

Food retail in europe

Business



INDUSTRY PROFILE Food Retail in Europe Reference Code: 0201-2058

Publication Date: June 2010 www.datamonitor.com Datamonitor USA 245 Fifth Avenue 4th Floor New York, NY 10016 USA t: +1 212 686 7400 f: +1 212 686 2626 e:com Datamonitor Europe 119 Farringdon Road London EC1R 3DA United Kingdom t: +44 20 7551 9000 f: +44 20 7675 7500 e:com Datamonitor Middle East and North America Datamonitor PO Box 24893 Dubai, UAE t: +971 4 360 9754 f: +971 4 360 9754 4900 e:datamonitor.com Datamonitor Asia Pacific Level 46, 2 Park Street Sydney, NSW 2000 Australia t: +61 2 8705 6900 f: +61 2 8705 6901 e:com Europe - Food Retail © Datamonitor. This profile is a licensed product and is not to be photocopied 0201 - 2058 - 2009

Page 1 EXECUTIVE SUMMARY EXECUTIVE SUMMARY Market value The European food retail industry grew by 8.5% in 2009 to reach a value of \$1,663.1 billion. Market value forecast In 2014, the European food retail industry is forecast to have a value of \$2,477.5 billion, an increase of 49% since 2009. Market segmentation I Hypermarkets, supermarkets, and discounters sales proved the most lucrative for the European food retail industry in 2009, with total revenues of \$798.5 billion, equivalent to 48% of the industry's overall value. Market segmentation II Germany accounts for 14.1% of the European food retail industry value. Market rivalry The industry is becoming consolidated with large chain supermarkets or hypermarkets wielding more power over smaller specialty, luxury or organic food outlets.

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A. : revenues & profitability Carrefour S. A. : assets & liabilities Tesco PLC: revenues & profitability Tesco PLC: assets & liabilities Europe food retail industry value forecast: \$ billion, 2009-14 10 11 12 13 15 17 18 19 20 23 24 28 28 32 33 34 Figure 8: Figure 9: Figure 10: Figure 11: Figure 12: Figure 13: Figure 14: Figure 15: Figure 16: Europe - Food Retail © Datamonitor. This profile is a licensed product and is not to be photocopied 0201 - 2058 - 2009 Page 6 MARKET OVERVIEW MARKET OVERVIEW Market definition

The food retail market includes the retail sales of all food products, both packaged and unpackaged, as well as beverages (including retail sales of all alcoholic and non-alcoholic beverages). All on-trade sales of food and beverage are excluded. All currency conversions are calculated at constant average 2009 exchange rates. For the purposes of this report, Europe consists of Western Europe and Eastern Europe. Western Europe comprises <https://assignbuster.com/food-retail-in-europe/>

Belgium, Denmark, France, Germany, Italy, the Netherlands, Norway, Spain, Sweden, and the United Kingdom. Eastern Europe comprises the Czech Republic, Hungary, Poland, Romania, Russia, and Ukraine.

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Research highlights The European food retail industry had total revenue of \$1, 663. 1 billion in 2009, representing a compound annual growth rate (CAGR) of 7. 4% for the period pning 2005-2009. Hypermarkets, supermarkets, and discounters sales proved the most lucrative for the European food retail industry in 2009, with total revenues of \$798. 5 billion, equivalent to 48% of the industry's overall value. The performance of the industry is forecast to accelerate, with an anticipated CAGR of 8. % for the fiveyear period 2009-2014, which is expected to drive the industry to a value of \$2, 477. 4 billion by the end of 2014. Europe - Food Retail © Datamonitor.

This profile is a licensed product and is not to be photocopied 0201 - 2058 - 2009 Page 8 MARKET OVERVIEW Market analysis The European food retail industry has experienced very strong growth in recent years and the forecast is for this to gently accelerate towards 2014. The European food retail industry had total revenue of \$1, 663. 1 billion in 2009, representing a compound annual growth rate (CAGR) of 7. 4% for the period pning 2005-2009.

In comparison, the German and UK industries grew with CAGRs of 2. 1% and 4. 2% respectively, over the same period, to reach respective values of \$234. 8 billion and \$186. 1 billion in 2009. Hypermarkets, supermarkets, and discounters sales proved the most lucrative for the European food retail
<https://assignbuster.com/food-retail-in-europe/>

industry in 2009, with total revenues of \$798.5 billion, equivalent to 48% of the industry's overall value. In comparison, convenience stores and gas stations generated sales of \$381.3 billion in 2009, equating to 22.9% of the industry's aggregate revenues. The performance of the industry is forecast to accelerate, with an anticipated CAGR of 8.5% for the five-year period 2009-2014, which is expected to drive the industry to a value of \$2,477.4 billion by the end of 2014. Comparatively, the German and UK industries will grow with CAGRs of 2.5% and 3.4% respectively, over the same period, to reach respective values of \$265.5 billion and \$219.4 billion in 2014. Europe - Food Retail © Datamonitor. This profile is a licensed product and is not to be photocopied 0201 - 2058 - 2009 Page 9 MARKET VALUE MARKET VALUE The European food retail industry grew by 8.5% in 2009 to reach a value of \$1,663.1 billion.

The compound annual growth rate of the industry in the period 2005-09 was 7.4%. Table 1: Year 2005 2006 2007 2008 2009(e) CAGR: 2005-09 Source: Datamonitor Europe food retail industry value: \$ billion, 2005-09(e) \$ billion 1,248.6 1,321.6 1,412.4 1,533.3 1,663.1 € billion 897.9 950.4 1,015.8 1,102.7 1,196.1 % Growth 5.8 6.9 8.6 8.5 7.4% DATAMONITOR Figure 1: Europe food retail industry value: \$ billion, 2005-09(e) Source:

Datamonitor DATAMONITOR Europe - Food Retail © Datamonitor. This profile is a licensed product and is not to be photocopied 0201 - 2058 - 2009 Page 10 MARKET SEGMENTATION I

MARKET SEGMENTATION I Hypermarket, Supermarket, & Discounters is the largest segment of the food retail industry in Europe, accounting for 48% of the industry's total value. The convenience stores & gas stations segment <https://assignbuster.com/food-retail-in-europe/>

accounts for a further 22.9% of the industry. Table 2: Category
 Hypermarket, Supermarket, & Discounters Convenience Stores & Gas
 Stations Food and Drinks Specialists Drug Stores & Health and Beauty Stores
 Cash & Carries & Warehouse Clubs Other Total Source: Datamonitor Europe
 food retail industry segmentation I: % share, by value, 2009(e) % Share 48.
 0% 22.9% 14.9% 3.4% 1.4% 9.4% 100% DATAMONITOR

Figure 2: Europe food retail industry segmentation I: % share, by value,
 2009(e) Source: Datamonitor DATAMONITOR Europe - Food Retail ©

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 0201 - 2058 - 2009 Page 11 MARKET SEGMENTATION II MARKET

SEGMENTATION II Germany accounts for 14.1% of the European food retail
 industry value. France accounts for a further 13.5% of the European
 industry. Table 3: Category Germany France Italy United Kingdom Spain Rest
 of Europe Total Source: Datamonitor Europe food retail industry
 segmentation II: % share, by value, 2009(e) % Share 14.1% 13.5% 12.2%
 11.2% 7.8% 41.1% 100% DATAMONITOR Figure 3: Europe food retail

industry segmentation II: % share, by value, 2009(e) Source: Datamonitor
 DATAMONITOR Europe - Food Retail © Datamonitor. This profile is a licensed
 product and is not to be photocopied 0201 - 2058 - 2009 Page 12 FIVE
 FORCES ANALYSIS FIVE FORCES ANALYSIS The food retail market will be
 analyzed taking supermarkets, hypermarkets and specialist retailers as
 players. The key buyers will be taken as end-consumers, and food
 manufacturers, farmers, agricultural co-operatives as the key suppliers.

Summary

Figure 4: Forces driving competition in the food retail industry in Europe, 2009 Source: Datamonitor DATAMONITOR The industry is becoming consolidated with large chain supermarkets or hypermarkets wielding more power over smaller specialty, luxury or organic food outlets. In our analysis of the global food retail industry, retailers such as supermarkets, hypermarkets, and specialist outlets, will be taken as industry players and end-consumers will be understood as buyers. With a range of different players within the industry, the size and financial strength of each varies accordingly.

With consumers generally facing no substantial switching costs, this buyer mobility forces larger retailers to maintain attractive pricing schemes. Specialist, luxury, or organic retailers do not face the same price sensitivity due to the unique level of product differentiation, yet due to the nature of such products, they exist more as niche markets and are not able to secure a large volume of consumers. Specialist outlets may have no choice but to commit to long term supplier contracts in order to secure a steady supply of quality or specially prepared products.

Whereas, supermarkets and hypermarkets have a higher number of options and can hold looser relationships with a larger number of suppliers. Europe - Food Retail © Datamonitor. This profile is a licensed product and is not to be photocopied 0201 - 2058 - 2009 Page 13 FIVE FORCES ANALYSIS Where branded products attract loyal consumers, the distribution channel for manufacturers is protected and retailers face pressure to stock the popular items. With established supermarkets and hypermarkets present, potential

new entrants may struggle to compete with aggressive marketing and pricing policies.

Nonetheless, relatively low entry and exit costs within the industry and the emergence of thriving health and ethical niches offer examples of possible niches in which new entrants may flourish sheltered from direct competition with current players. Food service (takeaways, vendors and restaurants) can be seen as a substitute to food retail products however for the vast majority of people it currently exists as an occasional accompaniment rather than a wholesale alternative. Subsistence farming is a more direct substitute, sometimes replacing standard retail behavior outright, yet it is no longer common.

The absence of switching costs for consumers ensures a competitive climate within the food retail industry. Europe - Food Retail © Datamonitor. This profile is a licensed product and is not to be photocopied 0201 - 2058 - 2009
Page 14 FIVE FORCES ANALYSIS Buyer power Figure 5: Drivers of buyer power in the food retail industry in Europe, 2009 Source: Datamonitor
DATAMONITOR Retailers range widely in size with large chain supermarkets or hypermarkets such as Tesco and Metro AG wielding power over smaller specialty, luxury or organic food outlets whose grip on the industry is significant but currently limited.

Accordingly, the financial muscle of industry players differs depending on the type of player. The sheer volume of potential customers in key areas of the food retail industry diminishes the standing of any individual customer. The revenue generated by any particular consumer is minimal, but collectively

they represent wider consumer interests and retailers cannot afford to disregard the sensitivities of buyers. Price and convenience are two central concerns however they are not necessarily the principle factors. A rise in health consciousness has driven a growing demand for nutritional quality in food products.

The culture of convenience now faces the challenge of a counter-trend in which a shift back towards fresh, simple or traditionally prepared foods undermines the retail position of frozen foods and similar products. The emergence and development of ethical niches adds further momentum to this movement within the industry. The response of food retailers must accommodate such diverse interests. A number of retailers operate incentive schemes for frequent shoppers and this can help secure customer retention. By discouraging movement across retail outlets, consumer mobility is reduced and, in the long term, buyer power can be weakened.

Although high brand recognition does not automatically translate into consumer loyalty, if it is supported by a product range in which popular food products are central, the retailer can Europe - Food Retail © Datamonitor. This profile is a licensed product and is not to be photocopied 0201 - 2058 - 2009 Page 15 FIVE FORCES ANALYSIS often draw indirectly on the loyalty base that manufacturers have established. Specialty, luxury or organic retailers can, due to the high level of product differentiation, justify price levels that would otherwise be unsustainable yet the limited volume of consumers places restraints on the power of such players.

Buyer power overall is moderate. Europe - Food Retail © Datamonitor. This profile is a licensed product and is not to be photocopied 0201 - 2058 - 2009
Page 16 FIVE FORCES ANALYSIS Supplier power Figure 6: Drivers of supplier power in the food retail industry in Europe, 2009 Source: Datamonitor
DATAMONITOR Suppliers to the food retail industry include food manufacturers, farmers, and agricultural co-operatives. In order to ensure stability and offset the dangers of local sourcing problems or price fluctuations, large retail companies often maintain relationships with a wide range of suppliers.

This diffuses dependency, minimizing the risks to retailers and strengthening their standing in relation to their suppliers. Long term contractual obligations are avoided where possible, and switching costs kept to a minimum. With a firm hold on key distribution channels, the leading retailers can dominate negotiations with certain suppliers. This is often difficult for smaller retailers such as specialist, luxury or organic outlets. The limited number of suppliers in niche areas and the centrality of product quality or preparation type limit's the available range of sourcing options.

With switching costs subsequently higher, the balance of power shifts somewhat from smaller retailers to specialist suppliers. Whilst the need to satisfy consumer demand for popular products bolsters manufacturers, many others face the problem of a high degree of retailer mobility as they switch suppliers in accordance with pricing pressures. The position of many large retail companies has also been strengthened internally with a surge of own brand products sidelining certain suppliers. Suppliers who are able to

differentiate their product can wield some power over retailers, should their product be popular with the end consumer.

Supplier power overall is moderate. Europe - Food Retail © Datamonitor. This profile is a licensed product and is not to be photocopied 0201 - 2058 - 2009 Page 17 FIVE FORCES ANALYSIS New entrants Figure 7: Factors influencing the likelihood of new entrants in the food retail industry in Europe, 2009 Source: Datamonitor DATAMONITOR Large-scale, established retailers hold a natural advantage in operating businesses that benefit significantly from economies of scale, employing aggressive pricing schemes that cannot be matched by smaller retailers. Strong branding exercises and fast paced expansion deepen this asymmetry.

Nevertheless, large retailers are not invulnerable to the threat of new entrants. Exit and entry costs within the industry are relatively low, encouraging potential entrants. The rapid growth of health consciousness and a swell of ethical goods form attractive avenues for new entrants seeking to move into a niche area that offers inbuilt protection from pricing pressures and mainstream marketing. Given the presence of many large-scale retailers, and the security of heavy branding, direct head-to-head competition is extremely difficult for new retailers. Strong growth makes the market attractive to prospective new entrants.

Overall, the threat of new entrants is moderate. Europe - Food Retail © Datamonitor. This profile is a licensed product and is not to be photocopied 0201 - 2058 - 2009 Page 18 FIVE FORCES ANALYSIS Substitutes Figure 8: Factors influencing the threat of substitutes in the food retail industry in

Europe, 2009 Source: Datamonitor DATAMONITOR The chief alternative to food retail is food service. Supported by strong marketing campaigns in the case of fast food companies, and cultural traditions with respect to sit-down restaurants, both types represent a relevant alternative for many consumers.

However, for the vast majority of people, these accompany food retail rather than replace it. A more direct substitute is found in subsistence agriculture in which individuals or families farm food to provide for their own personal needs. This is no longer common, however, since the emergence of market capitalism and the impact of this substitute on food retail is fractional.

Environmental concerns, increasing health consciousness, and fears over political or economic instability may, in the long term, give this substitute a more significant role.

However, it is unlikely to threaten food retailers in the foreseeable future being both labor intensive and often involving considerable start-up capital.

The threat from substitutes is weak to moderate. Europe - Food Retail © Datamonitor. This profile is a licensed product and is not to be photocopied 0201 - 2058 - 2009 Page 19 FIVE FORCES ANALYSIS Rivalry Figure 9: Drivers of degree of rivalry in the food retail industry in Europe, 2009 Source: Datamonitor DATAMONITOR Competition is often fierce within the food retail industry.

The lack of substantial switching costs for consumers places pressure on retailers to secure their custom and loyalty. The limited level of differentiation across the basic product range pushes larger retailers into

competitive pricing policies. The close similarity of players increases rivalry as they attempt to differentiate themselves through products and price to attract customers. Whilst some companies operate in other industries and can absorb the temporary impact of declining food sales, or high supply prices, for many, food retail lies at the heart of the business. This basic dependency gives rise to aggressive competition. Rivalry is strong overall.

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LEADING COMPANIES Metro AG Table 4: Metro AG: key facts Schluterstrasse 1, 40235 Dusseldorf, DEU 49 211 6886 4252 49 211 6886 2001 www.

metrogroup. de December MEOG Frankfurt DATAMONITOR Head office:

Telephone: Fax: Website: Financial year-end: Ticker: Stock exchange:

Source: company website

Metro Group (Metro) is a German trade and retail company organized into independent sales divisions. The group operates 2, 195 outlets with approximately 12, 350, 000 square meters of selling space. It has a presence in 33 countries in Western Europe, Eastern Europe, Asia and Africa. The company employs around 300, 000 people. Metro operates in four business segments: Metro Cash & Carry, Real, Media Markt and Saturn and Galeria Kaufhof. Metro Cash & Carry is engaged in cash and carry wholesaling. Operating under the brands of Metro and Makro, it is the group's biggest sales division.

Metro Cash & Carry's assortment of products is aimed at commercial and wholesale customers. It operates 665 stores in 30 countries. Real offers a range of food products and an assortment of non-food items. The selling <https://assignbuster.com/food-retail-in-europe/>

space of the Real stores ranges from 5, 000 to 15, 000 square meters, with store assortments including up to 80, 000 items. Real is based on a large-format hypermarket concept and operates 333 hypermarkets in Germany and 108 stores in Poland, Romania, Russia, Turkey and the Ukraine. Media Markt and Saturn sell consumer electronics across Europe. Galeria

Kaufhof operates a chain of department stores in Germany and Belgium. The department stores offer modern lifestyle apparels for men and women and are present in shopping areas and downtown centers. Europe - Food Retail © Datamonitor. This profile is a licensed product and is not to be photocopied 0201 - 2058 - 2009 Page 21 LEADING COMPANIES In addition to these divisions, Metro provides real estate management services through its subsidiary, Metro Group Asset Management. The company oversees more than 750 properties totaling eight million square meters of commercial space worldwide.

It also operates more than 70 shopping centers. Key Metrics The company recorded revenues of \$91, 119 million in the fiscal year ending December 2009, a decrease of 3. 6% compared to fiscal 2008. Its net income was \$722 million in fiscal 2009, compared to a net income of \$776 million in the preceding year. Table 5: \$ million Metro AG: key financials (\$) 2005 77, 482. 1 902. 4 40, 000. 8 32, 613. 0 246, 875 2006 83, 266. 6 1, 658. 9 44, 702. 2 36, 293. 7 263, 794 2007 89, 461. 3 1, 366. 9 47, 099. 4 38, 048. 6 275, 520 2008 94, 493. 6 775. 9 47, 034. 0 38, 941. 3 290, 940 2009 91, 118. 8 721. 7 46, 814. 3 46, 814. 286, 091 Revenues Net income (loss) Total assets Total liabilities Employees Source: company filings DATAMONITOR Table 6: € million Metro AG: key financials (€) 2005 55, 722. 0 649. 0 28, 767. 0 23, <https://assignbuster.com/food-retail-in-europe/>

454.0 2006 59,882.0 1,193.0 32,148.0 26,101.0 2007 64,337.0 983.0
 33,872.0 27,363.0 2008 67,956.0 558.0 33,825.0 28,005.0 2009 65,
 529.0 519.0 33,667.0 33,667.0 Revenues Net income (loss) Total assets
 Total liabilities Source: company filings DATAMONITOR Europe - Food Retail
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LEADING COMPANIES Table 7: Ratio Metro AG: key financial ratios 2005 1.
 2% 4.2% 1.5% (0.2%) 81.5% 2.3% \$313,851 \$3,655 2006 2.0% 7.5%
 11.8% 11.3% 81.2% 3.9% \$315,650 \$6,289 2007 1.5% 7.4% 5.4% 4.
 8% 80.8% 3.0% \$324,700 \$4,961 2008 0.8% 5.6% (0.1%) 2.3% 82.8%
 1.6% \$324,787 \$2,667 2009 0.8% (3.6%) (0.5%) 20.2% 100.0% 1.5%
 \$318,496 \$2,523 Profit margin Revenue growth Asset growth Liabilities
 growth Debt/asset ratio Return on assets Revenue per employee Profit per
 employee Source: company filings DATAMONITOR Figure 10: Metro AG:
 revenues & profitability

Source: company filings DATAMONITOR Europe - Food Retail © Datamonitor.
 This profile is a licensed product and is not to be photocopied 0201 - 2058 -
 2009 Page 23 LEADING COMPANIES Figure 11: Metro AG: assets & liabilities
 Source: company filings DATAMONITOR Europe - Food Retail © Datamonitor.
 This profile is a licensed product and is not to be photocopied 0201 - 2058 -
 2009 Page 24 LEADING COMPANIES Carrefour S. A. Table 8: Carrefour S. A. :
 key facts 26 quai Michele, TSA 20016, 92695 Levallois-Perret Cedex, FRA 33
 1 55 63 39 00 www. carrefour. com December CA Paris DATAMONITOR

Head office: Telephone: Website: Financial year-end: Ticker: Stock exchange:

Source: company website Carrefour is one of the leading grocery and consumer goods distribution groups in the world. The group operates more than 15, 000 stores. Carrefour's primary grocery formats includes hypermarkets, supermarkets, hard discount and convenience stores. Carrefour primarily organizes its business segments based on geographic presence: France; Europe excluding France; Asia; and Latin America. In addition, the group's business operation can be segmented on the basis of its store formats (as mentioned in the previous paragraph).

Carrefour is the leading hypermarket retailer in the world. The group operates about 1, 302 hypermarket stores across the world, of which 228 hypermarkets are in France, 494 in European countries outside France, 288 in Latin America, and 292 in Asia. In Brazil, the group operates its hypermarket business under the Atacadao brand name; these hypermarkets offer a range of competitively priced companyowned and branded products in both food and non-food categories. In addition, the hypermarkets also offer services like insurance, financial services, home computer support, travel and entertainment reservations and mobile phones.

The group operates approximately 2, 919 supermarket stores in 11 countries under the banners Carrefour Express, Carrefour market, GB, GS and Champion. The supermarkets offer a wide selection of mostly food products and some non-food products related to apparel, culture and leisure, and tableware. Carrefour's hard discount segment, Dia, operates about 6, 252 hard discount stores in Spain, France (under Ed and Dia brands), Portugal (under Minipreco brand), Greece, Turkey, Argentina, Brazil and China. The <https://assignbuster.com/food-retail-in-europe/>

group's hard discount stores offer a range of food, basic health, and cleaning products at discounted rates. Europe - Food Retail Datamonitor. This profile is a licensed product and is not to be photocopied 0201 - 2058 - 2009 Page 25 LEADING COMPANIES The group's other activities comprise convenience stores, cash and carry foodservice stores, and ecommerce retail format. Carrefour operates about 4, 813 convenience stores and 144 cash and carry stores. Convenience stores are mainly operated by the franchisees under the banners Marche Plus, Shopi, 8 a Huit and Proxi in France; DiperDi in Italy; Carrefour Express and Carrefour GB in Belgium; Carrefour 5 Minut stores in Poland; Carrefour City stores in Spain; and Carrefour Convenient Buy in Thailand.

These stores primarily offer a wide selection of food products; these also offer a range of services such as home delivery, dry cleaning, 48-hourphotodevelopment, ticket distribution, photocopying, stamps and newspapers. Cash and carry foodservice stores provide wholesale and retail self-service mainly intended for businesses. Carrefour operates cash and carry foodservice stores under the trade name Promocash. Most of the cash and carry stores are operated by franchisees. In addition to the above mentioned store formats, Carrefour also sells its products through various ecommerce websites.

Carrefour operates an online grocery store, Ooshop, a leading French online supermarket in terms of sales. It allows customers to shop on the Internet, and select from product listings including fresh and frozen items, at the same price as they would pay in Carrefour's hypermarkets, with the added benefit of home delivery. Carrefour France hypermarket's non-food website, <https://assignbuster.com/food-retail-in-europe/>

CarrefourOnline. com, offers products such as leisure products (DVDs, games, software, music, books and more), audio and video, household electrical goods, as well as music downloads and even flower and bicycle delivery.

Carrefour. es, the group's e-commerce website in Spain, offers both food and non-food products. Key Metrics The company recorded revenues of \$119, 533 million in the fiscal year ending December 2009, a decrease of 2. 6% compared to fiscal 2008. Its net income was \$608 million in fiscal 2009, compared to a net income of \$2, 140 million in the preceding year. Europe -

Food Retail © Datamonitor. This profile is a licensed product and is not to be photocopied 0201 - 2058 - 2009 Page 26 LEADING COMPANIES Table 9: \$

million Carrefour S. A. : key financials (\$) 2005 116, 399. 7 2, 199. 8 64, 311. 1 51, 259. 436, 474 2006 121, 561. 3 3, 381. 2 66, 093. 8 48, 356. 4 456, 295 2007 128, 305. 2 3, 447. 4 72, 212. 0 57, 385. 0 490, 042 2008 122, 678. 1 2, 139. 7 72, 420. 6 57, 191. 7 495, 000 2009 119, 532. 5 607. 7 71, 685. 0 56, 229. 5 495, 000 Revenues Net income (loss) Total assets Total liabilities Employees Source: company filings DATAMONITOR Table 10: € million Carrefour S. A. : key financials (€) 2005 83, 710. 0 1, 582. 0 46, 250. 0 36, 864. 0 2006 87, 422. 0 2, 431. 6 47, 532. 0 34, 776. 0 2007 92, 272. 0 2, 479. 2 51, 932. 0 41, 269. 0 2008 88, 225. 2 1, 538. 8 52, 082. 0 41, 130. 0 2009 85, 963. 0 437. 0 51, 553. 0 40, 438. 0

Revenues Net income (loss) Total assets Total liabilities Source: company filings DATAMONITOR Table 11: Ratio Carrefour S. A. : key financial ratios 2005 1. 9% 2. 8% 9. 4% 7. 5% 79. 7% 3. 6% \$266, 682 \$5, 040 2006 2. 8% 4. 4% 2. 8% (5. 7%) 73. 2% 5. 2% \$266, 409 \$7, 410 2007 2. 7% 5. 5% 9. 3% <https://assignbuster.com/food-retail-in-europe/>

18. 7% 79. 5% 5. 0% \$261, 825 \$7, 035 2008 1. 7% (4. 4%) 0. 3% (0. 3%)
 79. 0% 3. 0% \$247, 835 \$4, 323 2009 0. 5% (2. 6%) (1. 0%) (1. 7%) 78. 4%
 0. 8% \$241, 480 \$1, 228 Profit margin Revenue growth Asset growth
 Liabilities growth Debt/asset ratio Return on assets Revenue per employee
 Profit per employee Source: company filings

DATAMONITOR Europe - Food Retail © Datamonitor. This profile is a licensed product and is not to be photocopied 0201 - 2058 - 2009 Page 27 LEADING COMPANIES Figure 12: Carrefour S. A. : revenues & profitability Source: company filings DATAMONITOR Figure 13: Carrefour S. A. : assets & liabilities Source: company filings DATAMONITOR Europe - Food Retail © Datamonitor. This profile is a licensed product and is not to be photocopied 0201 - 2058 - 2009 Page 28 LEADING COMPANIES Lidl Dienstleistung Table 12: Lidl Dienstleistung: key facts Rotelstrasse 30, 74166 Neckarsulm, DEU 49 732 30 6060 www. idl. de December DATAMONITOR Head office: Telephone: Website: Financial year-end: Source: company website Lidl & Schwarz Stiftung (Lidl) operates a chain of grocery stores. The company primarily operates in Europe. Lidl operates about 6, 800 deep-discount department stores and no-frills Lidl supermarkets throughout Europe. In Germany it operates about 3, 100 stores. The company offers about 800 different products in its stores mostly under Lidl's own brand. These include dairy products, frozen foods, sausages, fresh meat and poultry, fruit and veg delivered fresh every day, and a range of breads.

Lidl is also expanding its presence into Denmark, Hungary, Norway, and Slovenia. Key Metrics Financial information for this company is unavailable. Europe - Food Retail © Datamonitor. This profile is a licensed product and is <https://assignbuster.com/food-retail-in-europe/>

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Tesco PLC Table 13: Head office: Telephone: Website: Financial year-end:

Ticker: Stock exchange: Source: company website Tesco PLC: key facts New

Tesco House, Delamare Road, Cheshunt, Hertfordshire, EN8 9SL, GBR 44

1992 632 222 www. tesco plc. com February TSCO London DATAMONITOR

Tesco is a leading food and grocery retailer.

The company operates 4, 331 stores in 14 countries worldwide. It operates in the UK, other European countries, the US and Asia. The company operates in a single segment: retail. However, Tesco's operations can be examined by the store formats operated by it: Express, Metro, Superstore, Extra and Homeplus. The company has over 960 Express stores (up to 3, 000 sq ft) offering fresh food at convenient locations. These stores sell a range of up to 7, 000 products including fresh produce, wines and spirits and bakery products. The company has over 170 Metro stores (approximately 7, 000-15, 000 sq ft) in town and city centre locations.

It offers a tailored range of food products including ready-meals and sandwiches. Tesco operates about 450 superstores (approximately 20, 000-50, 000 sq ft) at which it offers food as well non-food products such as DVDs and books. Tesco's Homeplus stores (approx. 35, 000-50, 000 sq ft) are dedicated to non-food including clothing. Tesco has more than 175 Extra stores (approximately 60, 000 sq ft and above) which offer a variety of food and non-food product lines ranging from electrical equipment to homewares, clothing, health and beauty, and seasonal items such as garden furniture.

Additionally, about 115 Extra and Homeplus stores have opticians and around 270 of them have pharmacies. In addition to stores, Tesco offers retailing services through its online shopping channels, tesco.com and Tesco Direct. The company also provides broadband internet connections (Tesco broadband) and telecommunications services (Tesco Mobile and Home Phone) through a 50-50 joint venture with O2, a mobile phone company. Tesco also provides financial services through Tesco Personal Finance (TPF) which offers a choice of 28 products ranging from savings accounts and credit cards to car and travel insurance.

All its financial products are also available for online purchase. Europe - Food

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photocopied 0201 - 2058 - 2009 Page 30 LEADING COMPANIES Key Metrics

The company recorded revenues of \$84,676 million in the fiscal year ending February 2009, an increase of 14.9% compared to fiscal 2008. Its net

income was \$3,376 million in fiscal 2009, compared to a net income of \$3,

320 million in the preceding year. Table 14: \$ million Tesco PLC: key

financials (\$) 2005 57,602.2 3,042.4 31,811.6 17,695.242,980 2006 67,

234.5 3,553.7 35,167.3 20,447.6 273,024 2007 66,461.4 2,959.8 38,

664.9 22,188.6 318,283 2008 73,720.0 3,319.9 47,014.4 28,463.7

345,737 2009 84,675.6 3,376.0 71,779.5 52,460.3 364,015 Revenues

Net income (loss) Total assets Total liabilities Employees Source: company

filings DATAMONITOR Table 15: ? million Tesco PLC: key financials (?) 2005

36,957.0 1,952.0 20,410.0 11,353.0 2006 43,137.0 2,280.0 22,563.

0 13,119.0 2007 42,641.0 1,899.0 24,807.0 14,236.0 2008 47,298.0

2,130.0 30,164.0 18,262.0 2009 54,327.0 2,166.46,053.0 33,658.0

Revenues Net income (loss) Total assets Total liabilities Source: company filings DATAMONITOR Europe - Food Retail © Datamonitor. This profile is a licensed product and is not to be photocopied 0201 - 2058 - 2009 Page 31

LEADING COMPANIES Table 16: Ratio Tesco PLC: key financial ratios 2005 5.3% 10.1% 10.9% 6.4% 55.6% 10.1% \$237,066 \$12,521 2006 5.3% 16.7% 10.5% 15.6% 58.1% 10.6% \$246,259 \$13,016 2007 4.5% (1.1%) 9.9% 8.5% 57.4% 8.0% \$208,812 \$9,299 2008 4.5% 10.9% 21.6% 28.3% 60.5% 7.7% \$213,226 \$9,602 2009 4.% 14.9% 52.7% 84.3% 73.1% 5.7% \$232,616 \$9,274 Profit margin Revenue growth Asset growth Liabilities growth Debt/asset ratio Return on assets Revenue per employee Profit per employee Source: company filings DATAMONITOR Figure 14: Tesco PLC: revenues & profitability Source: company filings DATAMONITOR Europe - Food Retail © Datamonitor. This profile is a licensed product and is not to be photocopied 0201 - 2058 - 2009 Page 32 LEADING COMPANIES Figure 15: Tesco PLC: assets & liabilities Source: company filings DATAMONITOR Europe - Food Retail © Datamonitor.

This profile is a licensed product and is not to be photocopied 0201 - 2058 - 2009 Page 33 MARKET FORECASTS MARKET FORECASTS Market value forecast In 2014, the European food retail industry is forecast to have a value of \$2,477.4 billion, an increase of 49% since 2009. The compound annual growth rate of the industry in the period 2009–14 is predicted to be 8.3%.

Table 17: Year 2009 2010 2011 2012 2013 2014 CAGR: 2009–14 Source: Datamonitor Europe food retail industry value forecast: \$ billion, 2009–14 \$ billion 1,663.1 1,811.4 1,978.0 2,161.3 2,359.7 2,477. € billion 1,196.1 1,302.7 1,422.5 1,554.3 1,697.0 1,781.6 % Growth 8.5% 8.9% 9.

2% 9. 3% 9. 2% 5. 0% 8. 3% DATAMONITOR Figure 16: Europe food retail industry value forecast: \$ billion, 2009–14 Source: Datamonitor

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Review of in-house databases – Created using 250, 000+ industry interviews and consumer surveys and supported by analysis from industry experts using highly complex modeling & forecasting tools, Datamonitor’s in-house databases provide the foundation for all related industry profiles Preparatory research – We also maintain extensive in-house databases of news, analyst commentary, company profiles and macroeconomic & demographic information, which enable our researchers to build an accurate market overview Definitions – Market definitions are standardized to allow comparison from country to country.

The parameters of each definition are carefully reviewed at the start of the research process to ensure they match the requirements of both the market and our clients Extensive secondary research activities ensure we are always fully up-to-date with the latest industry events and trends Datamonitor aggregates and analyzes a number of secondary information sources, including: National/Governmental statistics International data (official international sources) National and International trade associations Broker and analyst reports Company Annual Reports Business information libraries and databases

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Modeling & forecasting tools – Datamonitor has developed powerful tools that allow quantitative and qualitative data to be combined with related macroeconomic and demographic drivers to create market models and forecasts, which can then be refined according to specific competitive, regulatory and demand-related factors Continuous quality control ensures that our processes and profiles remain focused, accurate and up-to-date Europe - Food Retail © Datamonitor. This profile is a licensed product and is not to be photocopied 0201 - 2058 - 2009 Page 35 APPENDIX Industry associations

Global Food Marketing Institute 655 15th Street, NW, Washington DC, 20005
Tel. : 001 202 452 8444 Fax: 001 202 429 4519 www. fmi. org/ CIES — The Food Business Forum 7, rue de Madrid 75008 Paris FRANCE Tel. : 0033 1 4469 8484 Fax: 0033 1 4469 9939 www. ciesnet. com EuroCommerce Avenue des Nerviens 9-31, B-1040 Brussels, Belgium Tel. : 0032 2 737 0598 Fax: 0032 2 230 0078 www. eurocommerce. be Related Datamonitor research Industry Profile Food Retail in Western Europe Food Retail in Asia-Pacific Food Retail in the US Europe - Food Retail © Datamonitor. This profile is a licensed product and is not to be photocopied 0201 - 2058 - 2009 Page 36

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