



FRANCE

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RETAIL TRENDS

In France, the year 2015 saw the **price war continuing**, accentuated by the more intense promotional activities.

The consumer goods sector closed with +1.6 in value and 0.6 in volume.

Regarding distribution channels, **drive-in and neighborhood shops show dynamic progress**.

Another highlight is the great comeback of Lidl.

The beverages sector is the most dynamic, the private labels sector is the least dynamic.

CONSUMER TRENDS

Several trends continue to gradually rise around **organic, natural and gluten free**.

The **fight against food waste** has gained momentum especially with the launch of “Les Gueules Cassées”.

Trading shows an increasingly on-line trend.

TREND 1: COMBATING FOOD WASTE

Thanks to initiatives such as Provins' Intermarché in 2014 (ugly fruits and vegetables operation) the fight against food waste has grown very fast among French distributors.

During the COP 21, this topic became media-friendly in France. The largest global retailers have agreed to undertake to reduce their food waste by half by 2025.

UGLY CEREALS THAT ARE JUST AS GOOD AND CHEAPER

Brand: Les “Gueules Cassées”

Launch date: 03/2015

Category: Grocery

Family: Cereals

Sub-family: Cereals

General description: First there were ugly vegetables, now there are ugly cereals! The “Les Gueules Cassées” collective, which made its name with its campaign of non-graded fruits and vegetables selling 30% cheaper in big box stores, has extended its approach and now proposes, since March 2015, cereals with visual defects but of identical quality. In other words: ugly cereals that are just as good while being 30% cheaper (€1). An ugly Camembert is to follow, among others, and the potential is enormous!

Why is this product a success? It's a product that testifies to the desire of manufacturers to make the most of produce that was previously discarded, and of retailers such as Carrefour to take part in this extensive campaign to fight against food waste. The consumers are on board.





TREND 2: THE ORGANIC, THE GLUTEN FREE AND MORE BROADLY THE NATURAL

Because of food scandals and consumers' lack of trust regarding the food industry, consumers are willing to eat better and healthier in France. This has resulted in the growth of organic products (+10% in 2015). This trend holds appeal to both industrialists and distributors.

Another illustration of this trend is the growth of gluten free, veggie products and on a wider scale, natural products with no preservatives, no coloring agents and no antibiotics.

FLEURY MICHON'S "J'AIME LE JAMBON" Antibiotic free ham production

Brand: Fleury Michon

Launch date: 09/2015

Category: Fresh products

Family: Meat, Delicatessen, Poultry

General description: Fleury Michon, in partnership with the Avril group, proposes an antibiotic-free and GMO-free range called: "J'aime...". This range of deli products is produced using pork from animals fed without antibiotics as soon as they have been weaned. Four product references of quality roast pork ham are on offer at prices varying from €1.69 to €3.09 (or 10 to 20% more expensive than standard rates).



Why is this product a success? Antibiotic resistance is an ever-increasing health concern. Fleury Michon looks to address this, and has gone the extra mile by creating a specific channel. Initially, 21 livestock farmers have been taken on board, with an objective of 100,000 pigs per year.

TREND 3: DIGITAL

The digital revolution is making great strides in France. Retailers are putting the omni-channel strategy to good use.

Also specific to France, Drive-in stores have been constantly growing (+17 in 2015), such as the "Click and Collect" (online purchase and pick up in store).

On the whole, sales outlets have become more and more digital: sellers with tablets, digital walls. Insofar as products are concerned, the digital revolution is less pronounced than in other sectors.

THE CONNECTED BISCUITS

Brand: Poult

Launch date: 11/2015

Category: Grocery

Family: Biscuits

General description: This connected biscuit initiative - emanating entirely out of south-western France - was conducted by Groupe Poult, the start-up Ubleam, the cooperative Arterris and the Pasteur Clinic, situated in





Toulouse. The purpose of this project is to propose a biscuit combining nutrition, technology and information. In concrete terms, consumers scan the logo on the biscuit packaging using the Ubleam app, and the cookie appears in augmented reality, with information on programs dedicated to health, education and environment. This biscuit was given to children during the COP21.

Why is this product a success? In the face of an avalanche of connected objects, the food business is still fairly tentative. This initiative is therefore interesting, since it paves the way to other, similar projects.

NEW RETAIL CONCEPT

The new **upgraded Lidl**, the convenience store **“Mandarine” by Franprix**, the **“Bon App” Stores by Carrefour** (snacking concept located at places where there are many passersby) and also the **Monop’Lab** concept in railway stations.

OTHER MAJOR RETAILERS

Also notable in France: the growth of the local convenience store that is the focus of distributors and the change Lidl is bringing about in supermarkets.

DO NOT MISS

Lidl, Boulevard Jourdan – Paris because it shows a new vision of hard discount, merging into supermarkets.

Biocoop Dada, Rue de Paradis in Paris, because it’s a new concept of organic stores.

Monop’Lab Gare Montparnasse, because it’s an interesting concept that combines food and non-food products in railway stations.