

# Consumer Co-operative International

---

**The Co-operative Response  
to international competitors  
and international suppliers**

---

**Welcome**

# Consumer Co-operative International Seminar Outline

---

- **Introduction**
  - **Consumer Co-ops' performance**
  - **International competition**
  - **Global co-operation?**
- 

Bob Burlton, Seminar Co-ordinator

# Key Objective – to stimulate improvements in the trading performance of consumer co-ops throughout the world

- 4 main tasks
  - Concentrate on effectiveness of trading operations
  - Research, identify and promote best practices
  - Focus on
    - Structure and organisation
    - Marketing – especially projecting co-operative identity
    - Procurement
    - Information technology
  - Find ways to promote collaboration
    - Within countries
    - Internationally

# Recommendations - 1

- Undertake survey of consumer co-ops
  - Size and organisation
  - Market share and profitability
  - competition
  - Marketing approach to co-op identity
- Identify success and reasons for it
- Inform, educate and promote
- Every 2 years for world ICA assembly ?







# Recommendations - 2

- Seek to promote collaborations especially in procurement eg. We all buy from coca cola
- Arrange workshop in Oslo on theme  
“The co-operative response to international competitors and suppliers to improve trading performance”
- Focus on:-
  - Business strategies
  - Collaboration opportunities – procurement the key?
  - Marketing our Co-operative Advantage







# Consumer co-ops' performance

- Ideal survey not completed – resource issues
- However, some data is available thanks to co-op friends from Italy and UK







# Consumer Co-ops Ranking – Return on Capital

Position	Country	Society Name	%
1		FDB	13
2		Tradeka	12
3		SOK	11
4		tCG	6-8
5		Eroski	7.5
6		Coop Suisse	6.7








# Consumer Co-ops Ranking – Sales

Position	Country	Society Name	£bn
1		Migros	9.2
2		tCG	7.8
3		Coop Suisse	6.6
4		Eroski	3.3
5		FDB	2.7
6		KF	2.5






# Consumer Co-ops Ranking – Trading Profit

Position	Country	Society Name	£m
1		Coop Suisse	270
2		tCG	231
3		Migros	205
4		Eroski	64
5		FDB	39
6		Tradeka	34

# Consumer Co-ops Ranking – Society Share

Position	Country	Society Name	%
1		FDB	30+
2		Migros	24
3		Coop Suisse	22
4		Tradeka	13
5		KF	12
6		Eroski	7
7		tcg	3

# Consumer Co-ops Ranking – No. of Members

Position	Country	Society Name	M
1		Coop Suisse	2.1
2		Migros	1.9
3=		tCG	1
3=		FDB	1
5		Eroski	0.53
6		Tradeka	0.35

# Italy - The nine major Coop Groups as of 2002

\* Excluding employees of consortiums and associations equal to 1,292.  
(adding this figure, a total of 40.908 employees is reached)

Coops	Members (thousands)	Sales Outlets	Sales Area (000 sq. m)	Sales (m Euros)	Employees*
Novacoop	412	59	99	606	3.418
Coop Lombardia	560	47	94	853	3.945
Coop Liguria	364	40	62	631	2.923
Coop Nordest	420	82	116	865	3.612
Coop Estense	423	45	132	1.138	5.175
Coop Adriatica	691	115	200	1.543	7.755
Unicoop Firenze	845	92	128	1.674	6.533
Coop Toscana Lazio	508	52	92	782	4.099
Coop Centro Italia	318	55	51	509	2.156
<b>TOTAL</b>	<b>4.541</b>	<b>587</b>	<b>974</b>	<b>8.601</b>	<b>39.616</b>

# Consumer Co-operative International

---

## The Co-operative Response to international competition

---

# Tesco stays hungry for overseas g

The acquisition in Japan is a titbit. The company needs to move into America to become a global player, writes **Matthew Goodman**

IN THE time it takes to do a degree in Oriental studies, Tesco did its homework on how to break into one of the world's toughest retail markets — Japan.

Last week, three years of study and research paid off when Tesco graduated with flying colours. It announced the £173m acquisition of C Two-Network, a small but profitable convenience-store chain in Tokyo. The deal marked its first entry into Japanese retailing and follows moves by Tesco's rivals Carrefour and Wal-Mart.

The most notable facet of the deal is that the convenience format breaks with the recent Tesco tradition of opening hypermarket-sized stores.

Coming just six months after



package at the annual meeting on Friday. "Japan will be good for the business. One of the tricks Tesco has been able to pull off is to tailor stores to local consumers and take what we learn back into the group to improve how we operate."

Moving into the Japanese market by acquisition rather than by testing out one or more stores will help in that regard, and there is no doubt that Tesco has not made this move lightly. In its stock-exchange announcement, the purchase of the C Two-Network was described as "small and thoughtful".

"Getting to understand the Japanese market and the Japanese consumer was a very involved process," says Leahy, who adds that Tesco had the

Boston, says: "For short-term growth, this deal is irrelevant. But it's an interesting, earnings-enhancing way of conducting some research. This is about ensuring they have an answer in five years' time to the question of what they're doing."

Overseas sales now account

for about 20% of group turnover, a figure that could ultimately reach half or more of all sales, although Leahy says that day is "some time" away.

One sure-fire way to reach that target and to become a truly international player would be to make some kind of an

entrance on the American stage. Of the leading British chains, only Sainsbury has an American operation — although, of course, Asda is owned by Wal-Mart.

Some industry watchers think that if Tesco really wants to prove itself as world-class, it

will have to do a deal with the most obvious current target: the American division of Ahold, the Dutch supermarket giant.

Another possibility would be to develop its relationship with Safeway Inc, the American chain, for which Tesco has provided software adapted from its

British home-shopping. Leahy says he has tackle America. "I'd like to rule it in. We've been at it for 22 years and we've made a move. It's a competitive market and it's a big effort."

"Tesco has its pla

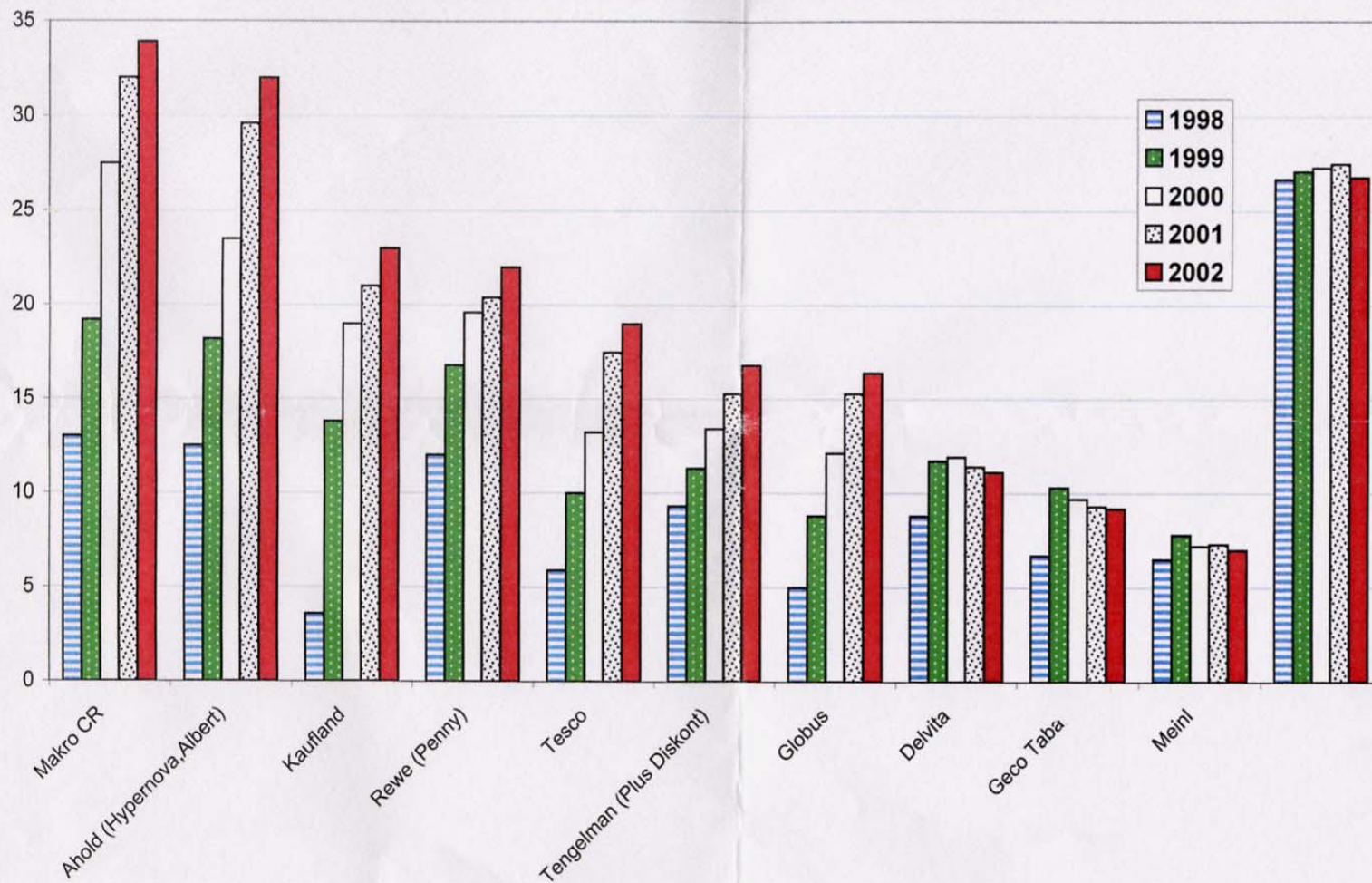
## GLOBAL RIVALS

Top 10 food retailers by sales, £bn

1	Wal-Mart (US)	147
2	Carrefour (France)	39
3	Ahold (Netherlands)	36
4	Kroger (US)	31
5	Metro (Germany)	29

WALMART

Development of turnover in TOP 10 and Consumer Cooperatives in the Czech Republic



# Some experiences

- Japan Toshifumi Yamashita
- Czech Republic Petr Brozek
- Singapore Seah Kian Peng
- Italy Vincenzo Tassinari
  
- UK ? Bob Burlton
  
- Then – The Future  
Global Co-operation ? Tom Webb