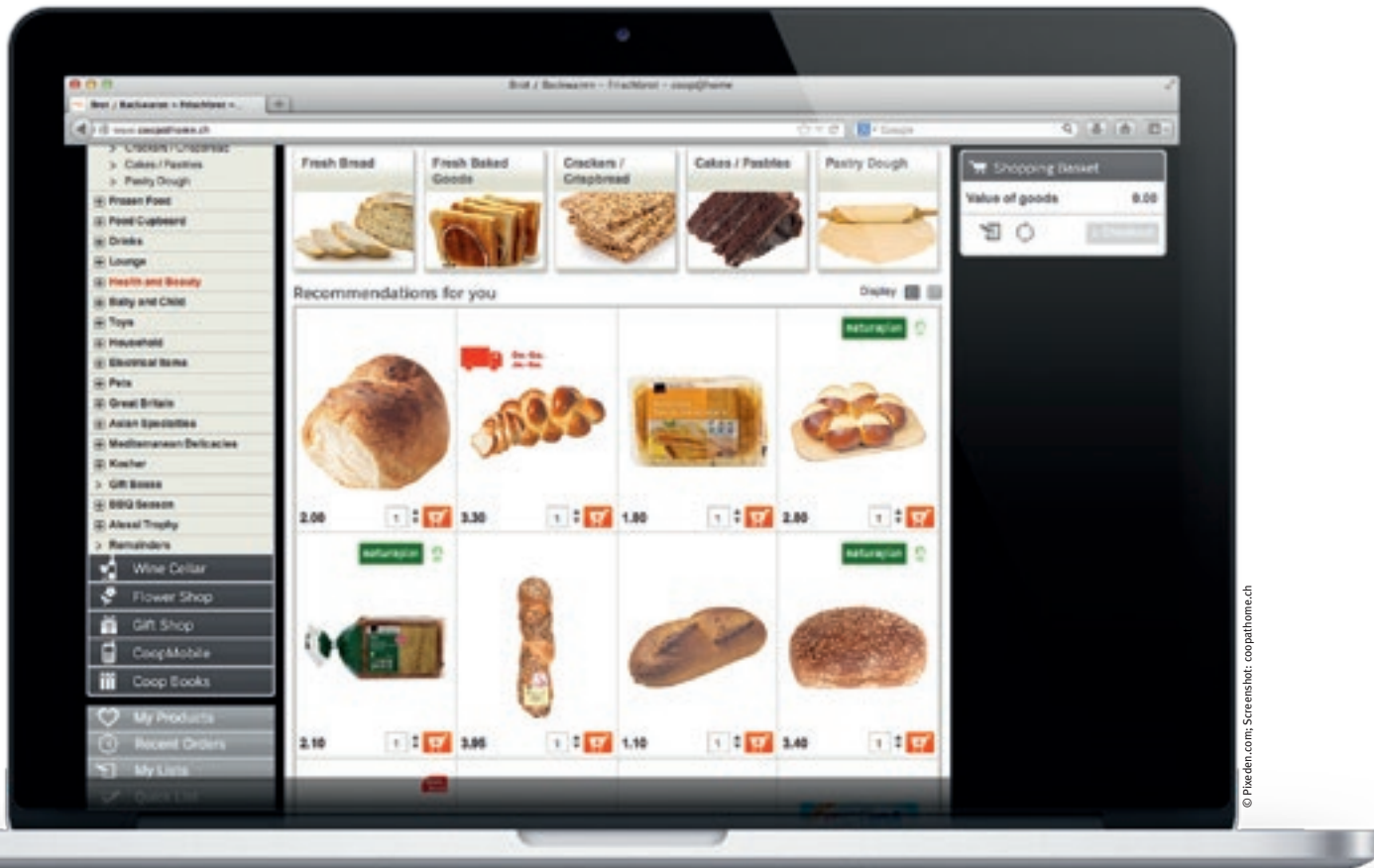


Convenience from the web

THE DAYS WHEN THE INTERNET AS A SALES CHANNEL FOR FOOD COULD SIMPLY BE DISMISSED AS A “CRAZY” IDEA ARE LONG GONE, BECAUSE WHAT THE WEB HAS TO OFFER IS “CONVENIENCE” – AND IT IS WELL KNOWN THAT CONSUMER DEMAND FOR CONVENIENCE DOESN’T STOP AT BAKED GOODS, AS THE WILLINGNESS TO BUY READY-FILLED BREAD ROLLS OR SANDWICHES PROVES



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+ But let's begin in Great Britain, the Eldorado of online food shopping, where in 2011 around 60 % of the population bought goods and services via the Internet. Averaging across all the European countries, 40 % are by now Internet shoppers, with a rising trend. The trading group Tesco plc in Cheshunt to the north of London is one of the few retailers that is in the black with its “Dotcom-only Stores”, of which it now has four. Tesco is currently building the fifth such shop in Crawley, West Sussex. Actually such dotcom-only stores are not real shops, as the description “dark store” reveals. Instead they are logistics centers that have up to 26,000 articles in stock. In early 2012 Tesco announced it would double online sales in the next five years to GBP 5.5bn (approx. EUR 6.5bn). Tesco bakes fresh bread for Internet customers every day at the new Crawley site, as it also does at the Enfield site that was opened a year ago. Migros offers its customers in Switzerland the opportunity to order online and optionally to have the goods delivered to their home or to collect that at a railway station (currently possible in Zurich and Lausanne) or from a drive-in station on the A6 motorway at Biel/Bienne. Through its Internet-based

food delivery service called LeShop, the Swiss company made sales of CHF 150m (around EUR 123m) in the past year, as it did in the previous three years. However, this stagnation could also be due to the high exchange rate of the Swiss franc and thus to the high prices, which are causing consumers to become thrifty. In contrast, its competitor Coop@home was able to expand its sales in 2012 by 12.6 % to CHF 98m (approx. EUR 80m). Online sales are being encouraged by the growing number of Internet-capable smartphones and tablet computers, which make it very easy for consumers to place a “quick” order. Last year 23 % of the customers of LeShop.ch already used a mobile input device to place their orders.

But communicating orders is by no means the only thing smartphones are suitable for. As the market researcher The Nielsen Company (Germany) GmbH in Frankfurt am Main discovered, more than 70 % of the 30m online households in Germany already know about the new matrix barcodes, so-called QR codes, and more than a third of users also scan them in to find information about a product, a manufacturer or a campaign via this route. According to Nielsen, food and

Online food shopping

FRANCE

- + Carrefour S.A., Boulogne Billancourt (canton of Aargau)
www.eshop.carrefour.eu

GERMANY

- + All you need GmbH, Berlin
www.allyouneed.com
- + eCola GmbH, Hanover
www.lebensmittel.de
- + food direkt GmbH, Berlin
www.food.de
- + Globus SB-Warenhaus Holding GmbH & Co. KG, St. Wendel (Saarland)
www.globus-drive.de
- + Kochzauber Food GmbH, Berlin
www.kochzauber.de
- + KommtEssen GmbH, Hamburg
www.kommtessen.de
- + neukauf markt GmbH, Offenburg
www.edekaz4.de
- + REWE Markt GmbH, Cologne
www.rewe-online.de

GREAT BRITAIN

- + Asda Stores Limited, Leeds
www.asda.mysupermarket.co.uk
- + Marks and Spencer plc, London
www.marksandspencer.com
- + Tesco PLC, Cheshunt
www.tesco.com

SWITZERLAND

- + Coop Genossenschaft, coop@home, Spreitenbach (canton of Aargau)
www.coopathome.ch
- + Migros/LeShop SA, Ecublens (canton of Vaud)
www.leshop.ch +++



beverages are among the top groups of goods for which QR codes are scanned. Thus food sales are influenced by information from the digital world. This includes the latest marketing service provided for businesses by the Internet mail order company Amazon. This service enables a company to set up its own site on the shopping portal on which products are advertised and sold. Suppliers can also create short messages that are immediately forwarded to the Facebook community portal, and since they are restricted to 140 characters, it will probably soon be possible to broadcast them via the Twitter micro-blogging service.

In Germany, online retail is still in its infancy. Taken together, Rewe, Globus and Edeka have around 40 drive-in locations in the German Federal Republic where goods ordered online can be collected. The rather sluggish growth of this distribution channel for food may have something to do firstly with the density of food retail sites in Germany, which is still high, and secondly probably with the lack of publicity that

the retail groups are giving to their test sites. Thirdly and finally: in contrast to a delivery service, customer collection is not an irresistibly attractive level of service – especially in view of the age pyramid. The fact that the number of products that can be ordered online is often small (in some cases only 5,000 articles) makes this distribution channel rather unattractive to customers.

Side-entrants are already somewhat further ahead in that respect. All you need GmbH, Berlin, Germany, operates a full-range supermarket through Allyouneed.com, in which DHL holds a 90% share. For the time being this only delivers fresh food in Cologne until 22:00 in the evening. Currently this online supermarket offers 18,000 articles, including 2,000 fresh products. The bread assortment ranges from crisp-bread and “Golden Toast” to “Lieken Urkorn”. The plan is for the service to be expanded to other large cities such as Berlin, Hamburg or Munich during this year. The food direkt GmbH, Berlin, a food delivery service founded in 2011 and which currently operates in Berlin, Cologne, Düsseldorf and Leipzig through food.de, is focusing on expansion. More than 10,000 products are available to choose from; one click and anyone who wants it can have the goods delivered to their home or anywhere else within six freely selectable time windows from 08:00 until 22:00, Monday to Saturday.

Those in the Ruhr district from Essen to Ratingen who are too lazy even to think about what they want to eat or what they need to buy for it can become a customer of the subscription recipe services Kochzauber.de and KommtEssen.de. The DHL parcel service will then deliver to their house a so-called Cookbox with everything that is needed for the associated recipe. KommtEssen.de now delivers in around 30 towns, and Kochzauber.de plans to expand its operations to the whole of Germany during this spring. There is partial cooperation between the stationary trade and these full-service providers. In Switzerland, the Coop's coop@home as well as LeShop.ch operated by Migros offer a delivery service for fresh bread. Up to now in Germany, on the other hand, all the suppliers have offered only packaged baked goods. However, why shouldn't online shop operators in Germany – similar to Tesco – operate their own bake-off stations for the delivery service in future, or collaborate with fresh bakeries in the same way as Migros and Coop are taking the lead – although with their own bakeries? +++

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