

FRENCH DISTRIBUTION

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PLAN

- Presentation François Boutet/Start'Home/UBTC

Part 1 – Distribution structure

- French distribution structure/Figures
- French distribution in Europe

Part 2 – Market approach

- Market approach
- Fairs
- Logistic
- Private Label
- Conclusion

Presentation

François Boutet

Start'Home – Consulting
UBTC - Distribution

Part 1 – Distribution structure

STRUCTURE

- Food chains
- DIY
- Specialists
- Retailers/Independents Groups
- Wholesalers

STRUCTURE/FOOD

Hypermarkets/Supermarkets/Minimarkets:

7 big players, 2 kinds of chains

Integrated, all stores belong to the company:

- Auchan
- Carrefour
- Casino
- Cora

Independent groups, independent retailers under the same brand name:

- Intermarché
- Leclerc
- Système U

STRUCTURE/FOOD

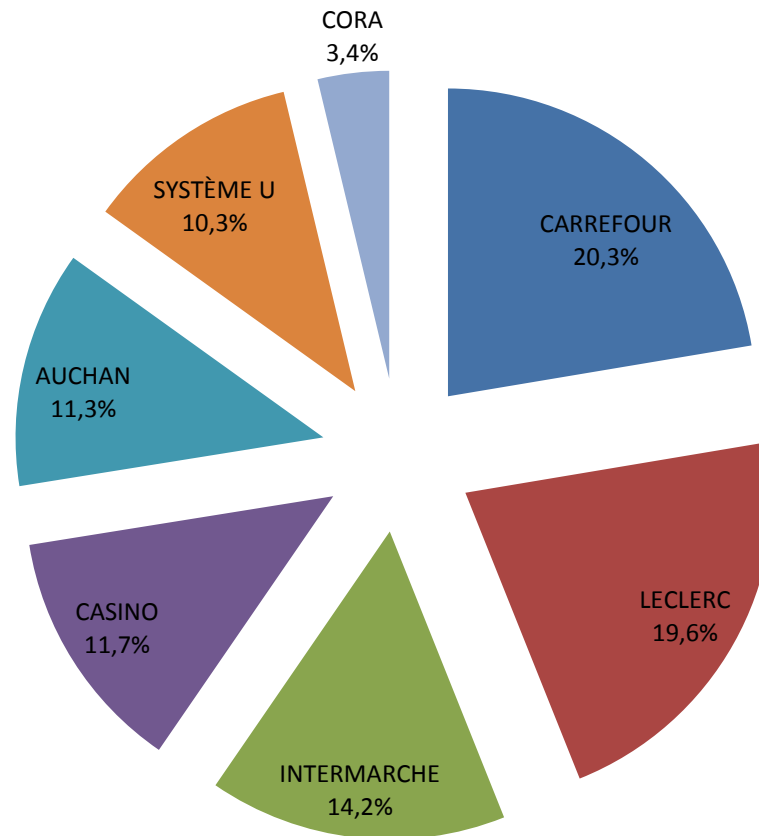
RANKING/Turnover *

- Carrefour84,3
- Auchan..... 48,7
- Casino..... 48,6
- Leclerc..... 45,2
- Intermarché..... 39,9
- Système U..... 23,9
- Cora..... 9

*: Billion €

STRUCTURE/FOOD

RANKING/Market share*



*: On food

STRUCTURE/FOOD

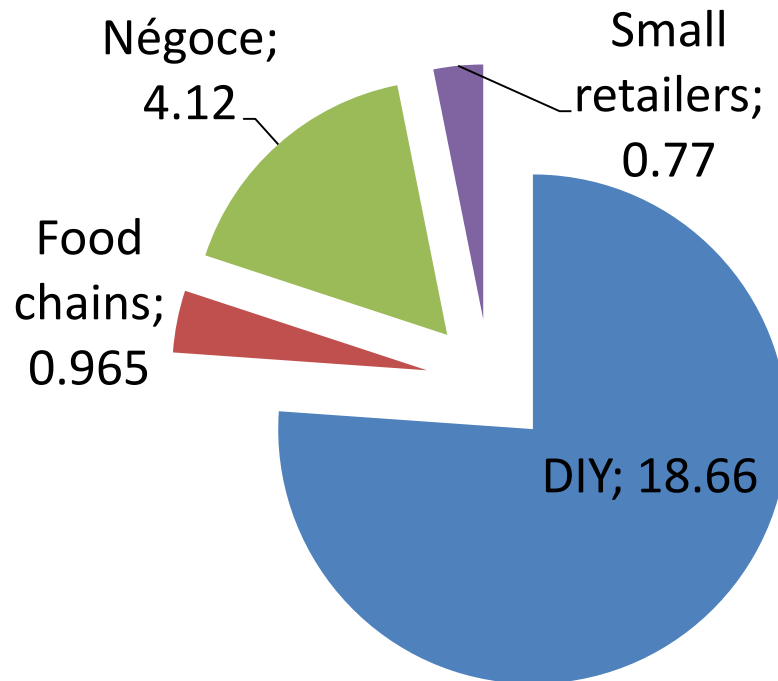
Number of stores

	Hypermarkets	Supermarkets
CARREFOUR	231	936
LECLERC	573	56
INTERMARCHE	84	1363
CASINO	43	346
AUCHAN	146	392
SYSTÈME U	65	741
CORA	59	143
TOTAL	1201	3977

Structure DIY

GROUP	BRANDS
ADEO	Leroy Merlin – Weldom – Aki – Bricoman - Alinéa - Zodio
KINGFISHER	Castorama – Brico Dépôt
M.BRICOLAGE	M.Bricolage – Catena – Le Club
BRICOMARCHE	Bricomarché
BRICORAMA	Bricorama
OTHERS	Boîte à outils – Bricojem -

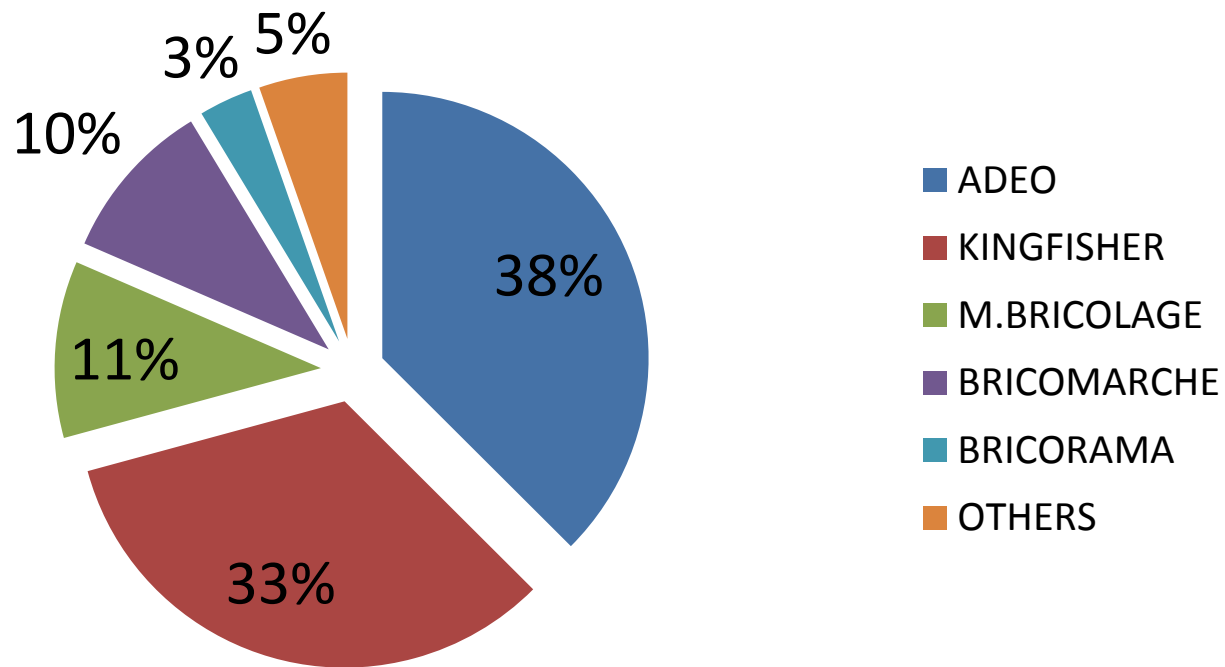
Structure DIY TURNOVER*



*: Billion €

Structure DIY

Market shares



Structure Specialists

Electronic

- Darty 3,4*
- Boulanger 2,3*
- But 1,4*
- Gitem 16* (Europe)

Structure Specialists

Furniture

- Crozatier
- Atlas
- Fly
- Conforama
- Mobilier de France
- Monsieur Meuble
- Levitan
- Le Géant du Meuble
- Ikea

Structure Specialists

Decoration

- Pier Import
- Maison du Monde
- Casa
- Alinea
- Habitat

Structure Specialists

Kitchen accessories

- EK France
- Du Bruit Dans La Cuisine
- Alice Délice
- Zodio

Structure Specialists

Cosmetic/perfume

- Sephora
- Marionnaud
- Nocibé
- Douglas
- Beauty & Success
- Parashop

Structure Specialists

Household discount

- Gifi
- Foir'Fouille
- Babou

Structure Specialists

Garden Centers

- Truffaut
- Botanic
- Jardiland
- Villaverde
- Gamm vert

Structure Specialists

Car accessories

- Speedy
- Feu Vert
- Midas
- Norauto

Structure Specialists

Sport

- Decathlon
- Intersport
- GOsport

Structure Department stores

- Monoprix
- BHV
- Galeries Lafayette
- Printemps

Structure Others

- Retailers/Independents
Groups
- Wholesalers
- e-commerce

French distribution in Europe

French distribution is very present:

- Spain
- Portugal
- Belgium
- Italy
- Poland
- Eastern Europe

As well in

Asia – South America – Middle East

Part 2 – Market approach

Market approach

For many categories, no panel -Nielsen – GFK - ...

As you see, French market is very big and there are many channels

In order to choose the right one you have to study carefully the market

- Global approach - Alone
- Selected approach - With a partner
- Approach – With a distributor

Market approach

Three options

- Alone
- Distributor
- Agent/Consultant

Market approach

DISTRIBUTOR

- Advantage
 - He knows his market and you can do business quickly
 - Nothing to do except sending prices, samples and documentation
 - Also, of course you have to manage logistic to warehouse
- Disadvantage
 - he'll take only one part of your collection
 - Your brand name will stay unknown on the market
 - His margin

Market approach

AGENT/CONSULTANT

- Advantage
 - You'll work under your own name
 - You'll sale all your collection, your concept
 - You'll have all data of clients
 - You have the support of your partner in France
 - You invoice directly
- Disadvantage
 - It will be longer to be in the market

Market approach

As we told before you must be prepare to get in French market

The most important is to have a strategy

Some of companies already have one some other no

Even if you already have one, you must adapt it

Market approach

You must study the market you want to penetrate, to analyse it, to implement a strategy and an action plan with agenda

Efficient and adapted to your specificity and policy!

Market approach

Act step by step

- Who is your company regarding the market and where you can go.
- Who and where are competitors, potential partners?
- What are your strengths, weaknesses, opportunities and threats?
- Identify clients.
- Establish a strategy/action plan.
- Fix objectives.
- Plan an agenda as guideline in order to follow progress

Market approach

CURRENT MARKET

Competitors:

The first step will be to have a good overview of the current market on so called “National Brands” as well as Private Label

Who is present where and at what price level?

No panels, so you have to do it yourself!

Market approach

Regarding your range and study of the market you'll establish the **SWOT** in order to know exactly what could be your place and chances on the market.

- Strengths
- Weaknesses
- Opportunities
- Threats

Market approach

Strengths:

- Good items?
- Good quality?
- Good design?
- Marketing?
- Innovations?
- Private Label possible?
- Flexibility?

Market approach

Weaknesses:

- Unknown?
- Prices?
- Delivery from?
- Sales force to build up(if necessary)?

Market approach

Opportunities:

- Big leader as competitor?
- ??????????????????
- Innovation?

Market approach

Threats:

- Lots of competitors?
- Lots of items direct from China with low price?

Market approach

Potential clients

Where can you sale your products?

List potentiel clients

Fix priorities

Market approach

Exemple did for one of our partner

Store name	Nb of stores	Cosmetic priorities	Household priorities	Car priorities	Pet priorities
Hypermarkets					
Auchan	121	1	1	2	2
Carrefour	216	1	1	2	2
Casino	117	1	1	2	2
Cora	60	1	1	2	2
Leclerc	500	1	1	2	2
Intermarché	1474	1	1	2	2
Systeme U	670	1	1	2	2

Market approach

OBJECTIVES

Your values are quality, innovation, design, marketing, flexibility...

Your company in France vocation is to become an actor on its business

In order to achieve this we have to act step by step fixing objectives.

Market approach

Strategy/Action Plan

In order to achieve these objectives we must act on some specific points:

- To list our potential clients
- Study the market
- Fix priorities among our potential clients
- Find the right opportunities to start business
- To adapt commercial policy to French market
- To adapt the marketing(part of it)
- To prepare a presentation in French and adapted to French market

Market approach

Actions:

First we'll study the French market regarding your specificity.

Market approach

Actions:

Second, build up an adapted presentation in French for French.

Market approach

Actions:

Third, contact directly potential clients

Send the following message: “Your company, one of the competitors in Europe, is now present on French market”.
For sure, most of them don't know you

At this step you'll act from the most important potential to the less one

You have to consider that big clients are very difficult to meet and it could take time

Market approach

Actions:

Fourth you must contact existing clients (if there are) with presentation in order to show them that your company is a big company able to provide them good business

Market approach

Actions:

Fifth you come back to clients to propose them an adapted range and solutions for their stores.

Market approach

Ideas:

After studying the market you can show what kind of category or product could interest each channel or each client.

It could be :

- Very good price
- Innovation
- Exclusivity
- Quality
- Tendency
- Private Labelling possibilities

As soon purchasers receive sample and presentation you give a phone call to obtain a meeting and start business.

Market approach

Ideas:

You'll use also your presence at fairs to invite all potential clients visiting you

Market approach

FAIRS

Many fairs are interesting in France. Sometime it's better to go to international ones to reach French distributors.

Furniture

Maison & Objets

Household

Ambiente

Private Label

PLMA

Cosmetics

Cosmoprof

Market approach

LOGISTIC

You must be ready to deliver to big areas in France by full trucks

In case of permanent listing, you must have a partner in France able to deliver everywhere in the country

Market approach

PRIVATE LABEL

You must also consider that Private Label is very important in French Distribution

It represent around 50% of market share all categories mixed

That means some categories there is only private label, other there is no, ...

Market approach

Agenda

If you start French Market approach, you have to fix an agenda:

As example, if you start in October 2015:

- October 2015 and December 2015: Store check, search for data and information.
- From December 2015: Preparation of presentation and search for all purchasers' data.
- From December 2015 to September 2016: Launching of presentation, information and meetings.

Market approach

With that kind of approach you'll see if your company has good chances to penetrate French market in categories choose as objective

If your company is present in other countries it means that you are able to deal with French distribution.

You have, despite all, to take care: French habits are not the same than other ones and the big difference is that your company is well known in several countries but represents nothing for French market.

If you follow this plan, strategy is simple but efficient.

Success keys are good items answering to consumer demands.

Thank you !