

A new collaboration process leveraging **Point of Sales data** to build our joint business

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Carrefour

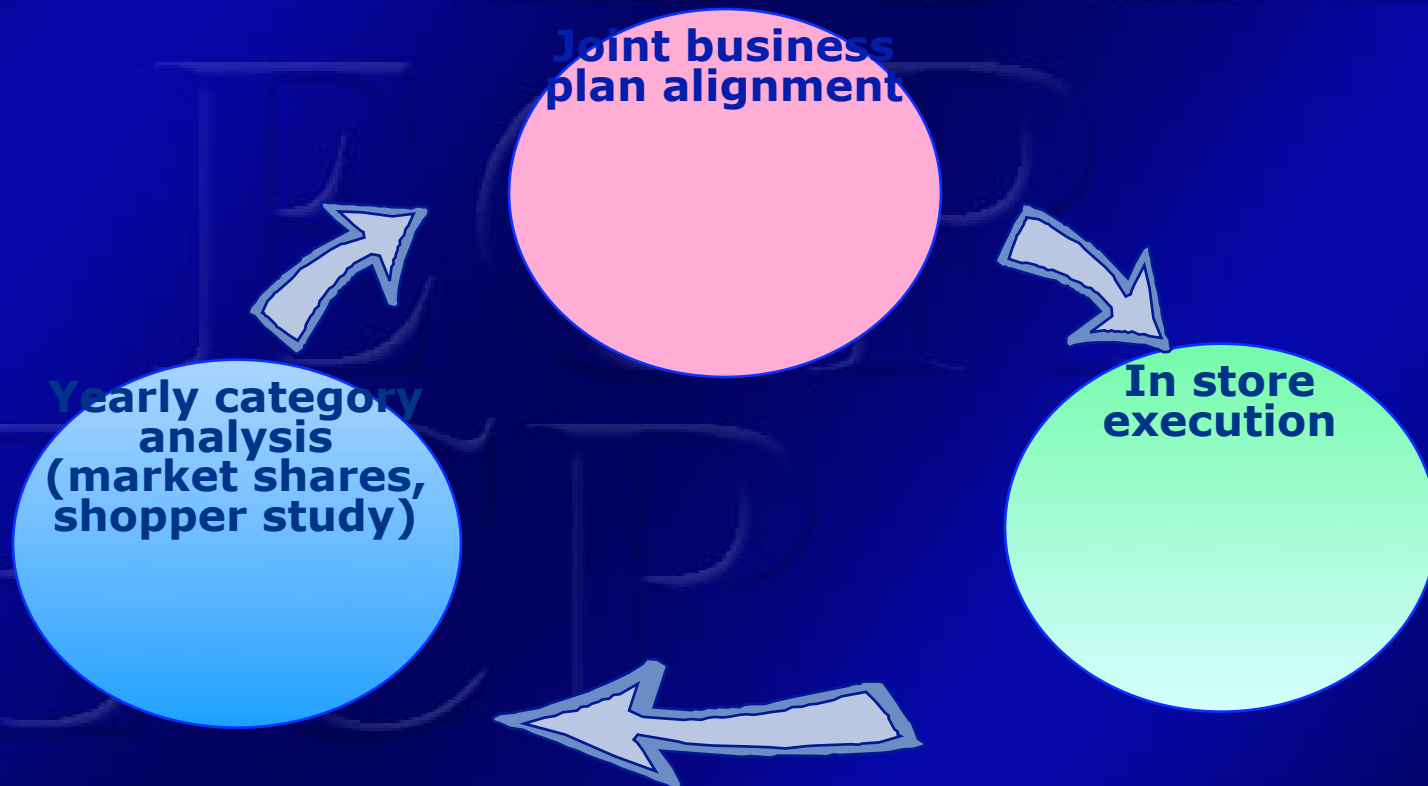


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Our current collaborative model

For years Carrefour and P&G teams developed **Joint Business Plans** based on national data (banner and brand market shares, shopper studies)



The current business context

- No consumption boost on food categories
- Hard Discount growing mainly at the expense of Hypermarkets **+18,4% vs -0,4%**

Total turnover trend (food and non food) at constant number of store - Nielsen

		Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04
HM / SM	Evol. vs Yag	+2,2	-1,1	-0,2	+0,9	-5,5	+4,1	+1,3	-3,7	-2,3	-2,6
	Evol. YTD vs Yag	+2,2	+0,6	+0,3	+0,5	-0,8	+0,0	+0,2	-0,3	-0,5	-0,7

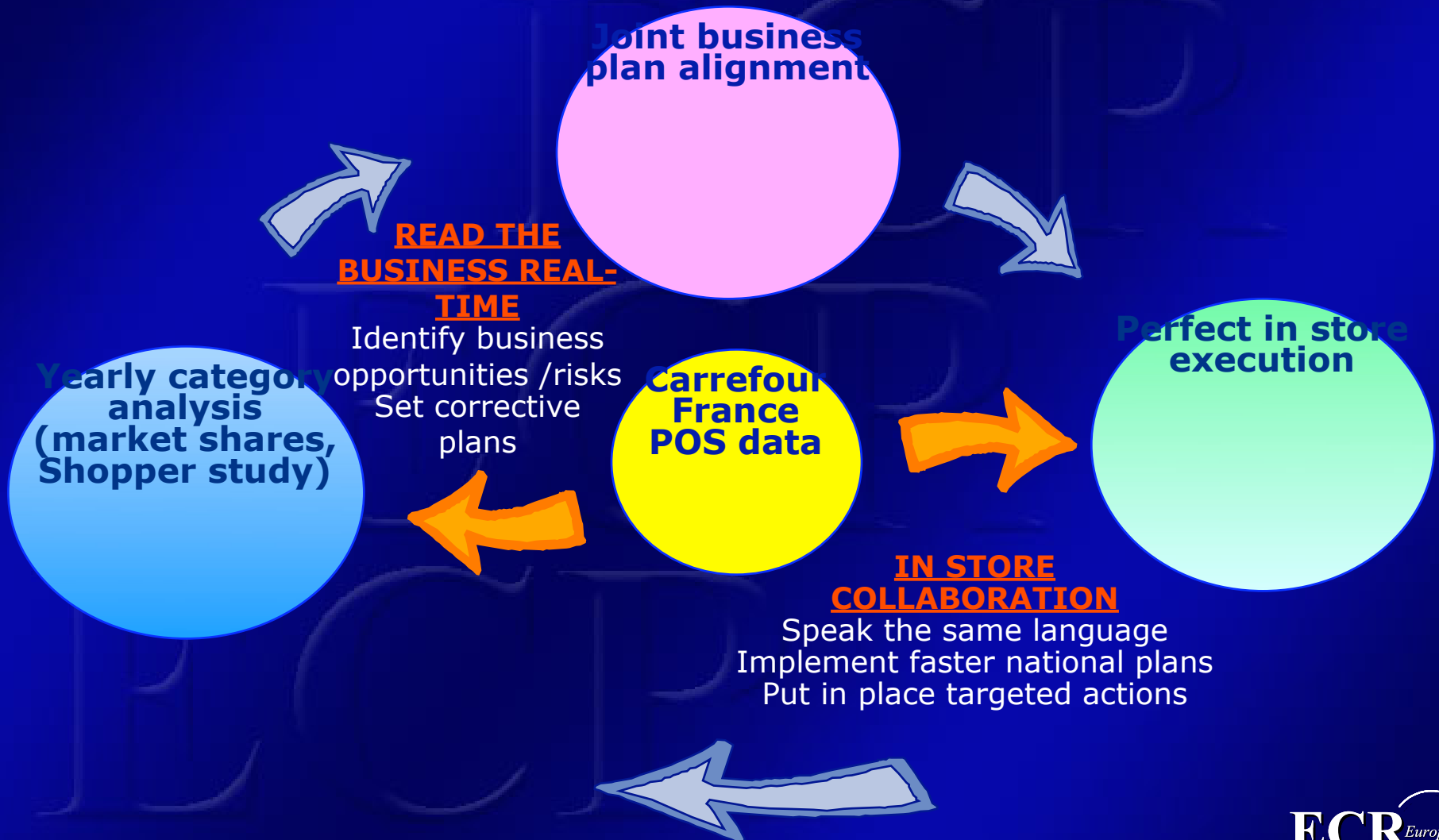
■ Monthly negative evolution

➤ We need to re-focus our work on what the consumer wants in every store

How POS data helped us to improve our collaborative model to win in the current business context?

- **POS data tells us:**
 - How many items were sold per month
 - For a particular product
 - Over a certain period of time
 - In a store or a group of stores
- **Since 2004, Carrefour is sharing with P&G POS data in order to :**
 - Read the business in real time
 - Improve in store collaboration

A new collaborative model leveraging POS data



A new collaborative model leveraging POS data

POS data exploitation in our collaboration at every level of Carrefour organization :

- **At national level**
 - Continuous and timeliness tracking and evaluation of business development
 - Short-term reaction on special event / „exceptions“
- **At regional level**
 - Benchmarking of regions vs others
 - Short term reaction via regional promotion
- **At store level**
 - Benchmarking of stores vs others
 - Short term reaction via national Joint Business Plan optimization

At national level

1. Business Reports to measure major SKU's performances to identify and work on issues to regain market share

Ø Illustration : new promotional offer to boost Ariel liquid 5L

CARREFOUR FR

Product	All Product	Sort By	Total	Show EAN	<input type="checkbox"/>
Channel	Carrefour Hypers	Product Level	Name		
Promotion	Total business				
Measures	Turnover_Incl_Vat				
Manufacturer	All Manufacturer				
Time	YR2004				

Refresh Change Team

#	Product	EAN	Active	# Months	# Months YA	% Store	Turnover_Incl_Vat				per Store per Month			avg-Price	
							Turnover_Incl_Vat	Rk	IYA	% cum.	Turnover_Incl_Vat	Rk	% cum.		% SKUs
	Total						97 335 278					120 018			
	Average						185 754					229			
1	94CHG.BBDRY.MAXI JUMBO PAMPERS		x	5	7	100%	4 737 323	1	181	5%	4 388	1	4%	0%	25,97
2	86CH.JUMBO BB DRY MAXI+PAMPERS		x	5	7	100%	2 927 703	2	185	8%	2 711	2	6%	0%	25,98
3	80CHG.BBDRY.JUNIOR.JBO PAMPERS		x	5	7	100%	2 903 605	3	190	11%	2 689	3	8%	1%	25,95
4	108CH.JUMB.BB DRY MIDI PAMPERS		x	5	7	100%	2 775 894	4	165	14%	2 570	4	10%	1%	25,96
5	46CH.ACTIV.FIT.MAXI GEANT.PAMP		x	5	0	100%	2 124 540	5		16%	1 967	5	12%	1%	18,51
6	45 DOSES.LESSV.REGULIER.ARIEL		x	5	12	100%	1 876 005	6	122	18%	1 737	6	13%	1%	14,90
7	62CH.7/18K BBDRY EXT.MAXI PAMP		x	5	0	100%	1 823 798	7		20%	1 689	7	15%	1%	18,38
8	54CH.12/25K BBDRY EXT.JUN.PAMP		x	5	0	100%	1 480 737	8		21%	1 371	9	16%	2%	18,39
9	14 PROTECT.NORMAL+ULTRA ALWAYS		x	5	12	100%	1 439 600	9	110	23%	1 333	10	17%	2%	2,49
10	5L LESS.LIQ.ESSENT REGUL.ARIEL		x	5	12	100%	1 355 210	10	81	24%	1 255	12	18%	2%	12,90

At national level

1. Ad-hoc Analysis to measure the performance of a new program : Carrefour loyalty card

➤ Results : +10% of turnover in 2004

HTTP://BRU-SQLAS002/CARREFOUR FR PROD

Sales

Measures *Volume*

Promotion *Total business*

Variety *All Variety*

Form *All Form*

Segment *All Segment*

Size *All Size*

Store PG *All Store*

Store TeamChannel *Carrefour Hypers*

Store	Product	Category	VMM PRE-CL	VMM POST-CL	INDEX
All Store	42CH.ACTIV.FIT JUN/GEANT.PAMP	DIAPERS	13967	13794	99
	46CH.ACTIV.FIT MAXI GEANT.PAMP	DIAPERS	22167	24123	109
	RECH.72 LINGETTES PAMPERS	BABY&KIDS WIPES	43121	50080	116
	38 EASYUP JUNIOR GEANT PAMPERS	DIAPERS	10386	11907	115
	5L LESS LIQ ESSENT REGUL ARIEL	LAUNDRY	20003	22508	113
	45 DOSES LESSIV REGULIER ARIEL	LAUNDRY	25049	25397	101
	84 TABLETTES REGULIER ARIEL	LAUNDRY	12098	13905	115
	28 TAMPONS MULTIPACK TAMPAX	FEM CARE	12980	17437	134
	BTE 16 TAMPONS LIGHT TAMPAX	FEM CARE	10846	13132	121
	RECH.56 LING. A/BACT.MR PROPRE	SURFACE CARE	28 867	29833	103
	1.5L NETT.JARD.PRINTAN.MRPROPR	SURFACE CARE	7915	9560	121
	RECH.60 LINGET.CITRON.MRPROPRE	SURFACE CARE	33 536	35580	106
	RECH.20 LINGET.DEPOUSS.SWIFFER	SURFACE CARE	17572	17610	100
	RECH.10 LINGETTES WET SWIFFER	SURFACE CARE	5149	5883	114
				263656	290746

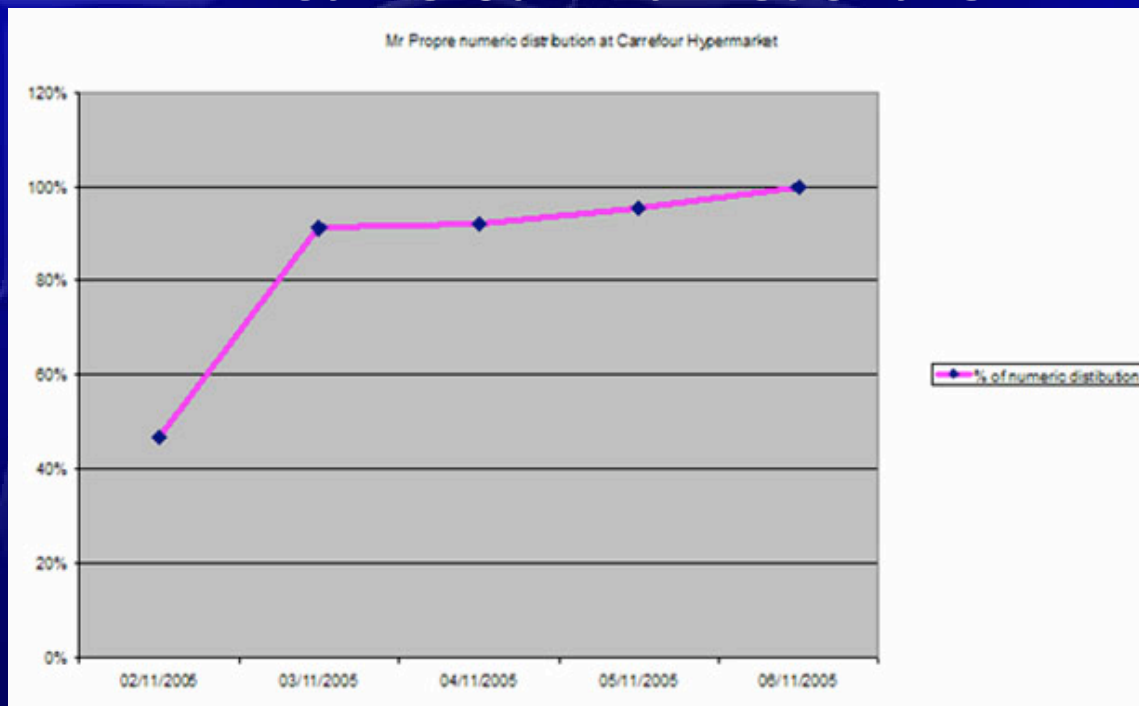
At national level

1. Short term reaction on specific event : follow up of distribution build up of an initiative and corrective action in store with no sales

➤ Results : 100% DN in one week

: +3,6 P&G market share

: Carrefour market share



At regional level

Benchmarking of one Carrefour region vs the rest of Carrefour France to identify business opportunities

- Results : promotional event put in place in Bretagne helped to catch up part of the gap vs national



Turnover evolution							
	Feb	Mar	Apr Regional Event	May	Jun	Jul	Aug
Laundry category							
Bretagne Region	84,3	84,5	85,6	86,6	90,1	89,8	90,1
Total Carrefour France	87	87,6	87	87,9	91,2	91	91,2
Bretagne vs Carrefour France	-2,7	-3,1	-1,4	-1,3	-1,1	-1,2	-1,1
Average							
Nappies category							
Bretagne Region	97,4	96,3	98	95,1	96,1	96	96,1
Total Carrefour France	102	101,3	100,6	98,4	98,8	99	98,6
Bretagne vs Carrefour France	-4,6	-5	-2,6	-3,3	-2,7	-3	-2,5
Average							

At store level

We have designed a tool based on Carrefour point of sales to help the team on the field to measure store performance

SELECT YOUR STORE						
LESCAR ▼						
Total Catégoory turnover	Turnover end of Feb	Index vs 2004	Store ranking	Objective 2005 (K€)	Delta vs Objective (K€)	% vs objectif
LAUNDRY	130	100,1	102	814	-7	16
HOME CARE	36	95,7	107	228	-10	16
FEMININE CARE	53	95,6	79	349	-19	15
BABY CARE	113	103,6	91	641	23	18
SHAMPOO	126	86,2	103	921	-182	14
TOTAL	457	95,8		2 952	-195	15
P&G turnover	Turnover end of Feb	Index vs 2004	Store ranking	Objective 2005 (K€)	Delta vs Objective (K€)	% vs objectif
LAUNDRY	43	116,3	102	282	9	15
HOME CARE	7	74,7	132	53	-15	12
FEMININE CARE	18	100,4	79	124	-4	15
BABY CARE	57	95,3	102	355	-33	16
SHAMPOO	12	101,6	105	92	-11	13
TOTAL	137	101,0		906	-54	15
SNACKING	7	118	105	54	1	12

At store level

Thanks to a co-analysis of the business between store manager and P&G sales representative, actions are put in place to optimize national Joint Business plans



In store theatricalization of national promotion or a new initiative

Impact of PoS data on our joint business

- **Results in stores in which POS data are used to review our business every month**

Index turnover 2004 vs 2003	Total Carrefour categories	Total Procter & Gamble
Store in which POS are not used	99.2	97.9
Store in which POS are used	99.5	99.4
Gain	0.3	1.5

Conclusion

- **The use of POS data helped Carrefour and P&G to develop a new model of collaboration at every level of the organization : national, regional and store**
 - **That enabled us to :**
 - **better identify business risks and opportunities**
 - **better target actions**
 - **better execute them at store level**
 - **better measure actions**
- ... and at the end better understand and satisfy the shopper in every store**

Our future

- Leverage PoS data in 100% of the store
- The vision is to pilot our business thanks to **daily POS data**