Institut du COMMERCE
PARTAGE & PROSPECTIVE

ESPACE UNIQUE
DE DIALOGUE, D'INSPIRATION
ET DE REALIGNEMENT
DES ACTEURS DU COMMERCE

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Institut du COMMERCE
PARTAGE & PROSPECTIVE

Lindt
MAÎTRE CHOCOLATIER SUISSE
DEPUIS 1845

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MAÎTRE CHOCOLATIER SUISSE
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Agenda

01 | Institut du Commerce and Sustainable Category Management

02 | 8 steps

03 | Companies introduction and Category Management organisation
Lindt chocolate Market / Carrefour & Carrefour Links

04 | Collaboration Values & Challenges

05 | Step 2 role

06 | Step 3 Assessment

07 | Conclusion

Category Management at Institut du Commerce

Provide access to the best category management practices in France and around the world

Build and engage a community of experts in France

Promote sustainable Category Management in France and worldwide

Sustainable Category Management definition

Sustainable category management is a strategic process for **managing** and **optimizing** the sales of a category of products or services…

to create **value** (**economic, environmental, and societal**) for **all stakeholders**: **retailers**, **brands**, **consumers**, as well as **society** and the **planet**.

Manufacturer Side

1 Be aware of one's impact / impacts

European Sustainability Reporting Standards (ESRS)

Environmental impacts of the category ***(Decarbonization, waste reduction, plastic reduction...)***	**Climate Change (ESRS E1)**
	Pollution (ESRS E2)
	Water and Marine Resources (ESRS E3)
	Biodiversity and Ecosystems (ESRS E4)
	Resources and Circular Economy (ESRS E5)
Social impacts of the category *(Inclusion and diversity, local employment, support for producers, adaptation to the needs of the senior population…)*	**Workers in the Value Chain (ESRS S2)**
	Affected Communities (ESRS S3)
	Consumers and End Users (ESRS S4)

2 Start taking action by defining areas for improvement

From CATEGORY MANAGEMENT…
to a SUSTAINABLE CATEGORY MANAGEMENT

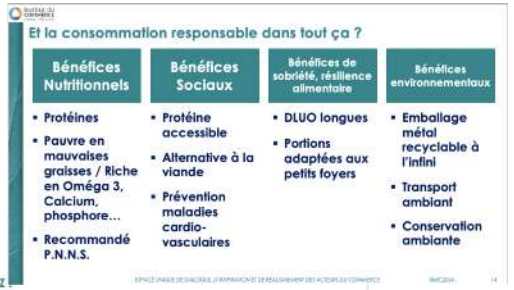
3 new tools at Institut du Commerce

The definition of sustainable Category Management

The Sustainable Category Management Process

The self-diagnostic grid
=> in progress

We Are Modeling



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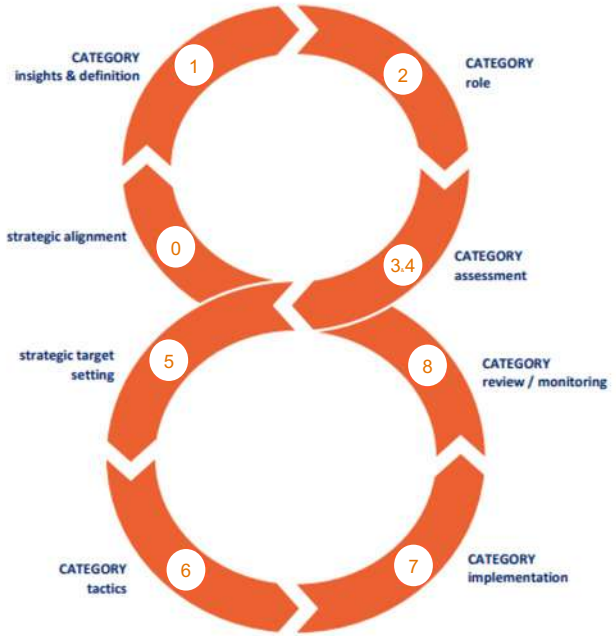
The 8-step-process of category management

Introduction category management process ECR



Standard category management process

STEP 0 Align category Management partners strategically

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Adapted from GS1 Switzerland

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Lindt context: chocolate market

A UNIQUE BUSINESS MODEL

LINDT & SPRÜNGLI

1845

Since 1920

EXCLUSIF

100% chocolat

From bean to bar

DISTRIBUTION SÉLECTIVE

27 Boutiques Lindt

0% distribution Discounter

GMS

90%

Of our tunrover

Present in every chocolate segments

Source Nielsen 21/22 HMSMProxiDrive

Lindt context: chocolate market

Consumer centric strategy

QUALITY & RESPONSABILITY

TOUJOURS PLUS DE QUALITÉ
DANS NOS RECETTES

LA DIFFÉRENCE LINDT
La Passion du Chocolat à chaque étape

DE LA FÈVE AU CHOCOLAT

PARTNERING WITH FARMERS
AND THEIR COMMUNITIES

EXCELLENCE IN EXECUTION

Lindt France FSF :

145 experts working with you

OMNICHANNEL

HM SM Proxi	On Line	Boutiques

4,5 M visites/an

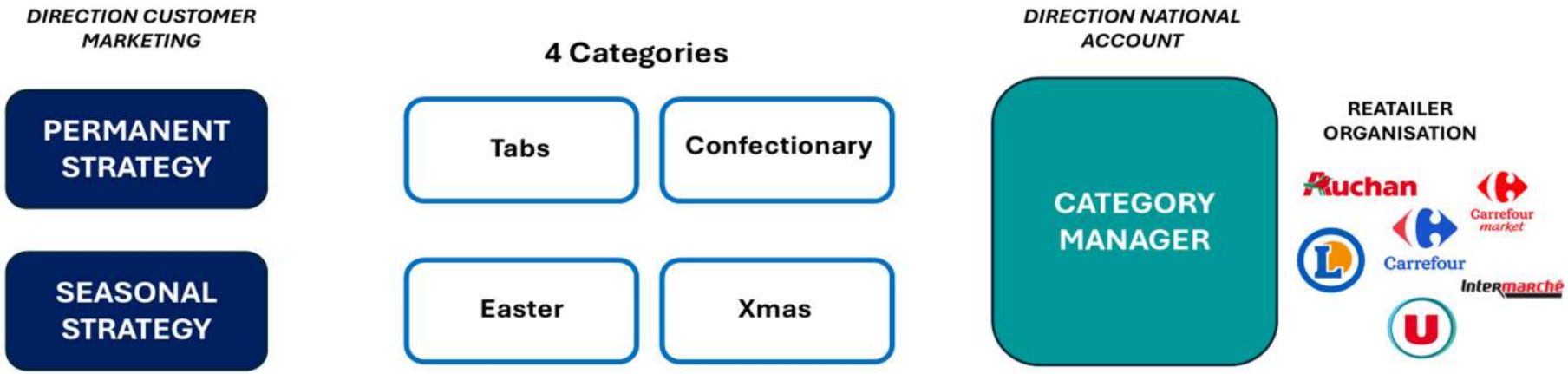
- Organisation OCR depuis 2022

+ OCR EXPERTISE
- Deep knowledge of our distribution

+ CONSUMER CENTRIC
- Shopper needs first

+ ENCHANT EXPERIENCE
- Best-in class shopper experience

Lindt: Catman organization



Carrefour: Scale and Ambition

Our mission: "*Offering quality services, products, and food accessible to all through every channel*"

80 millions of customers

~14,000 stores

+335,000 associates

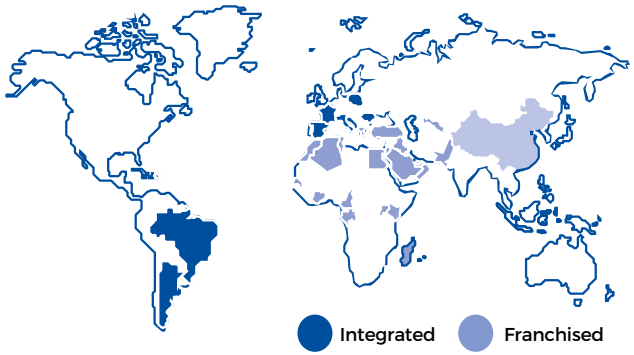
€94.1 billion in revenue

Hypermarket	Supermarket	Convenience
1 182	4 146	8 754
Carrefour	Carrefour market	Carrefour Proximité

Cash & Carry	Soft discount	E-shop / country
584	212	1
Atacadão, Promocash	supeco	

Data 2023 - Non-exhaustive logos of the brands

40 countries



Ambition 2026 | **To become a DigitalRetail company**

Accelerate **e-commerce**

Digitize **financial services**

Transform **our operations**

Carrefour LINKS

Strengthen **data collaboration**

unlimitail
The Retail Media PowerHouse

Develop **retail media**

DIGITAL RETAIL COMPANY

Carrefour Links: Accelerating data collaboration

Missions

Strengthening collaboration with suppliers
Identifying and unlocking shared growth potential

Accelerating the data transformation of Merchandise
Training and supporting teams in the Links approach and solutions

People

100 associates business, data & tech

8 business units in Carrefour integrated countries

200+ partner suppliers both international and national

Offering tailored services through a team of consultants and analysts

Solutions

GROWTH | **CATEGORY** | **SUPPLY CHAIN** | **E-COMMERCE** | **DATASHARING**

Growth International
Growth Countries NEW

Scopes	Data	Usage
Sales Shopper Supply E-commerce	**160+** self-service metrics **10bn** transactions (3 years)	**1500+** supplier accounts **150+** associate accounts

Consulting

Examples

Optimizing promotional engagement with a personal care industry partner

Performance tracking during the Olympic Games period with a dairy group

Consumer trend analysis focused on the plant-based market

Carrefour: Catman organization

Example of Sweet Grocery

4 Categories

- Confectionery
- Biscuit
- Seasonal
- Baby

3 Roles

- Catman (1 / category)
- Offer specialist
- Promotion specialist

4 transversal business units

- Sales Development
- Merchandising
- Supply
- E-commerce

Carrefour: 5 pillars of CSR

2 ways of collaboration with our partners to fulfill our CSR commitments

Biodiversity

Climate

Nutrition and Health

Diversity and Inclusion

Risk Management

1. **Food transition pact:** Coalition between Carrefour and industrials on vegetal alternatives, biodiversity, CSR oriented products and packaging reduction.

2. **Sustainable Linked Business Plan (SLBP):** Individual partnership to achieve shared and measurable sustainability targets.

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Our expectations before collaboration

LINDT

Understanding Carrefour's challenges

Confronting our perceptions of the category

Sharing the deep understanding of our businesses

Collaborate in the implementation of action plans

Align with an analysis and monitoring methodology

CARREFOUR

Assess the relevance of collaboration in developing a category strategy

Define growth opportunities based on shared data

Refine our category vision by incorporating insights from a leader of his market

Build a common category approach, operable by both stakeholders

Prerequisites for a successful collaboration

WHY

Growth Together

CONDITION

Trust

HOW

Data Collaboration

Importance of collaboration

Take advantage of the expertise of the different stakeholders

Industrial Expertise ⟷ **Retailer Expertise**

1 — Consumer Knowledge

- Consumer trends analysis
- Moment and time of consumption
- Consumer profile

2 — Category understanding

- Product categorization
- Consumer vision taxonomy
- Competitive data at a fine level of granularity

1 — Shopper Knowledge

- Omnichannel shopper journey
- Shopping missions
- Shopper profile

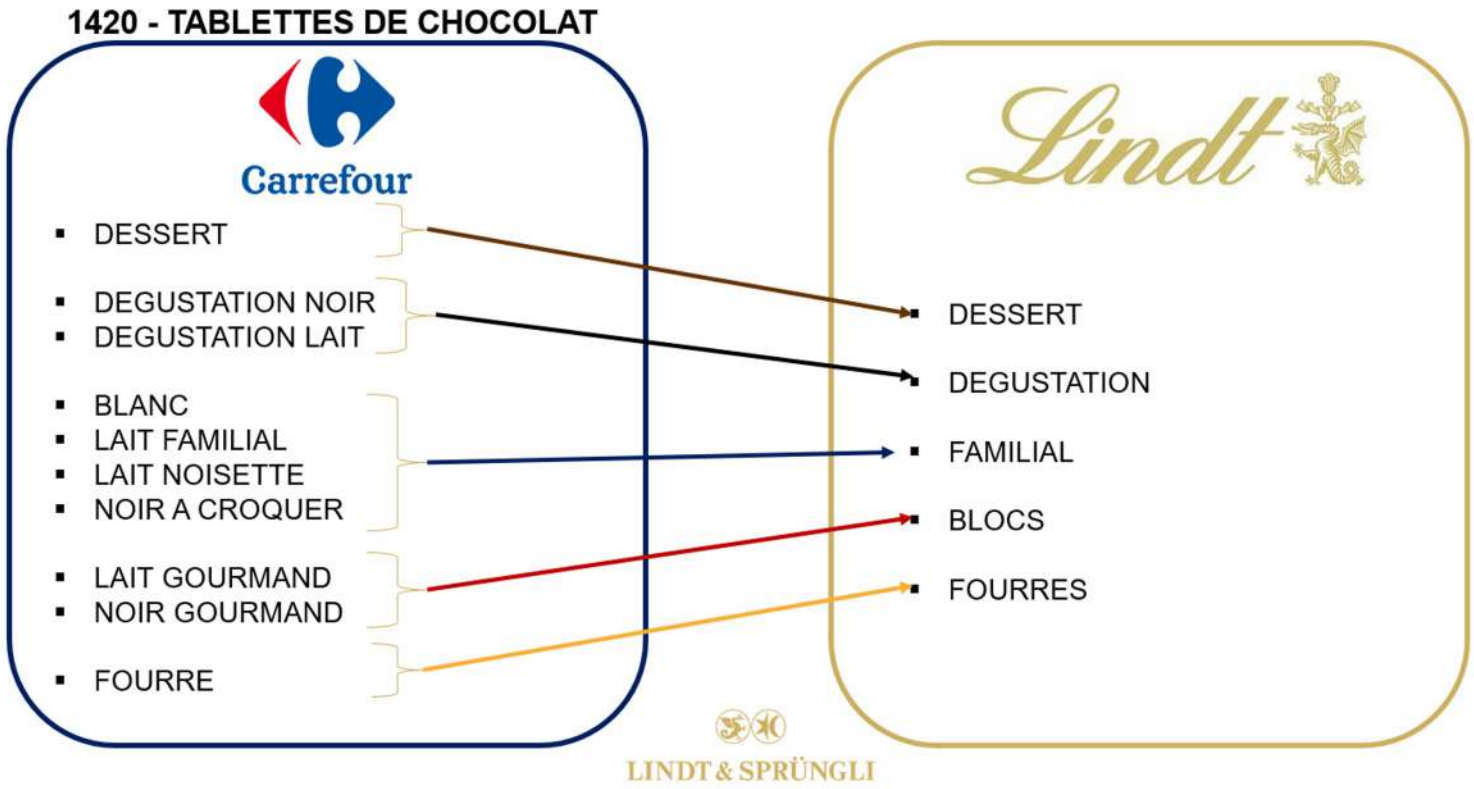
2 — Operational expertise

- Assortment planning
- Downstream / upstream supply
- Offer detention
- Promotional performances

Performance & Competitiveness
Development of the relationship between manufacturer & distributor
Business plan
Win-win partnership opportunities

Challenge: Category perception differences

Need for a common language to define and implement specific action plans



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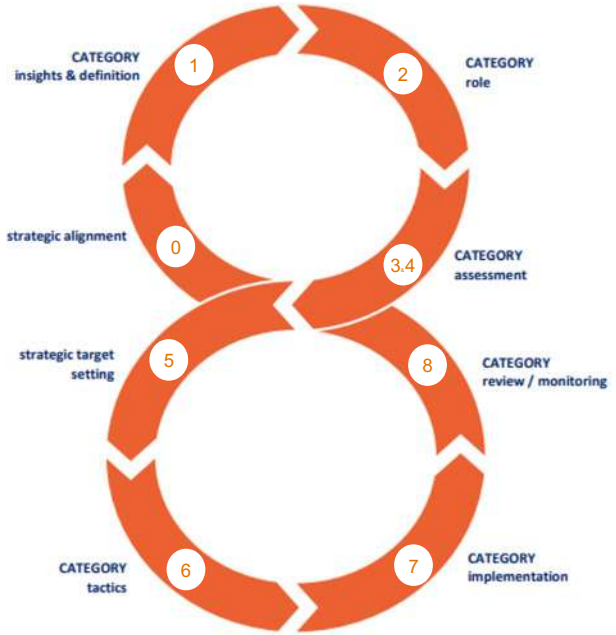

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Adapted from GS1 Switzerland

Category Role

Step 2 ROLE

- The Category Role determines the priority and the importance of the numerous Categories in the overall company.

- This informs how resources will then be allocated.

Destination | **Routine** | **Convenience** | **Seasonal**

Step 2 ROLE

CATEGORY ROLES

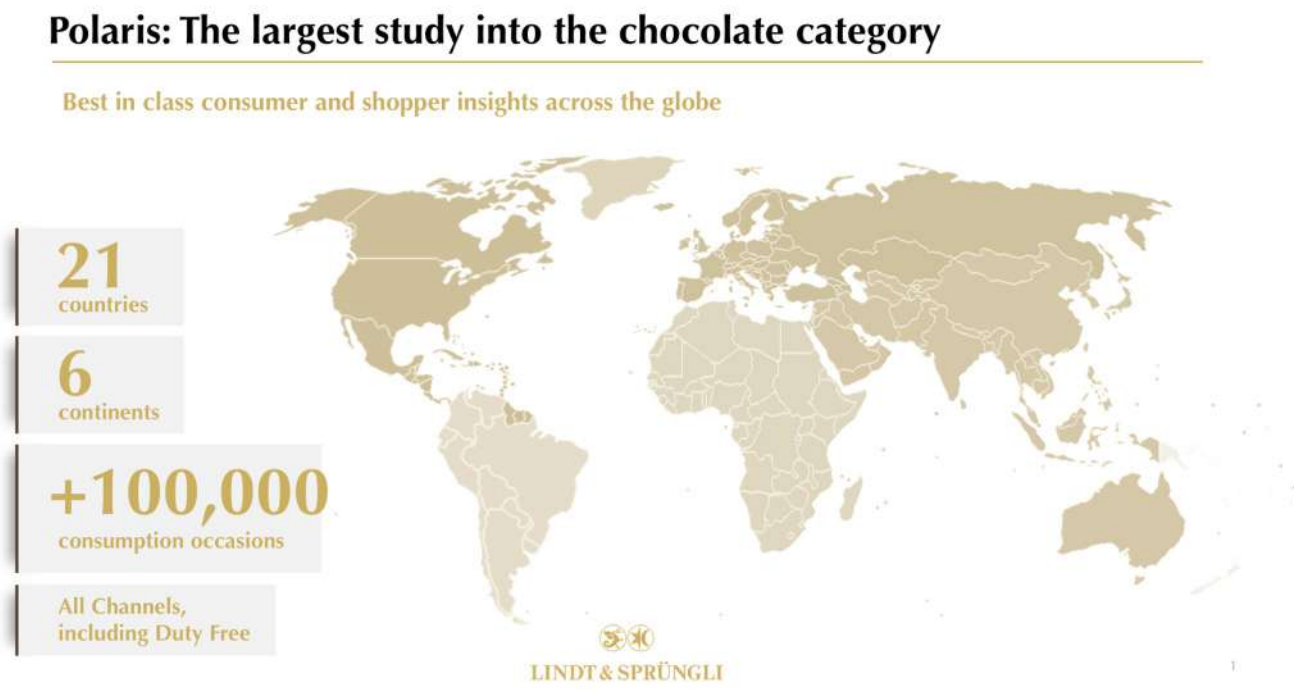
Destination | **Routine** | **Convenience Service** | **Seasonal**

\+

Support for + Sustainable Consumption

Health and nutrition benefits | Social benefits | Benefits of Moderation and Food Resilience | Environmental Benefits

Category Role: Polaris



Polaris' Objectives

- Better understanding of shopper and consumer behavior by developing a Global Demand Landscape
- Insights on the where, what, how and why of purchasing and consuming chocolate
- Helping us become a shopper and consumer focused business
- Allowing us to have a shared language internally and externally with retailers

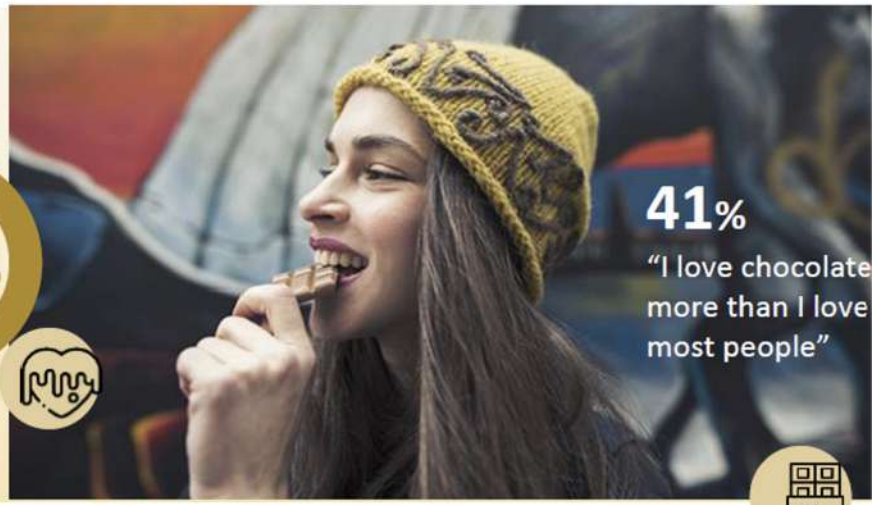
Category Role: Polaris

We know that chocolate is a loved category

WE KNOW...

Over 64% of shoppers say that they love Chocolate, it's part of their life.
65% of Shoppers say they are never without Chocolate in their house and 66% say they would buy their favourite brand even if it wasn't on sale.

64%



WE UNDERSTAND...

Love for the category is not expected to diminish

WHICH IS WHY...

Our opportunity is to convert our deep understanding of the role chocolate plays in peoples lives and the love they have for the category....into solutions shoppers are willing to pay more for..

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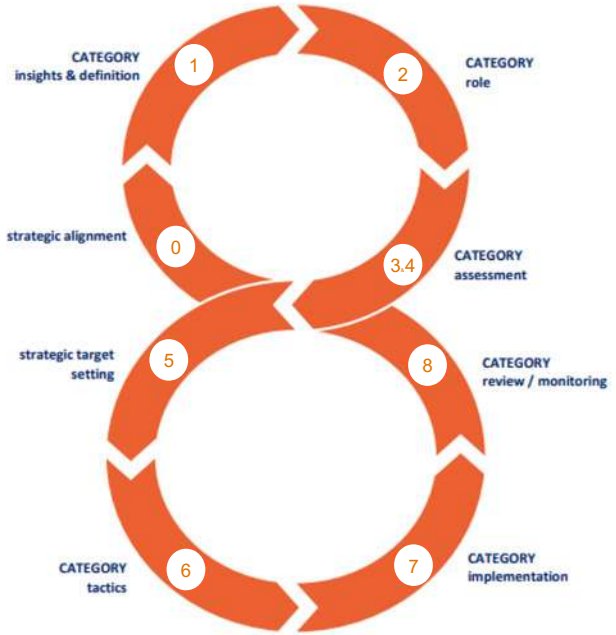

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Adapted from GS1 Switzerland

Assess the Category

Step 3
ASSESSMENT

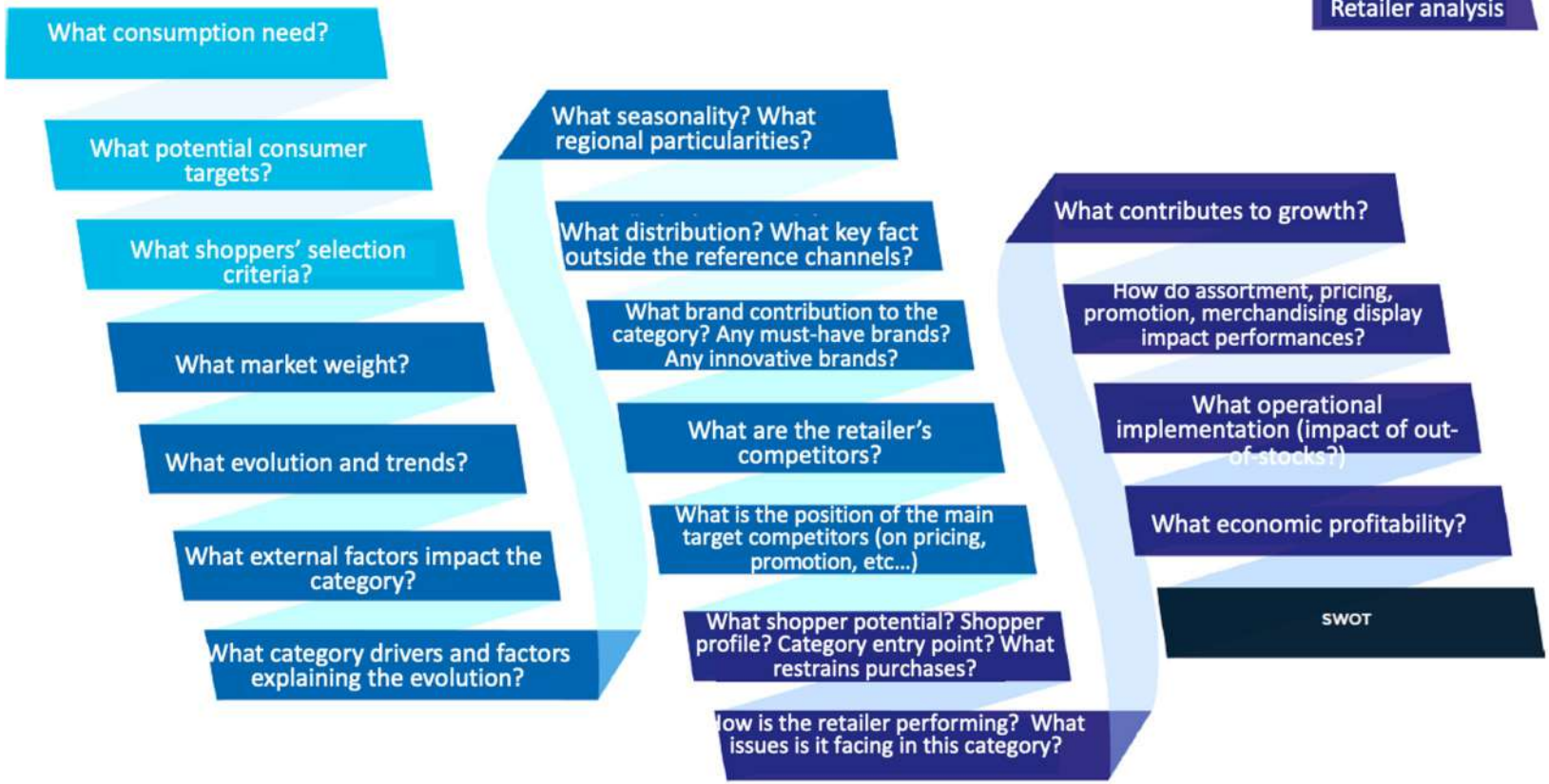
Analyze **category performance** by looking at metrics such as **sales**, **profitability**, **market share**, and **consumer trends**.

This helps to **understand** where the category currently stands and **identifying growth opportunities**.

Need and scope
Market analysis
Retailer analysis

Step 3
ASSESSMENT

Key questions for the assessment



* Adaptation du Groupe Projet ECR-IFM basée sur les éléments mis à disposition par IMPP.

© IFM - ECR France 2013

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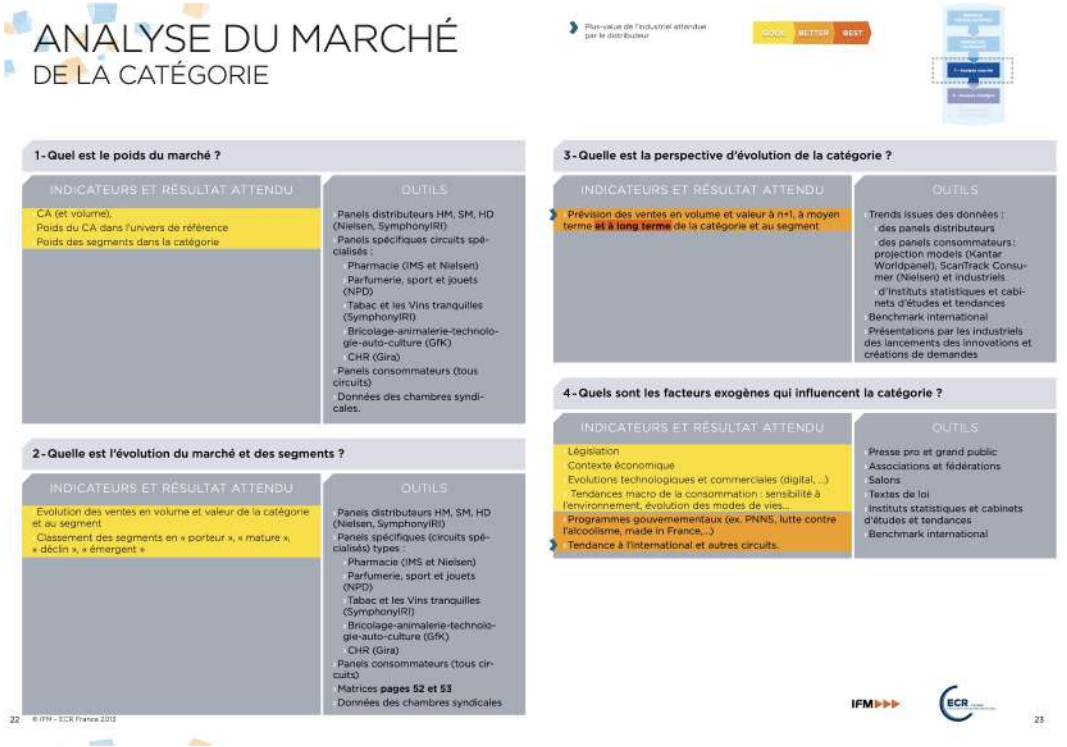
Key questions for the assessment

Step 3
ASSESSMENT



Category assessment : definition of potential

2 methodology to define the potential of the category

Fidelity Rate or Consumption Rate

- **Source** : Consumer Panel
- **KPI definition** : Ratio of total consumption of the category by store brand buyers
- **Potential valorization :** By the difference from a target fidelity rate (from the total department or total FMCG)

Strength : **Shopper vision** through all the retailers

Market share potential

- **Source** : Distribution Panel
- **KPI definition** : Ratio of turnover / volume of store brand regarding the category
- **Potential valorization :** By the difference from a target market share (from the total department or total FMCG)

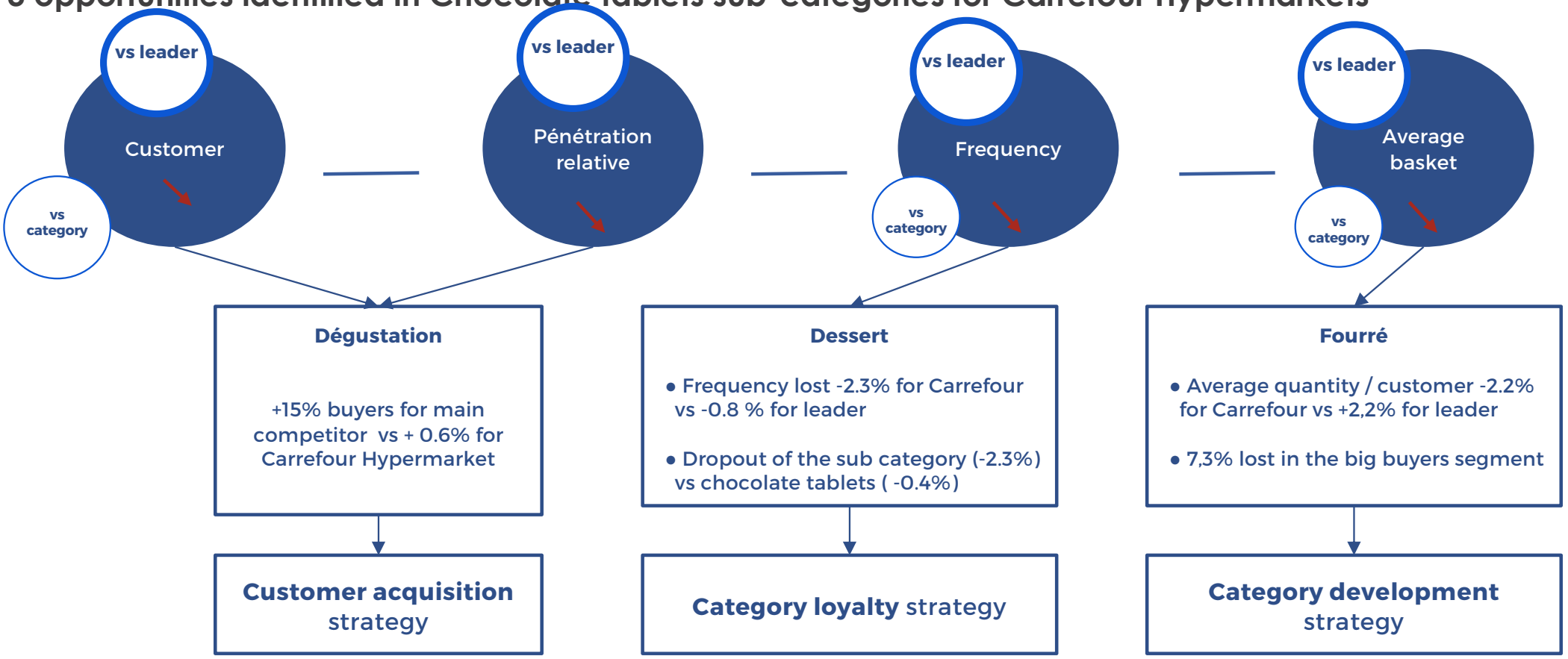
Strength : Scalable KPI, measurable on short terms, sub categories

Carrefour — Tablets

Carrefour market — Confectionery

Category assessment

3 opportunities identified in Chocolate tablets sub-categories for Carrefour Hypermarkets



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- Establish a **common language** first
- Ensure **transparency** in calculation methodologies
- Hold weekly project meetings to stay focused / Realign objectives regularly
- Place equal emphasis on the "HOW" as on the "WHAT"

- **Conduct standardized analyses**: be open to listening to others and questioning yourself
- Automatically **rely on assumptions**
- **Forget the common goal**: growing together and preparing the next steps

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