

Overview of the French Retail & FS market

Marketplace International 2015

13th November 2014

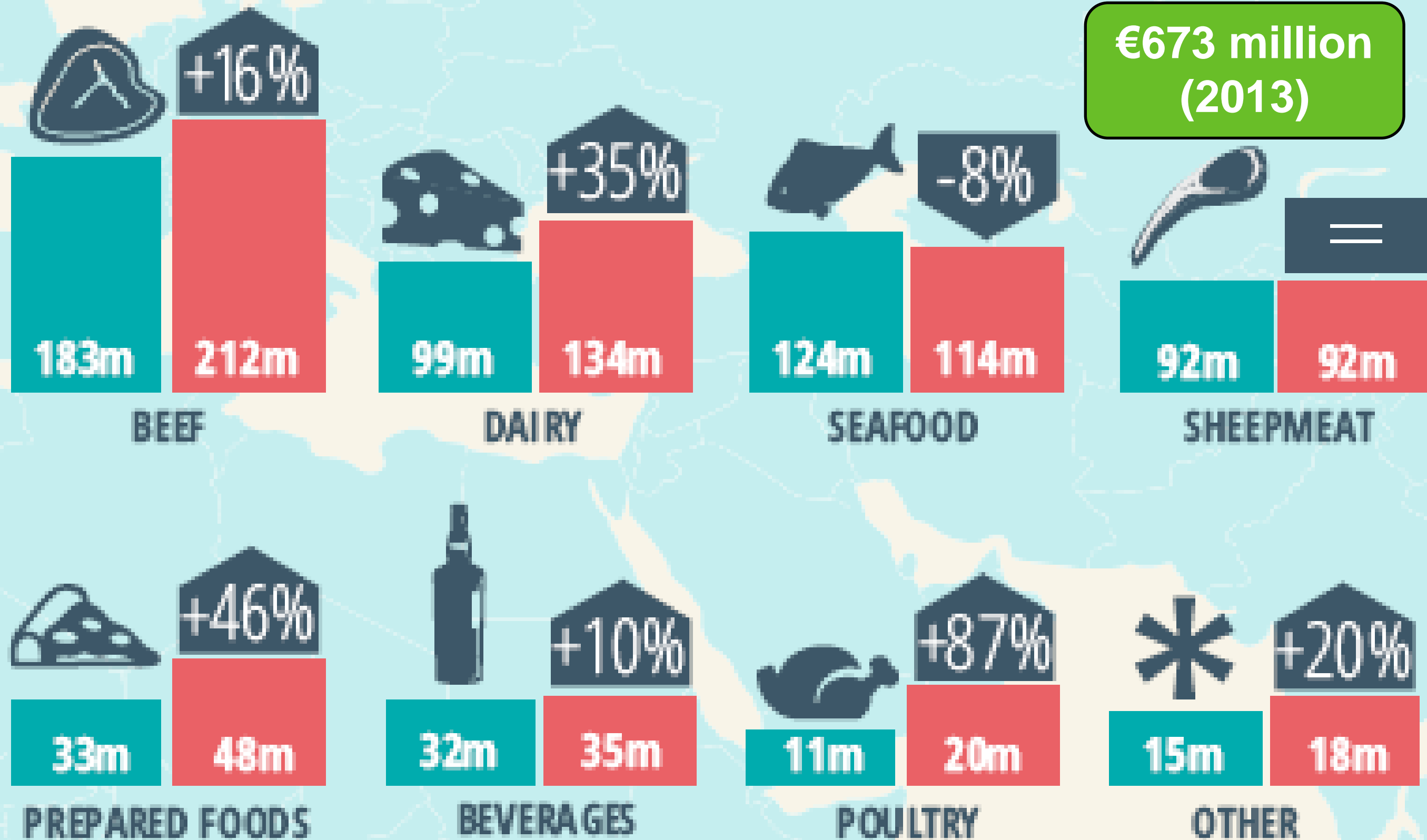
Growing the success of Irish food & horticulture

Bord Bia
Irish Food Board

BREAKDOWN OF FOOD AND DRINK EXPORTS TO FRANCE

KEY 2012 2013

€673 million
(2013)



Growing the success of Irish food & horticulture

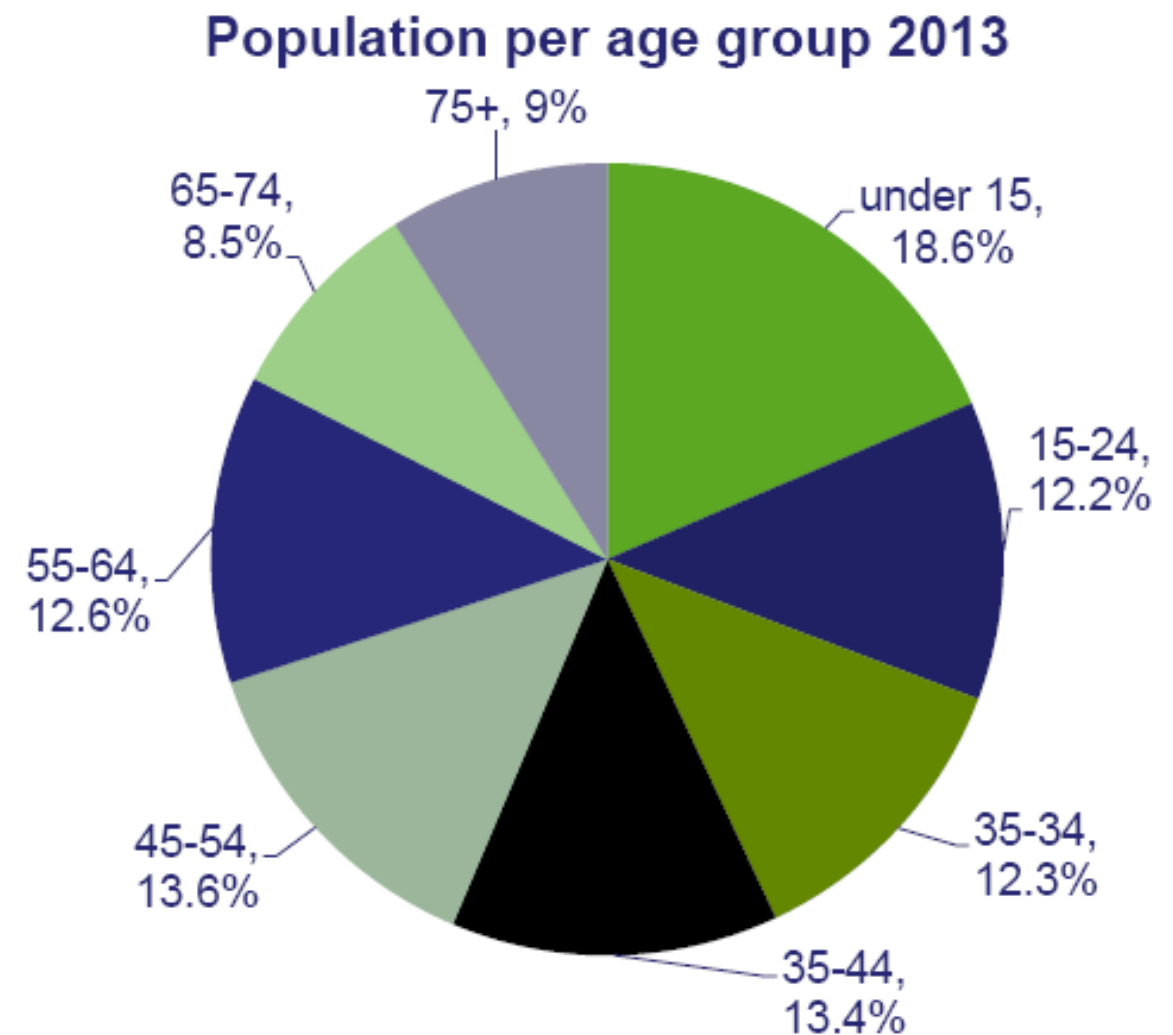
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France in Figures

- ✓ Real GDP growth 2013: 0.3%
- ✓ Projected GDP Growth: 0.4% (2014) and 1% (2015)
- ✓ Consumer Price Inflation 2013: 1.1%
- ✓ Unemployment: 10.2% (Q2 2014)

Source: IGD 2013,
European Commission
2014

- ✓ Population (2013): 66 million
- ✓ 85% urban population



Source: Insee

Retail market overview

Grocery retail market =
€225 billion in 2013 (IGD)

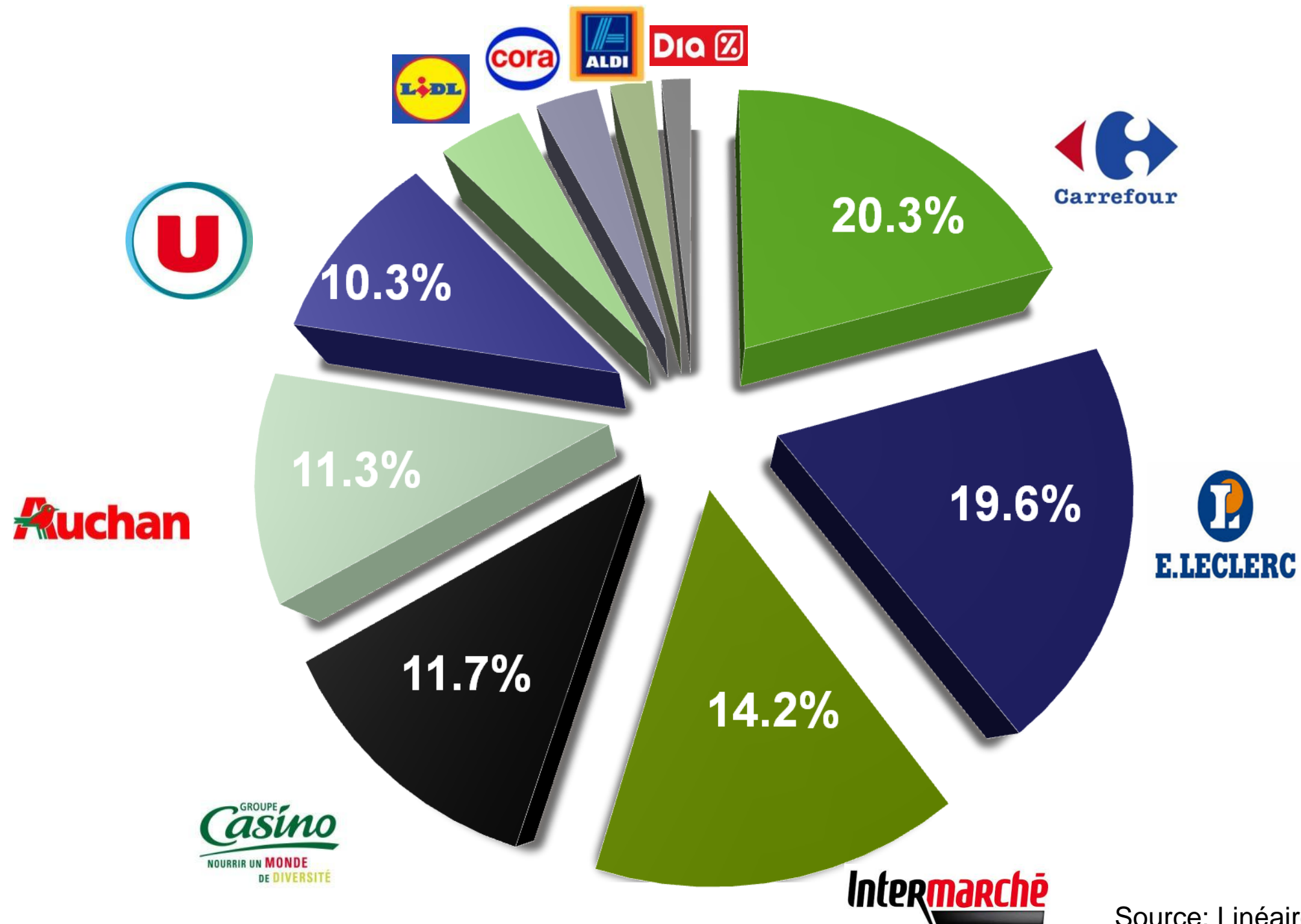
Food =
18.4%



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Retail market overview

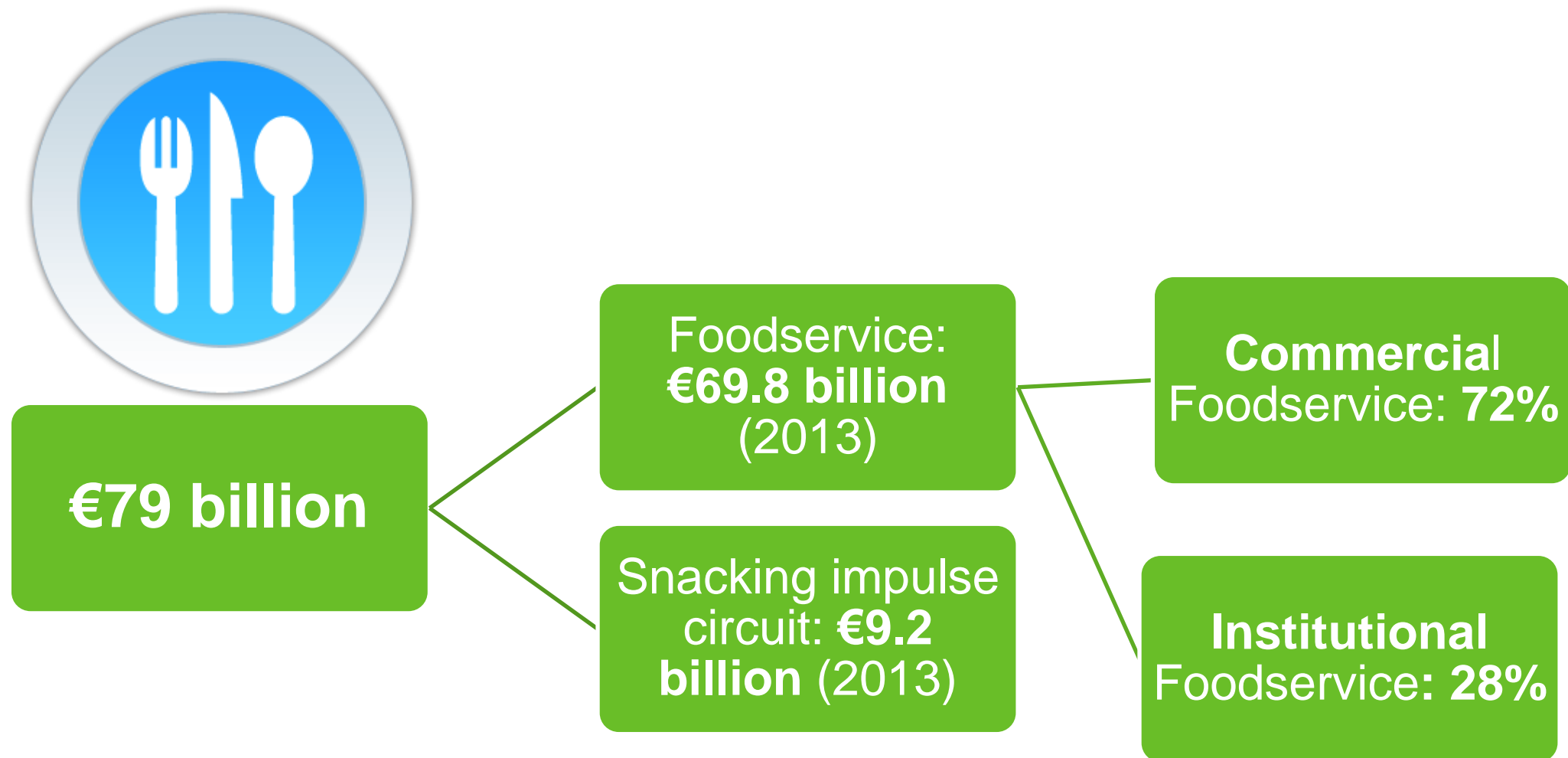


Source: Linéaires , 2014

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French Foodservice Overview



Source : Food Service Vision

French Foodservice Overview

Top 20 Food Service players (2013)

R	Group	Net Sales € m 2013	Change in %	Outlets 2013	Change in %
1	McDonald's	4,460.0	2.5%	1,298	3.0%
2	Agapes	954.0	-1.0%	526	-0.2%
3	Quick	831.0	3.8%	379	0.0%
4	Elior	723.7	-2.3%	805	-3.1%
5	Servair	575.0	0.4%	n.a.	-
6	Groupe Flo	496.0	-4.8%	282	-0.7%
7	Buffalo Grill	478.2	-3.4%	328	0.3%
8	Groupe Le Duff	410.9	4.6%	486	2.5%
9	KFC	386.0	0.3%	n.a.	-
10	Newrest	375.0	0.3%	n.a.	-
11	Paul	348.0	0.3%	n.a.	-
12	Sodexo	335.0	7.7%	75	-2.6%
13	Casino Restauration	319.0	0.3%	n.a.	-
14	Courtepaille	281.2	-2.7%	253	4.0%
15	Groupe Bertrand	270.0	8.0%	n.a.	-
16	Autogrill	225.9	-6.7%	332	-18.0%
17	Subway	210.0	13.5%	501	21.3%
18	SSP	197.6	-0.1%	246	-4.7%
19	Domino's Pizza	166.0	7.1%	227	5.6%
20	La Pataterie	153.7	15.4%	190	17.3%

Source : Food Service Vision

Market Trends



MARKS &
SPENCER

COSTCO
WHOLESALE



★ PRET A MANGER ★



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Routes to Market

SUPPLIER

• **Agent** (3 to 8% commission)
Only handling commercial representation
and invoicing

• **Importer/distributor** (13 to 20%
margin) take ownership of the goods and
looks after sales, marketing, logistics,
finance

Direct route



LOGISTICS

Separate presentations available on freezer
centers and specialist retailers

Multiple Retailers

Auchan

Intermarché
HYPER

GRUPE
Casino

cora

E.LECLERC



Freezer Centers and home
delivery frozen specialists

picard

thiriet
Surgelés gourmands!

TOUPARGEL

Specialist Retailers

**comptoir
irlandais**

LA GRANDE
EPICERIE PARIS

Lafayette
GOURMET

biocoop

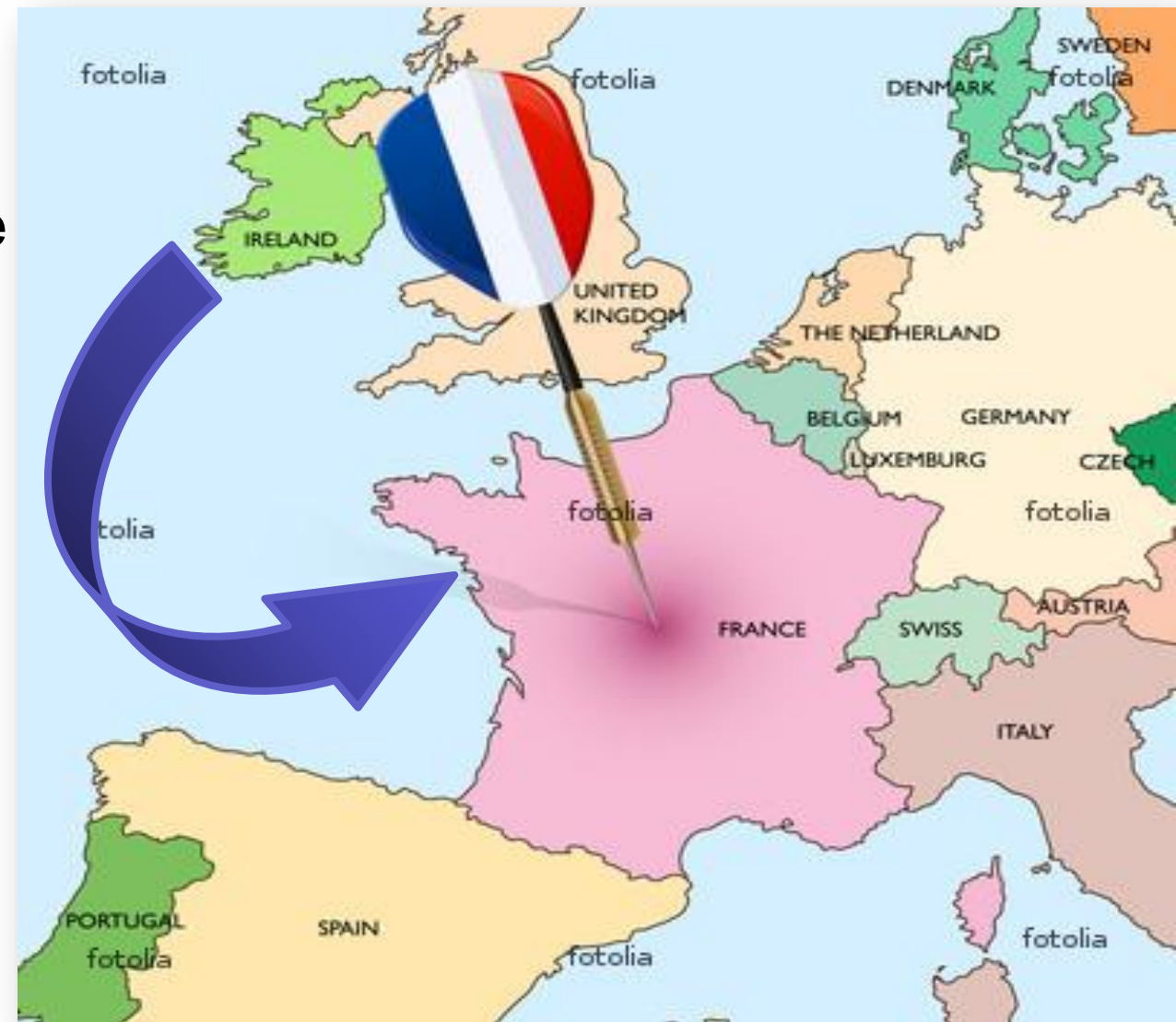
NICOLAS

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Why target France?

- ✓ Market size (66 million) and proximity
- ✓ Time lag on US/UK trends – Irish expertise an advantage
- ✓ Gateway to other markets
- ✓ Recognised Irish expertise in primary produce & private label
- ✓ Positive Consumer perception of Irish products



Source : ANLA

Image of Irish Products in France (Oct 2014)

Which of the following terms would you use to describe Irish food and drink products?

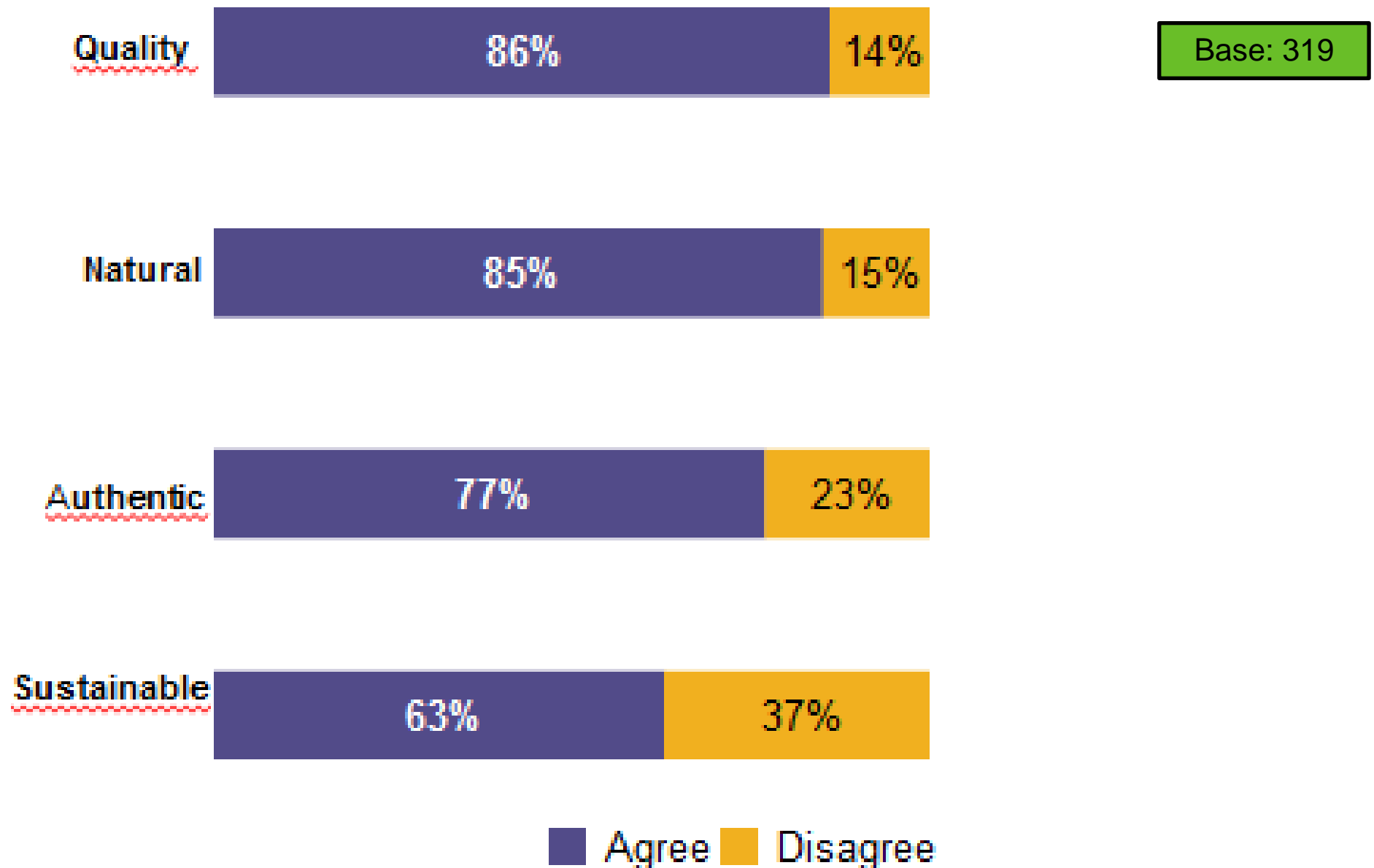
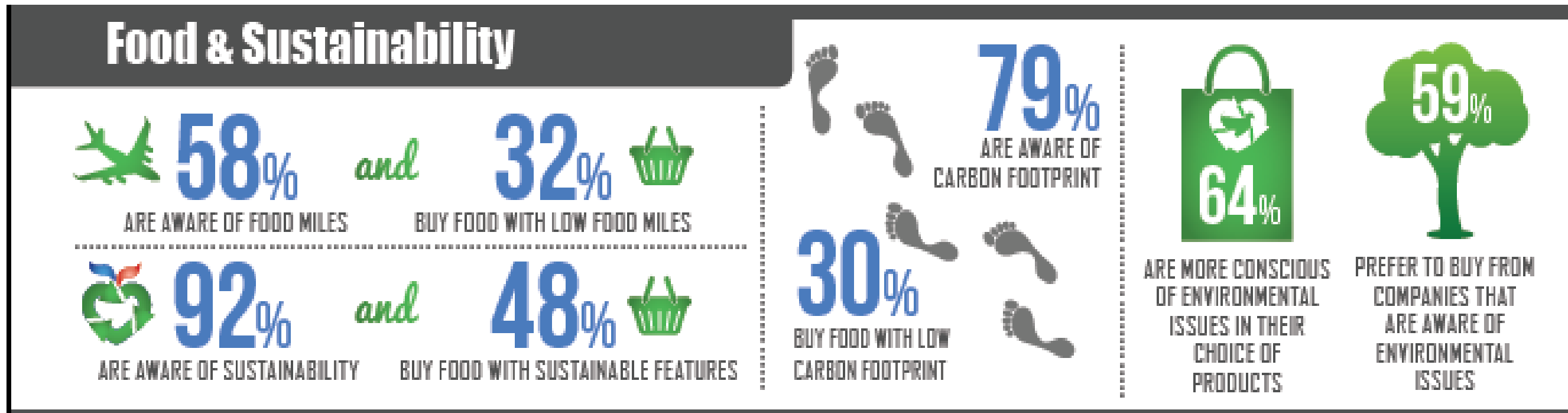


Image Study on Irish Beef - Occurrence for Bord Bia, 2014

Attitudes Towards Sustainability

At Consumer Level:



(Periscope, 2013)

At Trade Level:

- Lack of legal framework
- Tomorrows claims
- Seen as a marketing argument but not the primary sales pitch

(Blezat, 2014)

Main Challenges in Supplying France

- ✓ Made-in-France preference
- ✓ Slow to change suppliers
- ✓ Competitively-priced market
- ✓ Taste and cultural differences, language barrier
- ✓ >40% of retail market = independents
- ✓ High cost to build brand identity
- ✓ Minimum 1 year time lead for listings
- ✓ High buyer turnover
- ✓ Poor planogramme implementation at store level leading to poor in-store presentation



Pricing



High logistics costs



Importer +Retailer



Food: 5.5%

Luxury food and alcoholic drinks: 20%

Product Suitability

- ✓ Labelling in French MANDATORY
- ✓ Some recipe adaptation
- ✓ Longer shelf life required
- ✓ Pack size alterations
- ✓ Ingredients: eg palm oil

Overview of the Belgium Retail market

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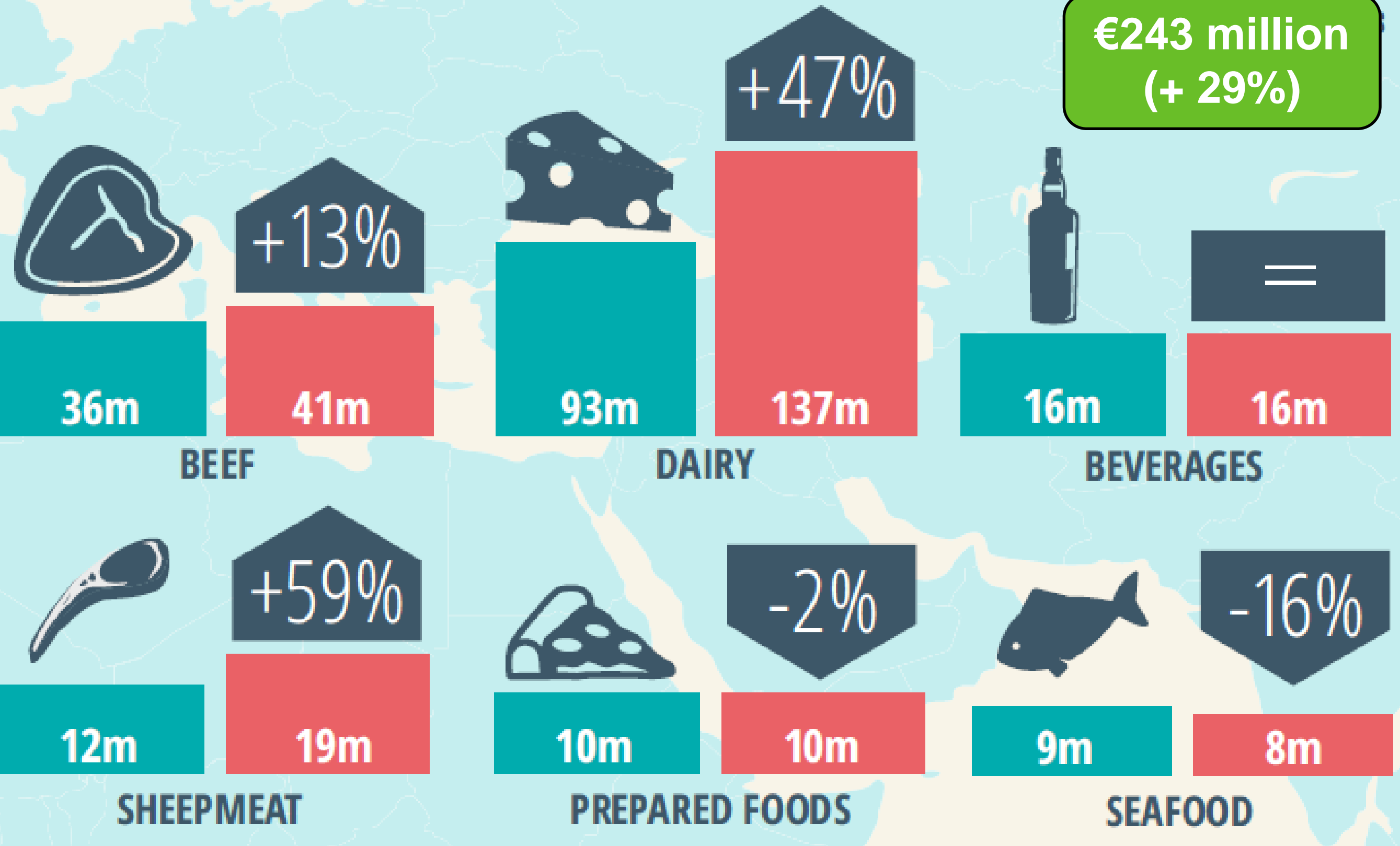
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BREAKDOWN OF FOOD AND DRINK EXPORTS TO BELGIUM

KEY 2012 2013

€243 million
(+ 29%)



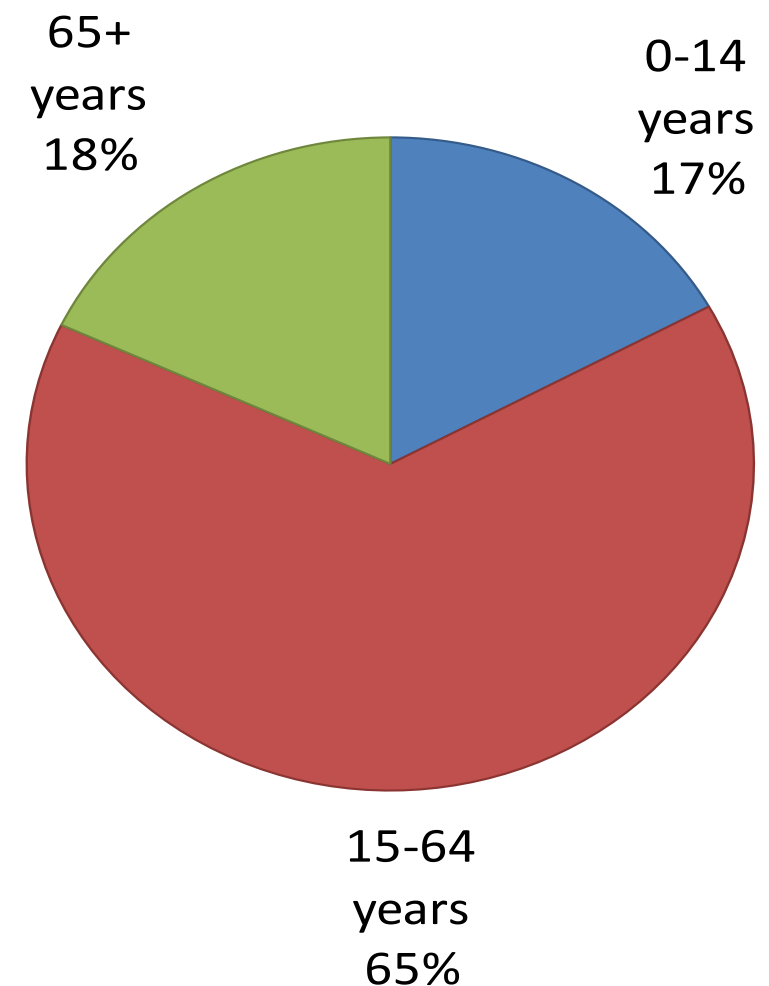
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Belgium in Figures

- ✓ **GDP Growth 2013: +0.2%**
- ✓ **Projected GDP growth 2014: 1.4%**
- ✓ **Consumer Price Inflation expected across 2014: 0.9%**
- ✓ **Unemployment: 8.5% in 2014 (+0.1%)**

Source: European Commission

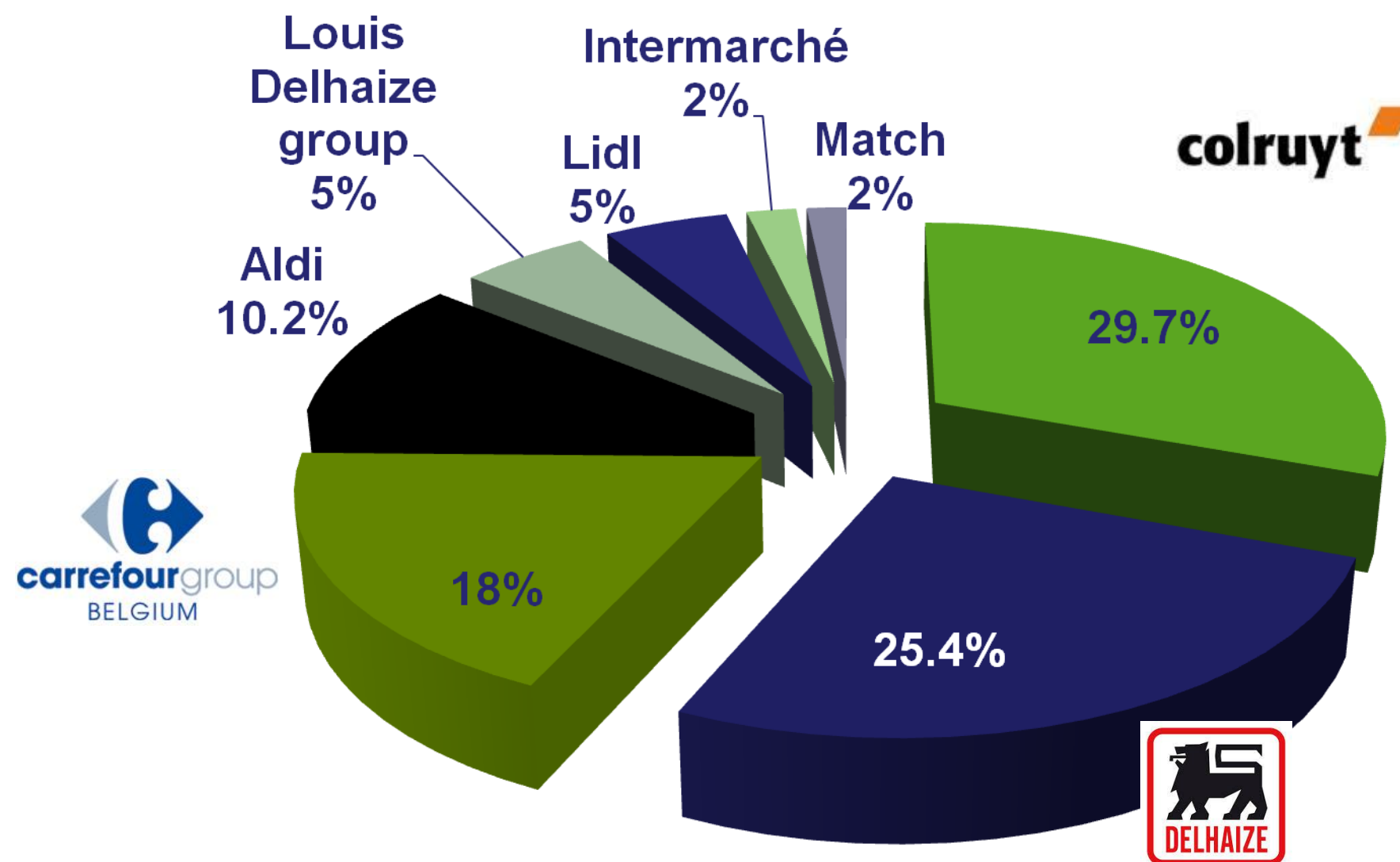
✓ **Population (2013): 11 million**



Source: IGD

Retail Market Overview

Marketshare %



Why target Belgium?

- ✓ Good entry market to the continent: can act as a platform for entry into other European markets
- ✓ Fast decision making
- ✓ Simple logistics
- ✓ English-speaking buyers
- ✓ The Belgian consumer has more international taste
- ✓ Bi-lingual packaging (French and Dutch) prepared for Belgium can also be used in French and Dutch markets



Market Trends

- ✓ Retail prices expected to **go down** by 5% in next couple of years
- ✓ Entry of Dutch retailer Albert Heijn in the market has impeded Colruyt fast growth
- ✓ Online retailing is growing in Belgium albeit from a low base
- ✓ Growth of convenience formats (mostly under franchise)



Main Challenges in Supplying Belgium

- ✓ Cautious nation: reluctant to take risks/change suppliers
- ✓ Tough competition from Dutch, German and French suppliers
- ✓ Taste and cultural differences
- ✓ 3 top players >70% of retail market
- ✓ High cost to build brand identity



Pricing



Logistics costs



Importer +Retailer



Food: 6%

Luxury food and alcoholic drinks: 21%

Product Suitability

Product Suitability

- ✓ Labelling in French+Dutch
- ✓ Some recipe adaptation
- ✓ Longer shelf life required
- ✓ Packaging size alterations

Marketplace 2015 Targets

Overall Target for France and Belgium:
25 buyers

Sector	Target Number of Buyers
Alcohol	2
Consumer Dairy	4
Dairy Ingredients	2
Frozen	3
Grocery	3
Bakery	1
Foodservice	1
Distributors	6
Horticulture	3



Bord Bia Office Services

- ✓ Bord Bia's twice yearly MSV
- ✓ Request a retail category overview and regular trend updates
- ✓ Translation and adaptation of your sales presentation
- ✓ Sign up for the European Private Label Programme
- ✓ Find out about trade shows in your sector
- ✓ Fellowship Programme

FOR MORE INFORMATION

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