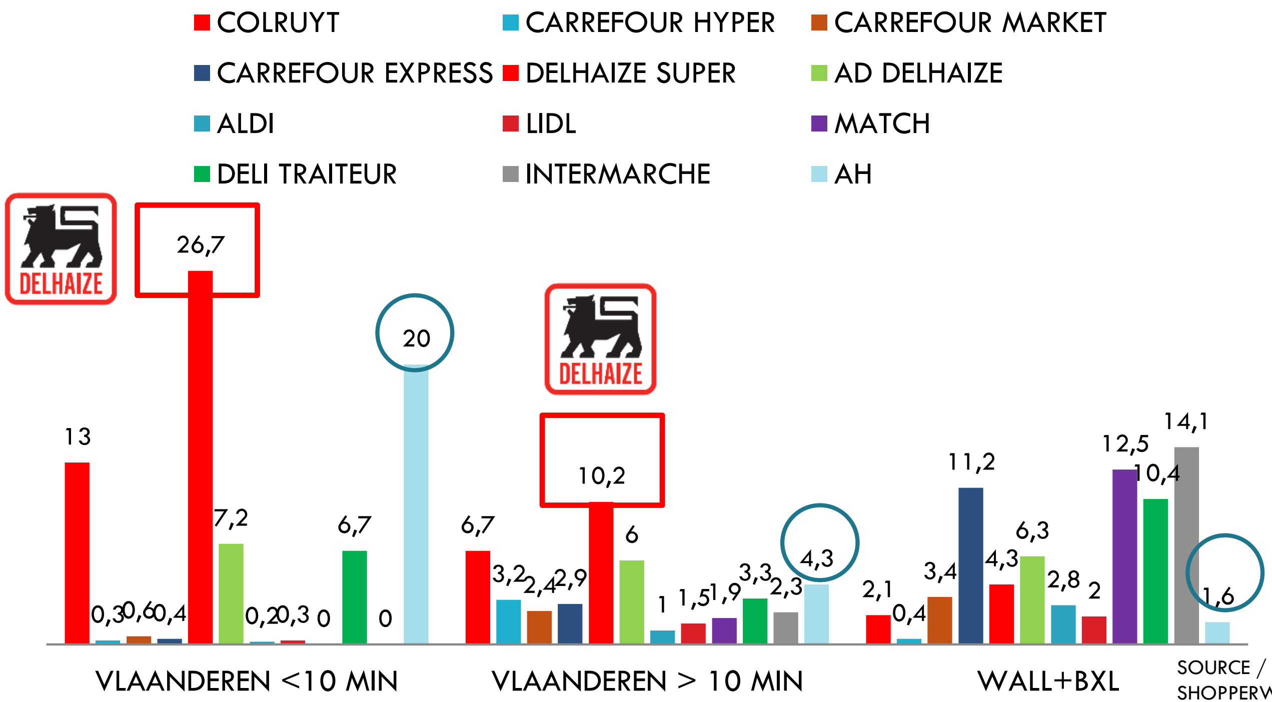
INTENTIONAL SHOPPING BEHAVIOR

POLARIZATION IN THE CATCHMENT AREA

5. SHOPPING ASPIRATION

WHERE WOULD YOU LIKE TO SHOP IF PRICE WAS NOT AN ISSUE

SHOPPING ASPIRATION DISREGARDING PRICE



SOURCE / online survey cathment areas
SHOPPERWARE 2016

8. INTENTIONAL SHOPPING BEHAVIOR

AT WHICH RETAILER YOU WILL PROBABLY SHOP MORE IN THE FUTURE

CATCHMENT AREA = 100% base (fully agree + agree score)

POLARISATION

WHERE AH IS LOCATED

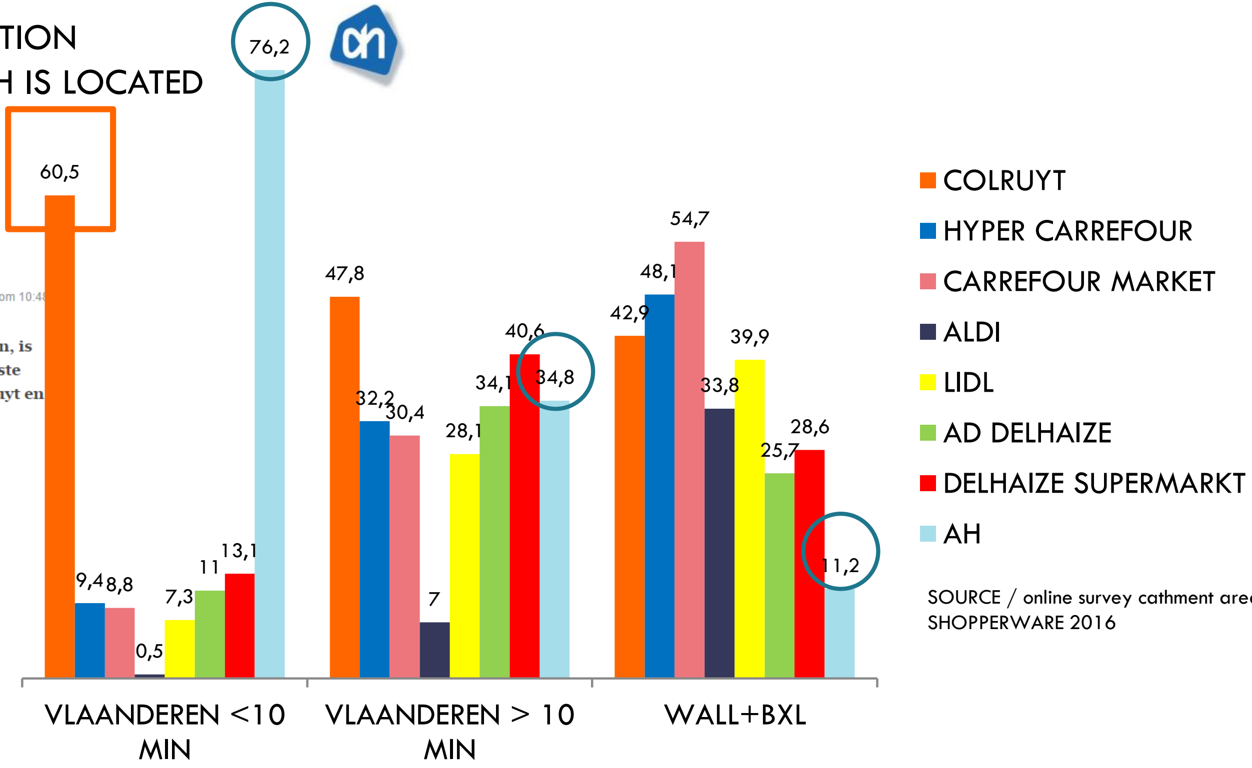
Frans Colruyt en Marc Hofman: 'We zijn bereid om diep te gaan voor de laagste prijzen'

Stijn Fockedey
Redacteur bij Trends

02/07/15 om 10:48 - Bijgewerkt om 10:48

Als de nieuwe concurrent Ahold Delhaize een prijzenoorlog wil starten, is Colruyt Group daar klaar voor. "Bij Colruyt zijn we altijd voor de laagste prijs gegaan, en dat zullen we blijven doen", zeggen toplui Frans Colruyt en Marc Hofman in een exclusief interview.

Source Trends/Tendances july 2015



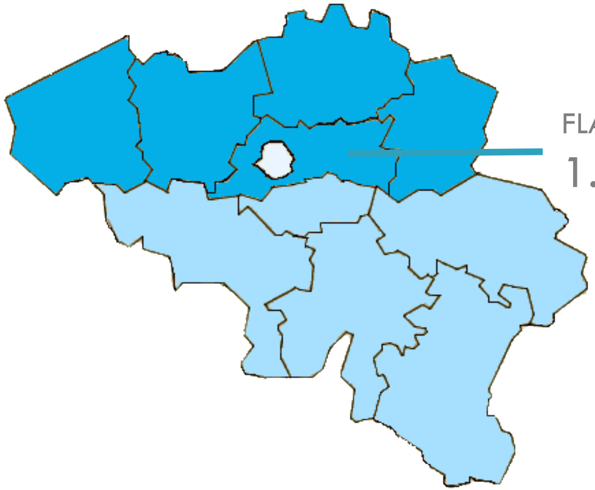
SOURCE / online survey cathment areas SHOPPERWARE 2016

POTENTIAL FOR ADDITIONAL AH

25 NORTH

10 SOUTH + BRUSSELS

REASON TO BELIEVE IN CONTINUED EXPANSION OF AH
POTENTIAL FOR AH IN FLANDERS OUTSIDE THE CATCHMENT AREA



FLANDERS OUTSIDE CATCHMENT AREA
1.643.000 households

Aided awareness 48,3%

Future purchase intention **34,8 %**

POTENTIAL SHOPPING hh

#571.972

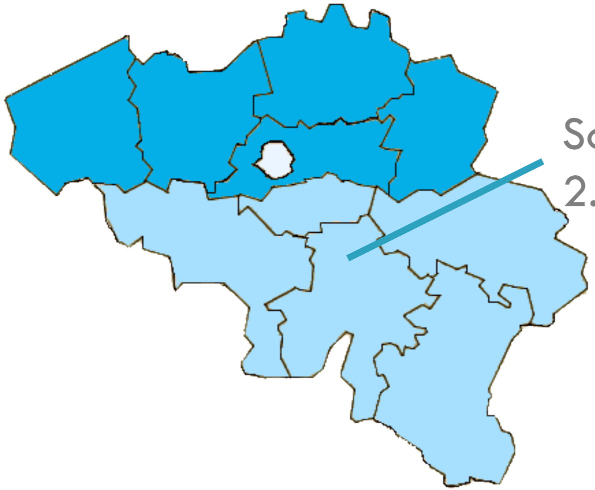
NUMBER OF SHOPPERS PER AH IN FLANDERS **#27000**

<u>CURRENT</u> EXISTING POTENTIAL FOR EXTRA

25 AH IN FLANDERS OUTSIDE THE CATCHMENT AREAS

REASON TO BELIEVE IN NATIONAL EXPANSION OF AH

POTENTIAL FOR AH IN WALLONIA AND BRUSSELS



South + Brussels
2.055.000 households

Aided awareness **11,4%**

Future purchase intention **11,2%**

POTENTIAL SHOPPING hh

#230.160

NUMBER OF SHOPPERS PER AH

#22.150

<u>CURRENT</u> EXISTING POTENTIAL FOR

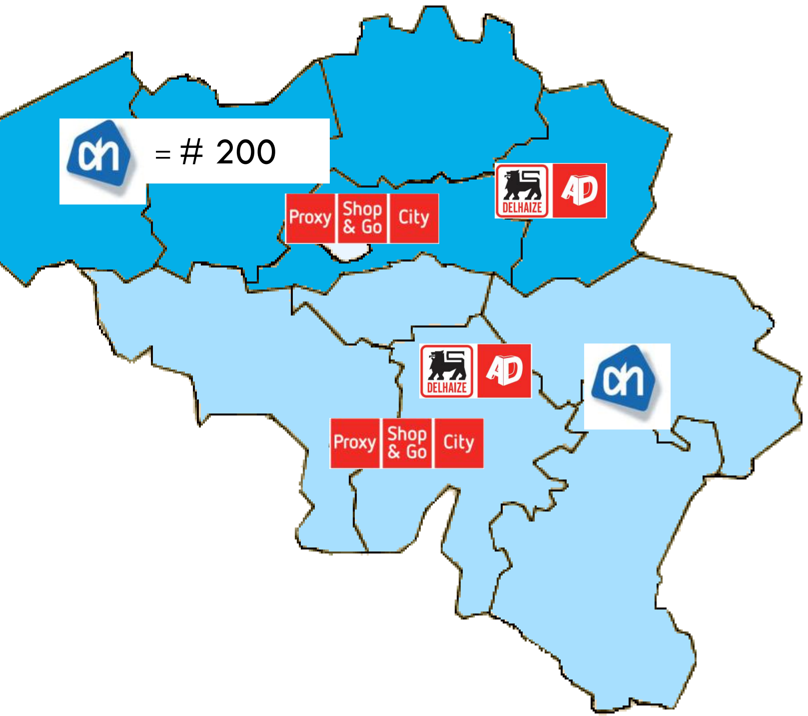
10 AH in Wallonia +BXL

PROVOCATIVE SCENARIO

12% GROWTH

PROVOCATIVE SCENARIO

DELHAIZE SUPERMARKET BANNER FADES OUT AND AH IS THE SUPERMARKET FORMAT IN BELGIUM.
RED MARKETS REMODELED INTO AH
AD DELHAIZE AND DELHAIZE REMAIN BANNERS FOR FRANCHISE AND PROXIMITY



Number of shoppers per shop in 2015

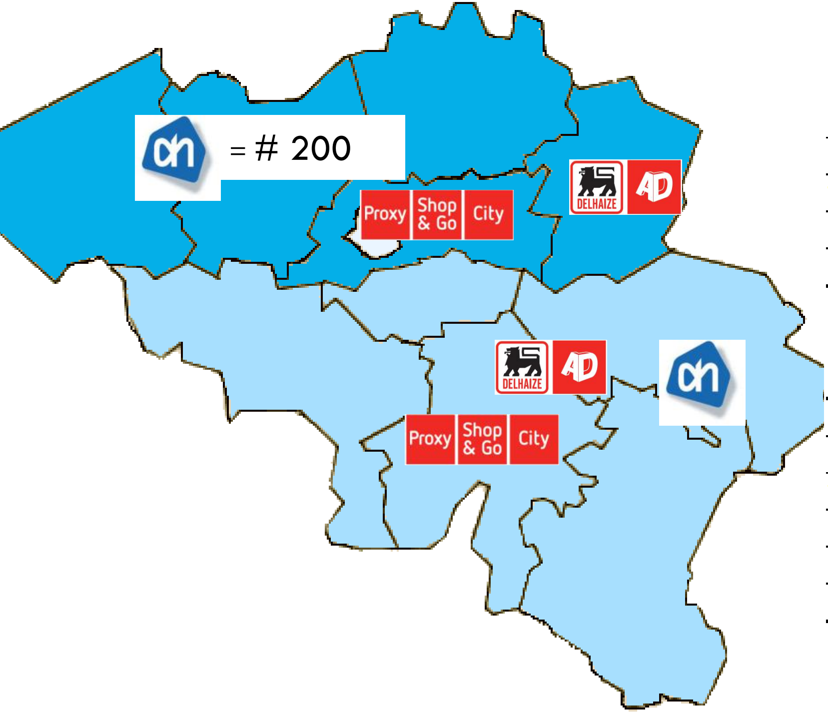
Delhaize Super	12660 (*1)
AH (1082000/40)	27000(*2)

SWITCHING FROM DELHAIZE TO AH BANNER LEADS TO AN INCREASE IN THE NUMBER OF SHOPPERS PER SHOP (+20%)

BASKET LEVEL WOULD REDUCE WITH 5 % (price difference between AH and Delhaize supermarket)

PROVOCATIVE SCENARIO

DELHAIZE SUPERMARKET BANNER FADES OUT AND AH IS THE SUPERMARKET FORMAT IN BELGIUM.
RED MARKETS REMODELED INTO AH
AD DELHAIZE AND DELHAIZE REMAIN BANNERS FOR FRANCHISE AND PROXIMITY



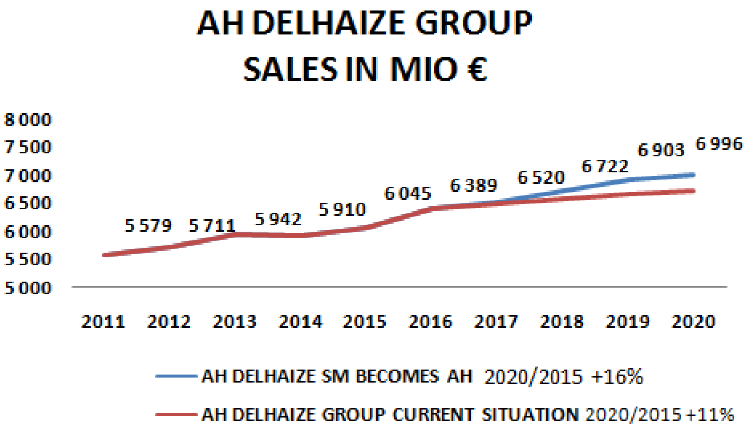
	DELHAIZE SUPERMARKT	AH
SHOPPERS PER SHOP	12 660	27038
TOTAL NBR SHOPPERS	1 823 040	1082000
SPENDING PER SHOPPER PER YEAR	€ 1 527	€ 517
SALES € PER YEAR	€ 2 783 516 000	€ 559 000 000

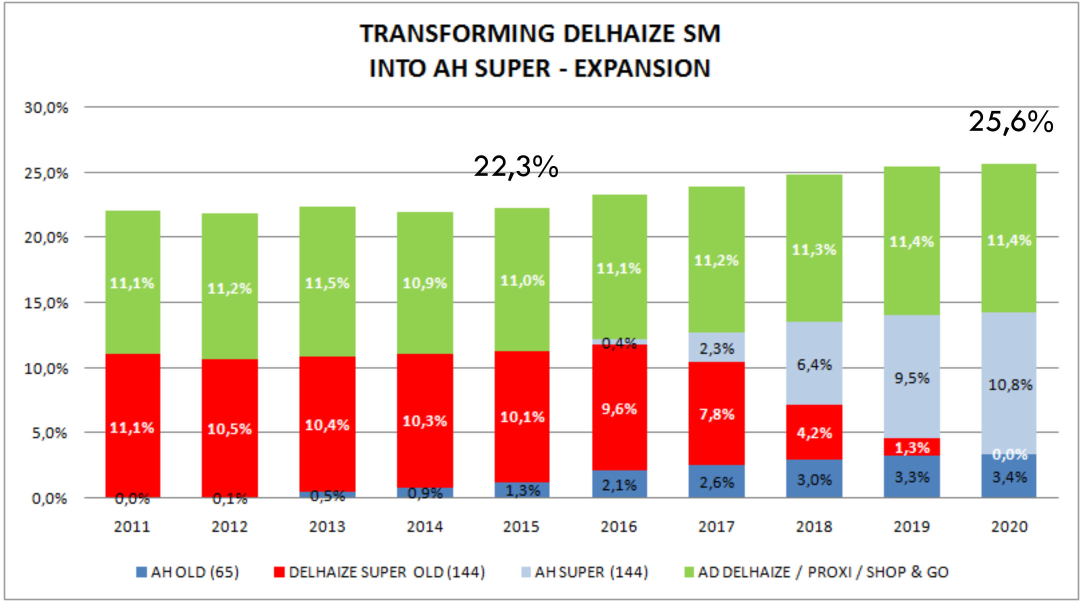
NEW SITUATION	TRANSFORM INTO AH
SHOPPERS PER SHOP increase 20%	15 050
TOTAL NBR SHOPPERS	2 167 200
SPENDING PER SHOPPER PER YEAR (-5% pr	€ 1 451
SALES € PER YEAR	€ 3 143 548 184
EXPECTED GROWTH	12,9%

SOURCE / GfK duplication analysis 2015 AH and Delhaize Group
2016extrapol SHOPPERWARE

PROVOCATIVE SCENARIO

DELHAIZE SUPERMARKET BANNER FADES OUT AND AH IS THE SUPERMARKET FORMAT IN BELGIUM.
RED MARKETS REMODELED INTO AH , ADDITIONAL EXPANSION OF AH
AD DELHAIZE AND DELHAIZE REMAIN BANNERS FOR FRANCHISE AND PROXIMITY





SOURCE / NBB BALANSCENTRALE 2012, 2013, 2014
2015, 2016 extrapol SHOPPERWARE

COMBINATION

OF

THE STRONG AH EQUITY

WITH

THE COMPLEMENTARY DOMINANT
CATEGORIES AT DELHAIZE

CREATE

A VERY STRONG RETAIL FORMULA

KEY TAKE AWAY 1

TRAFFIC GENERATORS
SHOPPERWARE
CONVERSION ENGINES

ADOPTING THE **AH PRICE LEVELS** AND PROMOTION STRATEGY

AT THE CURRENT COST STRUCTURE

WOULD BE VERY **NEGATIVE**

FOR THE **OPERATING PROFIT** OF DELHAIZE

KEY TAKE AWAY 2

TRAFFIC GENERATORS
SHOPPERWARE
CONVERSION ENGINES

A PRICE WAR
LAUNCHED BY THE AHOLD DELHAIZE GROUP
WILL BE **TACKLED BY COLRUYT**
LEADING TO DESTRUCTION OF VALUE
NO WINNERS

KEY TAKE AWAY 3

TRANSFORMING THE DELHAIZE SUPERMARKETS INTO AH WOULD MAKE THE

FORMAT PORTFOLIO MORE **COMPLEMENTARY**

AND COULD MEDIATE

THE MODEST PRICE *PERCEPTION* OF DELHAIZE

KEY TAKE AWAY 4

TRAFFIC GENERATORS
SHOPPERWARE
CONVERSION ENGINES

THERE IS A **POTENTIAL** FOR EXPANSION OF AH

IN **WALLONIA AND BRUSSELS**

OTHER DUTCH / GERMAN RETAILERS

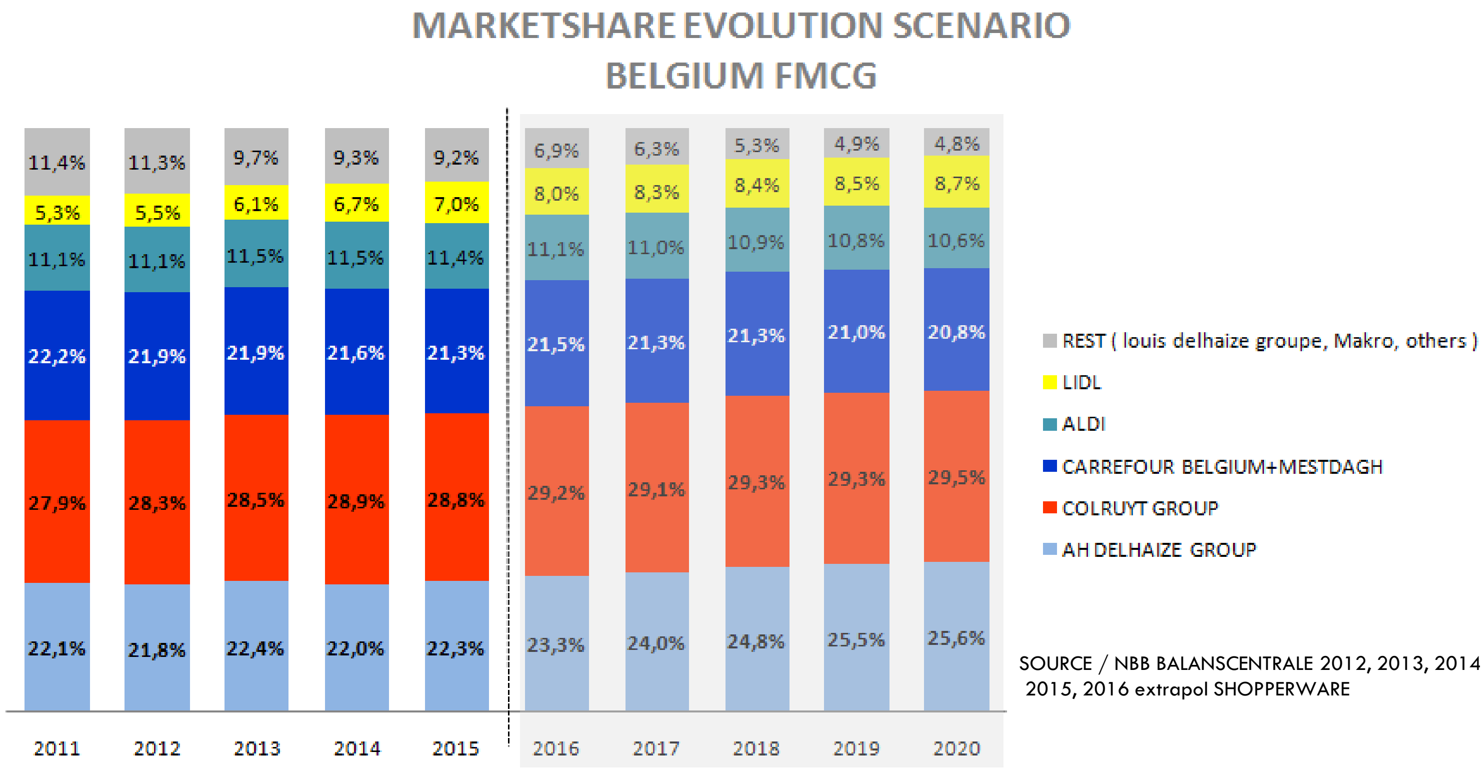
HAVE DONE THIS BEFORE

BLOKKER , HEMA, KRUIDVAT, LIDL, ALDI, ACTION

FOOD FOR THOUGHT 2020

30 30 20 20

FOOD FOR THOUGHT



SOURCE / NBB BALANSCENTRALE 2012, 2013, 2014
2015, 2016 extrapol SHOPPERWARE

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SHOPPERWARE – Branch of Eco2ANDB bvba