

A distinctive, strategic approach to provide consumers with comfort and satisfaction:

Deployment of a new Health & Beauty concept in three store formats



&

L'ORÉAL

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de Saint Louvent

Sébastien  
Debelle

# A longstanding partnership on many Health & Beauty fronts...



⇒ Store concepts



Targeted marketing/  
building loyalty



⇒ Beauty events



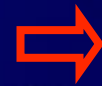
⇒ Marketing by product category: cosmetics, hair coloring etc.



...involving store personnel...



Stores participate in all decisions



A Champion store concept guide, Director, based in-store

...head office teams, independent of the commercial relationship...

⇒ Champion: marketing expertise

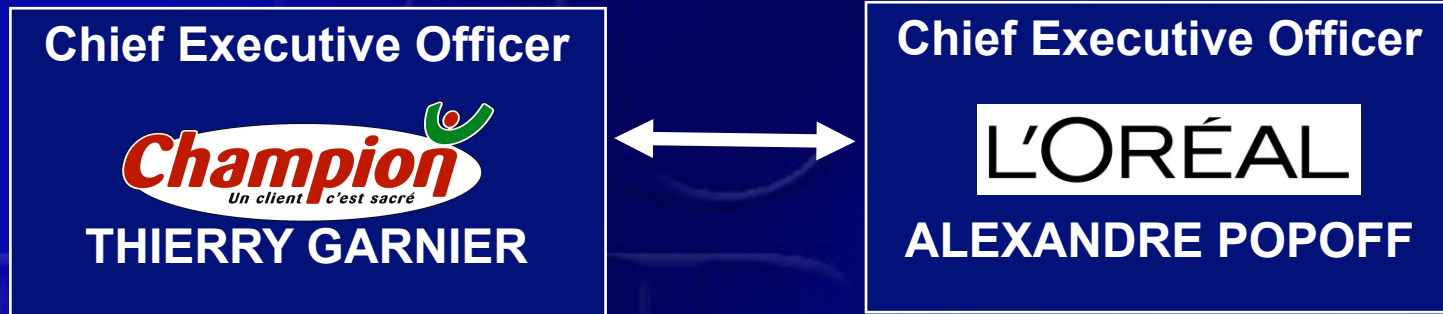


⇒ L'Oréal Consumer Products Division: HB expertise, a cross-cutting, independent set-up from group companies



...and general management.

- ⇒ Every six months: joint meeting of our executive boards
- ⇒ Systematic support to keep projects moving forward.



## A partnership that starts with a practical action plan

⇒ Champion's Health & Beauty market share has growth potential. It is lower than the Consumer Products market share.

	CP market share 2003	HB market share 2003	Performance index 2003
Champion	7.8%	6.6%	85
Competitor SM 1	7.9%	7.1%	90
Competitor SM 2	11.5%	10.8%	94
Competitor HM 3	17.4%	19.5%	112

## A partnership that starts with a practical action plan

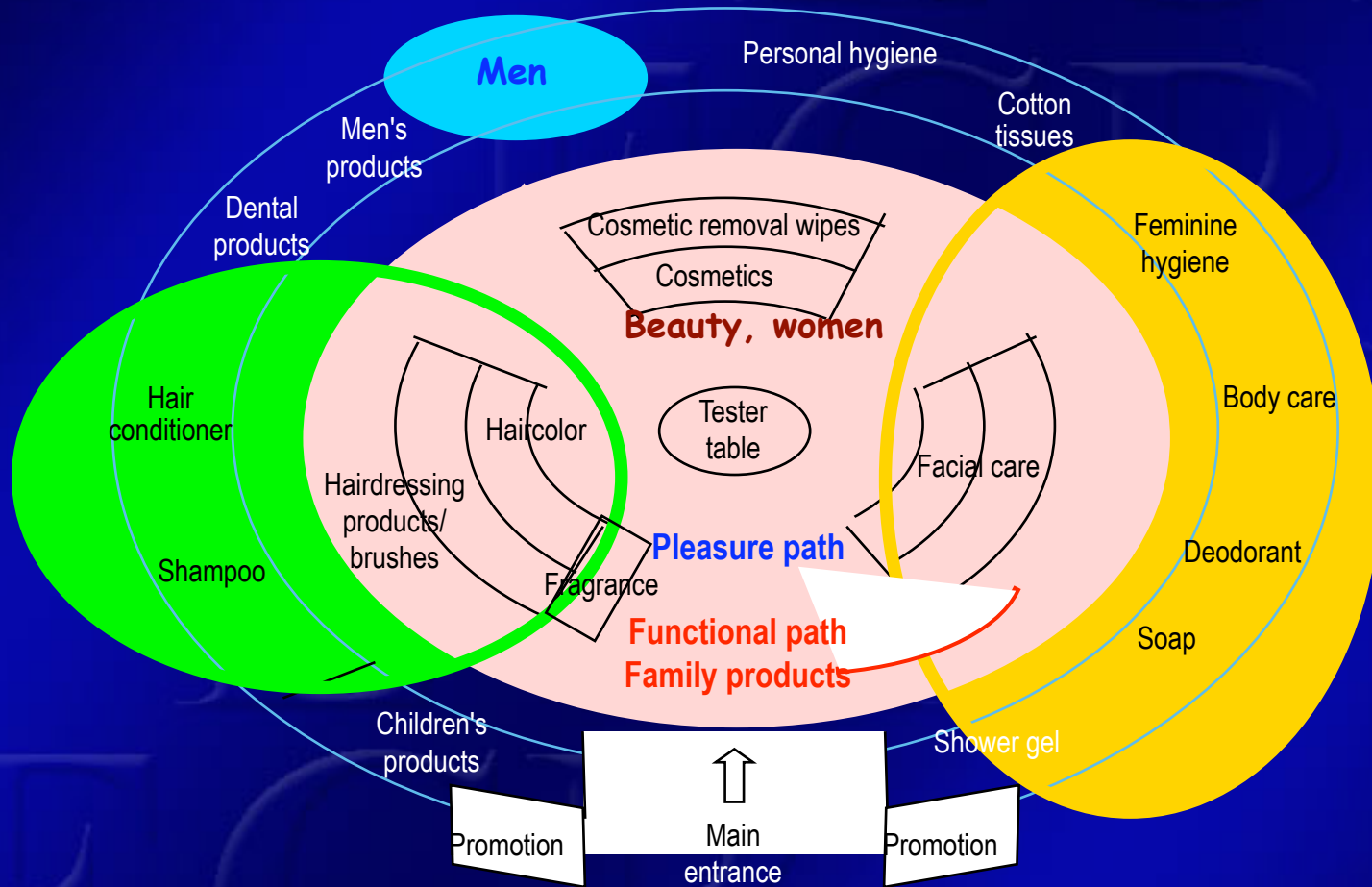
⇒ HB department can be made more attractive and inviting.

⇒ 3 Growth avenues identified:



⇒ One essential requirement : **REALISM**

# Consumers' path through the department: two distinct patterns...



A two-stage path: one for the family, one personal.

...And two types of expectation.

Pleasure	Need
Cosmetics	
Skin care	
Eau de toilette	
Hairdressing	
Hair care	
Hair coloring	
Men	
	Soap
	Deodorant
	Dental products
	Cotton products
	Feminine hygiene

⇒ A new typology distinguishing Pleasure purchases (spontaneous, impulsive) from Need purchases (planned, written on shopping list).

...And two types of expectation.

**Pleasure**

**Need**



To generate impulse buying, located at the point where consumer flows arrive in the Health & Beauty department

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Deodorant

Dental products

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Feminine hygiene

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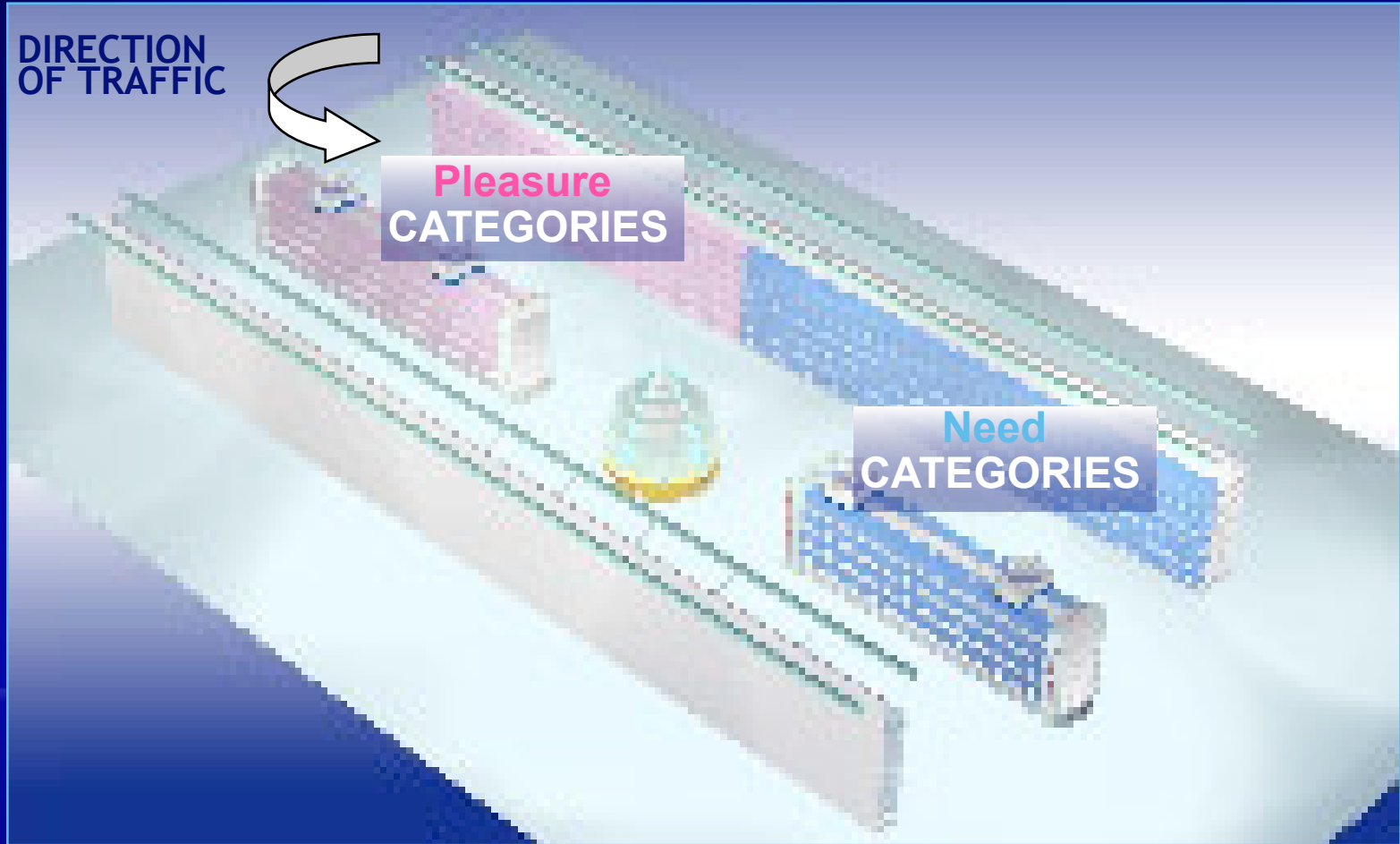
**Need**



To generate traffic, located after **Pleasure** categories

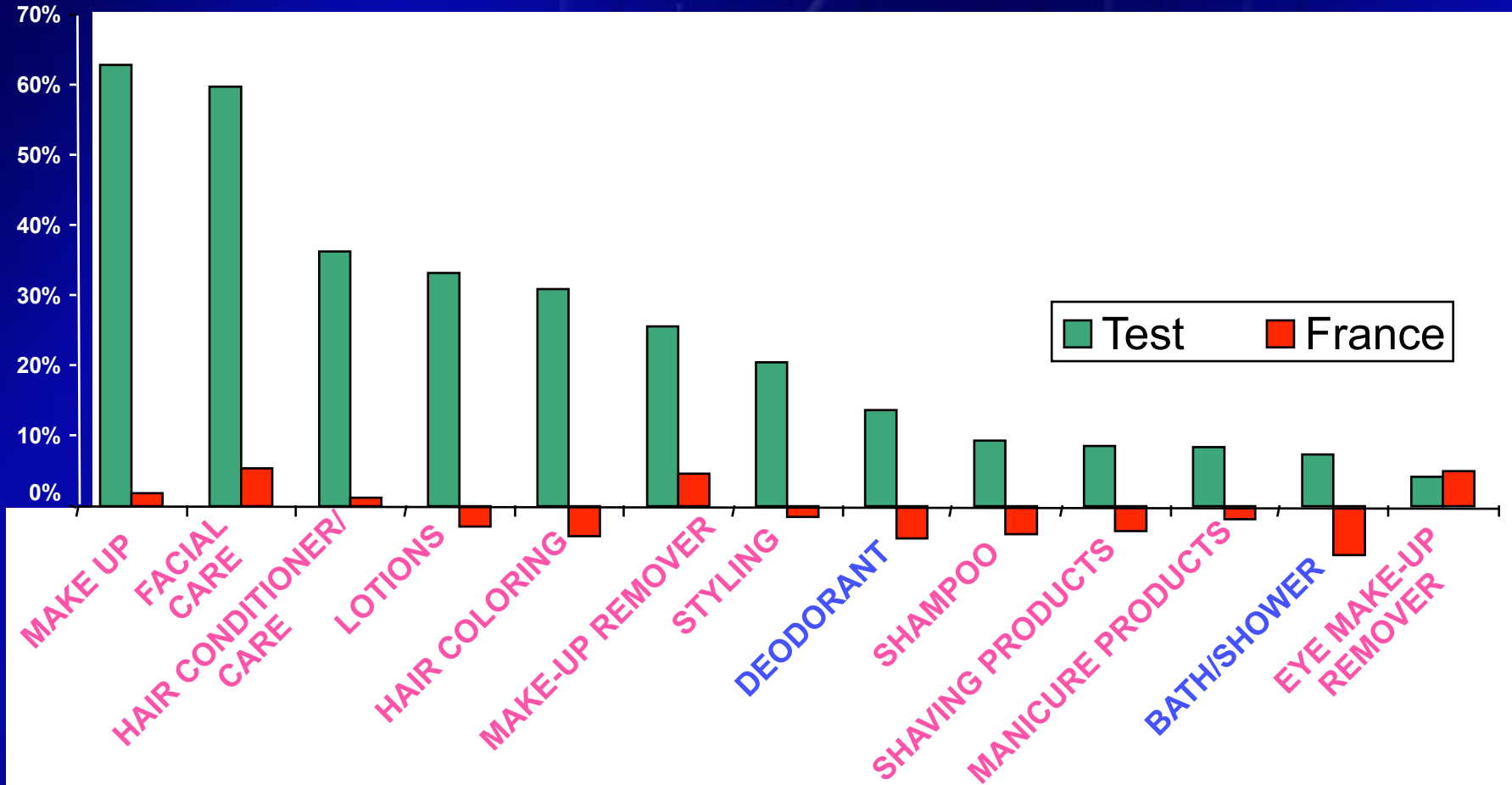
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## Transposition at point of sale (example in a hypermarket)

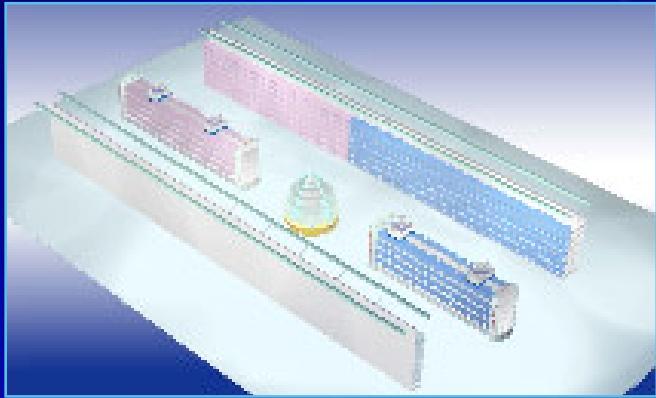


## A system that works: Pleasure categories perform superbly

Example: sales in terms of value in HM store test versus Champion France sales July 2003-October 2004



## A single, adaptable concept for three formats



Champion:  
1,028 point of sales



Hypermarket : > 2,500 sq.m  
Total 53 / Restructured : 20



Urban Center SM : < 1,200 sq.m  
Total : 5 / Restructured : 3



Supermarket : < 2,500 sq.m  
Total : 970 / Work in progress

# THE HYPERMARKET FORMAT

## An inviting perfumery area

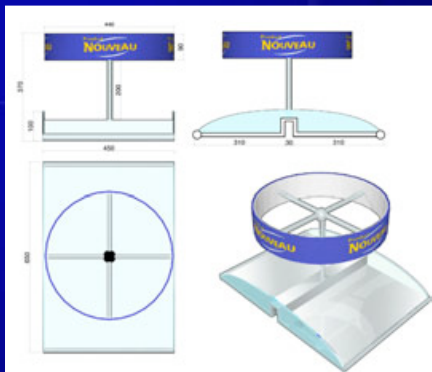


CHAMPION RETHEL - FILM

# Special focus on the 3 growth avenues

## General management

→ **INNOVATION**  
get enhanced visibility



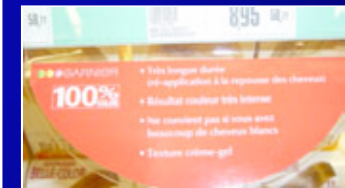
→ **PROMOTIONS**  
spotlighted



CHAMPION VANNES



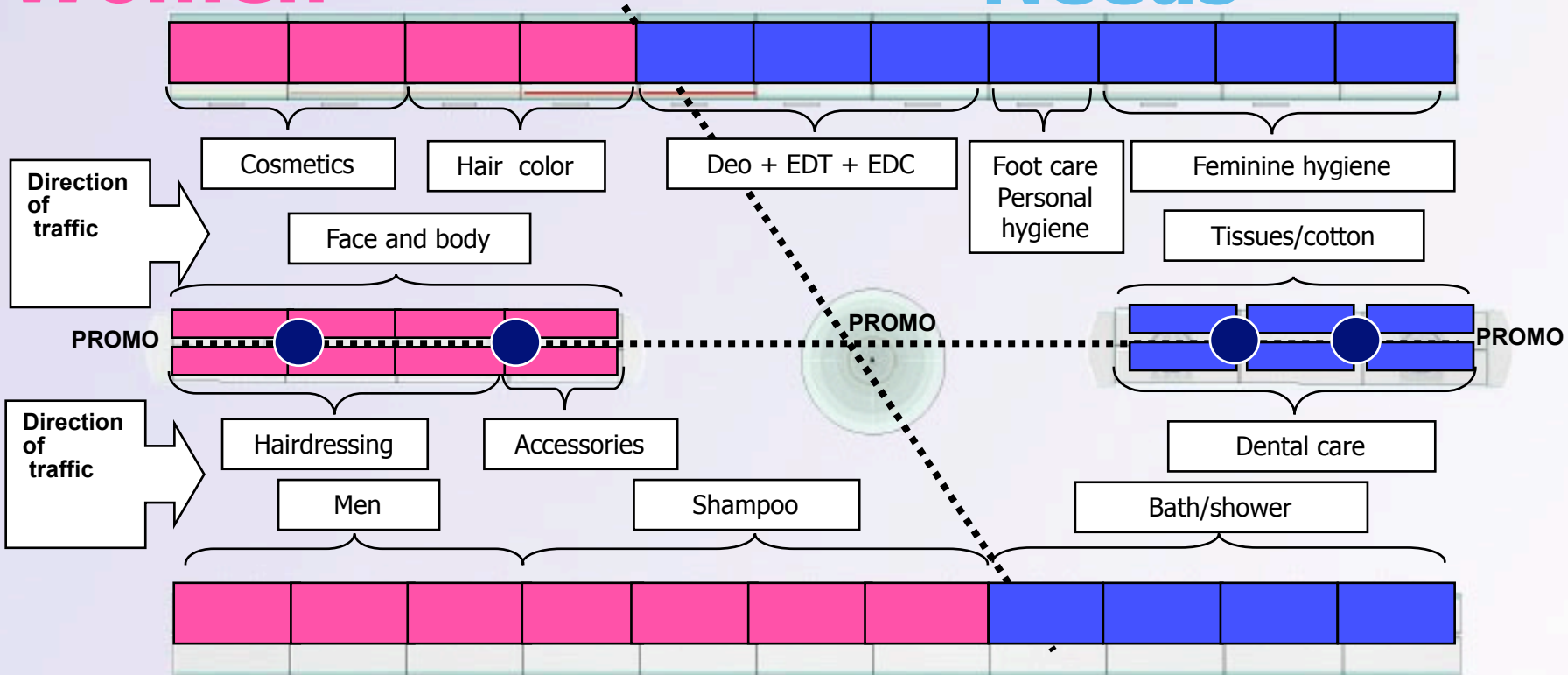
→ **ADVICE** on flagship categories



# A floor plan based on what we have learned from consumers

## Women

## Needs



## Family

## Pleasure

## A concept that attracts shoppers and boosts sales

	<u>Test store</u>	<u>Benchmark</u>
<u>Average time spent in the area:</u>	2 min 20 sec	1 min 35 sec
<u>Average number of purchases:</u>	1.41	1.26

➔ In the test store, the area generates a higher average number of purchases and a greater average time spent in the department.

## ...And boosts sales

	<u>T/O growth*</u>	<u>Qty sold growth*</u>
<u>HB averages in 10 restructured HMs :</u>	+12.0%	+8.8%
<u>Highest results in HB :</u>	+30.1%	+19.9%
<u>Average difference between restructured HB and national HB :</u>	<b>+11 points</b>	

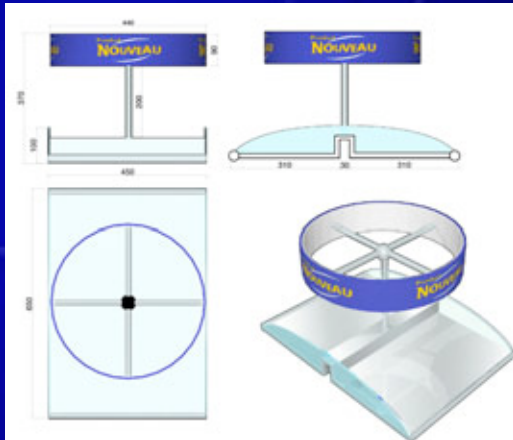
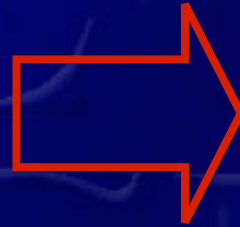
\*HB comparison: three months following restructuring vs N-1. Data from Champion checkout system.

# THE URBAN SUPERMARKET FORMAT

## Variant of the concept for the City Center format



# Variant of the concept for the City Center format



The “New product” area moves to upper gondolas

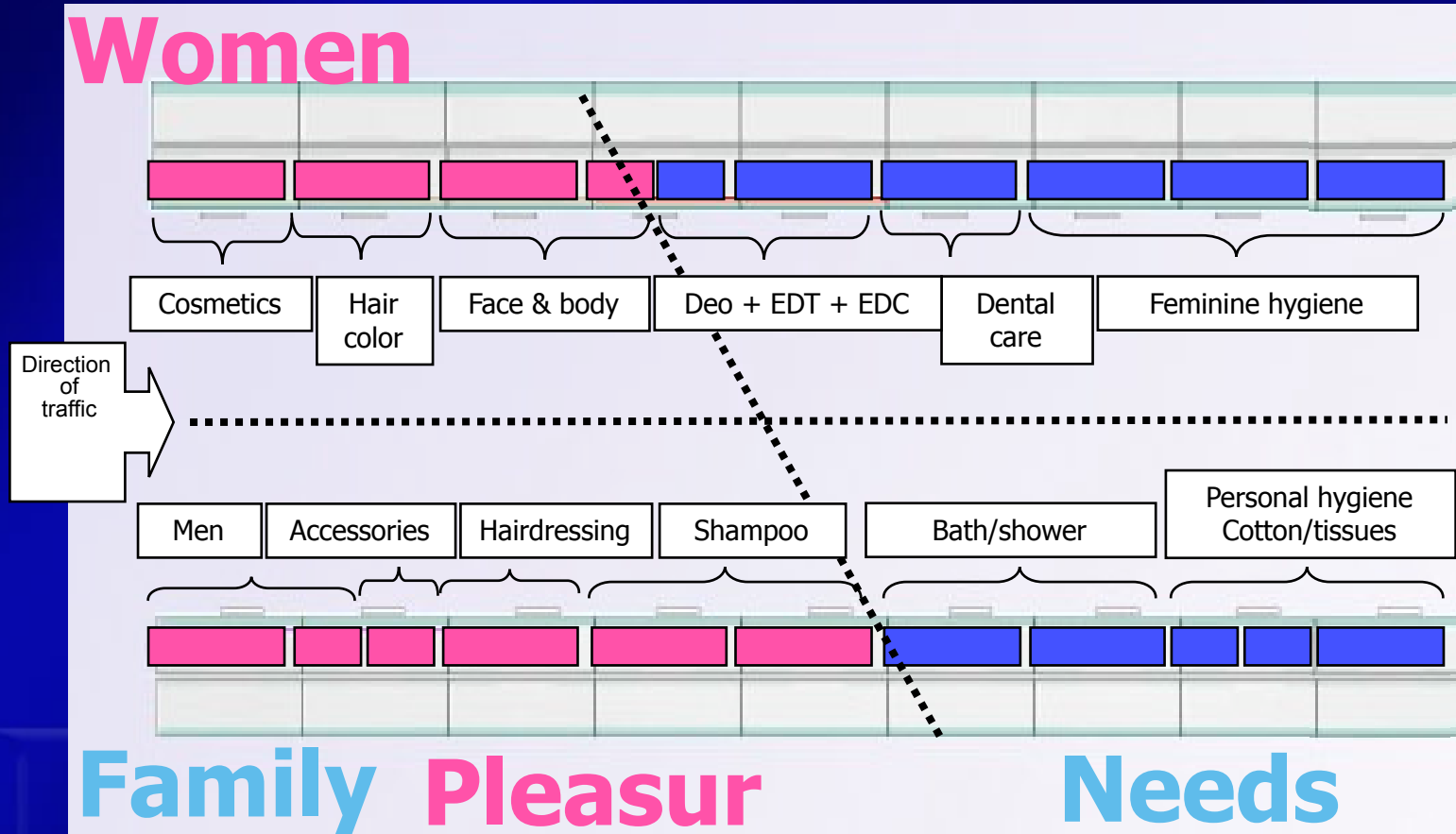


## Variant of the concept for the City Center format



The inviting character reproduced through product category visuals

...Once again, with a floor plan inspired by consumers



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# THE SUPERMARKET FORMAT

# The Supermarket format: promotion as the engine of growth



➔ Promotion :  
Event-based  
spotlighting  
of  
promotions

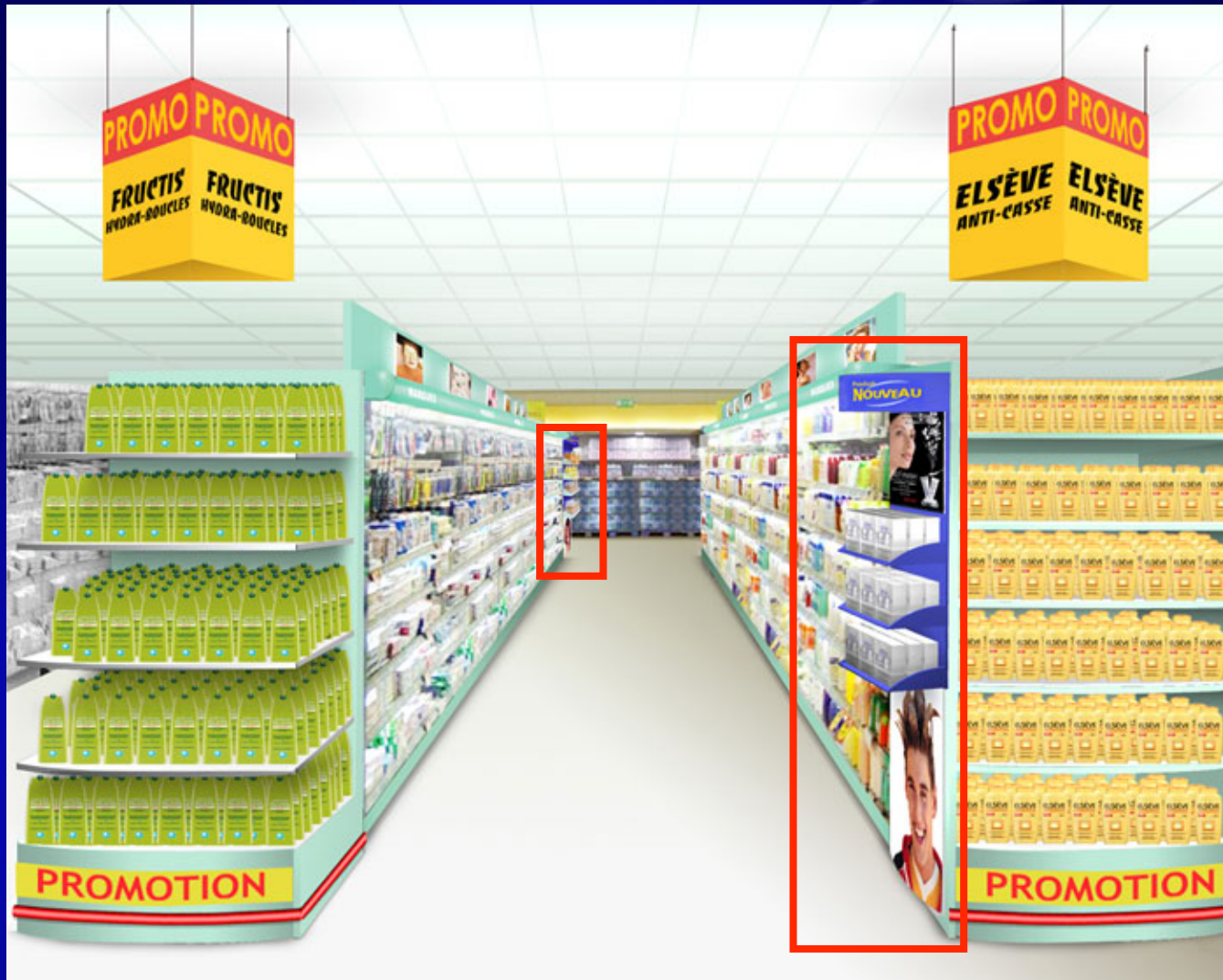
# The Supermarket format: promotion as the engine of growth



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➔ Attractiveness :  
reuse of visual  
from urban  
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# The Supermarket format: promotion as the engine of growth



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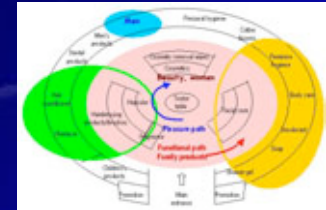
➔ Attractiveness :  
reuse of visual  
from urban  
format

➔ Innovation :  
reuse of « new  
products » area  
from the urban  
format

# Conclusion

**Key Success Factor :**  
**Deployment orchestrated in and by the point of sale**

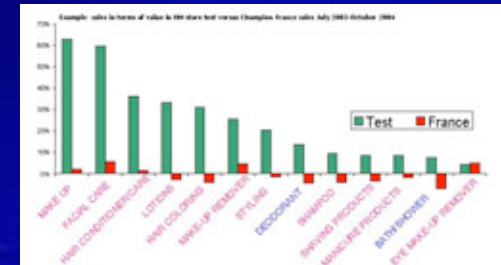
Consumer surveys/shoppers in the store



Creation of a test store (Champion Bayeux)



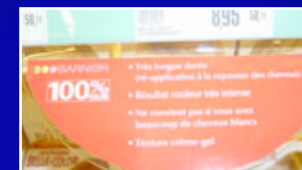
Consumer validation/store flows



Champion issues call for tenders for store fixtures



Decision from stores  
to adopt the new concept  
Order by technical staff



## Conclusion

Steady increase in market share

➔ A rising performance index

	CP market Sh.	HB market Sh.	Performance index
Champion 2003	7.8%	6.6%	85
Champion 2004	7.8%	6.9%	88

Source: Sécodip survey CAM P13 2003 and CAM P13 2004.