Pathways to new-generation retailing
Come with us into the heart of Auchan Retail

Every day, in every country, customers notice the difference: Auchan Retail is changing. People feel they can trust the brand. They’re taking up the good, the healthy and the local with gusto. Our shift towards “phygital” retailing – physical shops dovetailing with digital sales – is changing their lives. New-generation retail is beginning to deliver on its promise, with each of Auchan Retail’s advances driven by the expertise, boldness and engagement of its employees and of an entire ecosystem. Every day, they’re forging new pathways together to make retail the best it can be and deliver what people want. Let’s take a walk along their paths.
Auchan Retail in 2018

Revenue

€50.3 billion in consolidated revenue excluding taxes

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
<th>EBITDA(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>0.2%</td>
<td>€1.5 billion</td>
</tr>
<tr>
<td>Asia</td>
<td>26.8%</td>
<td></td>
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<tr>
<td>Southern Europe</td>
<td>19%</td>
<td></td>
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<tr>
<td>France</td>
<td>35.2%</td>
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<tr>
<td>Central and Eastern Europe</td>
<td>18.8%</td>
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</tr>
</tbody>
</table>

(1) Operating profit from continuing operations excluding other recurring operating profit and expenses, and depreciation, amortisation and impairment.
International operations
17 countries on 3 continents
11th largest food retailer in the world\(^1\)
(\(^1\) Source: Deloitte ranking)

Engaged employer
11,620 disabled employees
61,489 hires under permanent contracts
10 million hours of training delivered

People first
354,851 employees, including
261,067 employee shareholders

Customers
2.6 billion customer checkouts
At the end of 2018, Auchan Retail had operations in 17 countries, with its own stores in 14, and through partnerships or franchises in a further three. Our stores offer trouble-free shopping because they are in community localities, and they form entire ecosystems that make the most of regional assets. We’re committed to our customers and proud of changing life for everyone.

4,084 sales outlets\(^{(1)}\) augmented by e-commerce

- 987 hypermarkets
- 206 superstores
- 1,119 supermarkets
- 1,611 ultra-convenience stores
- 161 drive-up and walk-up outlets

Sales outlets\(^{(1)}\)

<table>
<thead>
<tr>
<th>Country</th>
<th>Sales outlets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mainland China</td>
<td>795</td>
</tr>
<tr>
<td>Italy</td>
<td>1,604</td>
</tr>
<tr>
<td>Portugal</td>
<td>71</td>
</tr>
<tr>
<td>Tajikistan</td>
<td>1</td>
</tr>
<tr>
<td>Spain</td>
<td>367</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>7</td>
</tr>
<tr>
<td>Romania</td>
<td>54</td>
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<tr>
<td>Taiwan</td>
<td>25</td>
</tr>
<tr>
<td>France</td>
<td>644</td>
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<tr>
<td>Mauritania</td>
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<tr>
<td>Russia</td>
<td>305</td>
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<tr>
<td>Ukraine</td>
<td>27</td>
</tr>
<tr>
<td>Vietnam</td>
<td>21</td>
</tr>
<tr>
<td>Hungary</td>
<td>24</td>
</tr>
<tr>
<td>Poland</td>
<td>109</td>
</tr>
<tr>
<td>Senegal</td>
<td>27</td>
</tr>
<tr>
<td>Tunisia(^{(2)})</td>
<td>81</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Sales outlets under banner at 31 December 2018.  
\(^{(2)}\) Equity partnership with Magasin Général.
CENTRAL AND EASTERN EUROPE
Hungary, Poland, Romania, Russia, Tajikistan, Ukraine
520 sales outlets

WESTERN EUROPE
Spain, Italy, Luxembourg, Portugal
2,049 sales outlets

ASIA
Mainland China, Taiwan, Vietnam
341 sales outlets
Interview
with Edgard Bonte
Auchan Retail
Chairman
Despite disappointing results in 2018, you still stand by Vision 2025?

Absolutely. “Auchan changes lives” expresses our purpose and our perennial goal – it crystallises our intent to excel daily in the products and services we provide, in all our stores, and across all our regions. It’s a firm pledge to our customers, which informs every choice and difficult decision we make.

What comes first in terms of changing the lives of your customers?

Auchan Retail’s promise of living well starts with eating well. Our products are the cornerstones of our success, and will continue to be. We’ve set up a matrix of responsible supply chains, short transport circuits and organic procurement that, together, make up an absolutely unique offer that can be traced from field to fork – backed by useful nutritional expertise that helps the consumer. Auchan Retail’s food offer balances choice, quality, price, and value sharing with producers and manufacturers through our equitable contracts. Our ultimate aim is to be recognised by all our stakeholders as the banner that restores people’s trust in the food supply, right across the world – that’s Auchan Retail’s greatest battle, our quest for meaning.

What about non-food products, where do they fit into Auchan Retail’s plans?

While clothing, homewares and the like do contribute to our customers’ wellbeing and have a role to play within Auchan Retail, we need to rethink our non-food segment completely. It deserves to be stronger and more aligned with our customers’ expectations. We’ll shortly be trialling partnerships with some specialist retailers. What we’ve achieved with Suning, China’s leading white goods manufacturer, proves that such partnerships can be extended to our ecosystems. Non-food products will stimulate an opening up of our business model.

With new technologies, new consumption patterns and new lifestyles, is there any future for mass retailing?

Of course there is! As long as we reinvent ourselves and harness digital technology to make consumers’ lives easier, to do more online, to offer greater convenience and considerable agility – we’ve learned a lot from Alibaba. Conventional store formats will evolve, new ones will emerge, and they’ll all combine in a streamlined shopping journey that brings the products to the places where customers are. Auchan Retail will bring new names under its umbrella, with the same willingness to serve the customer and the community, and all of them will take a full role in THEIR locality. A new kind of retail is called for.

So… with new plans and new challenges ahead, are your employees on board?

We’re united around the values of Auchan Retail – guided by the pursuit of excellence, buoyed up by our beliefs, and open and receptive to change. Our staff are key drivers of Auchan Retail’s success. In spring 2019 we consulted them on the changes ahead, and they will be deeply involved in this transformation. As autonomous individuals, when they’re pressed to give an opinion and take initiatives on a trial-and-error basis, I’m persuaded that our employees will rally round because they enjoy working towards shared goals and are proud of belonging to much more than a company – we’re a big family.

In a few words, what’s the picture of Auchan Retail that you want to cultivate?

That we’re a family business, serving all of today’s families, and that we’re a generous retailer that’s committed to breathing new life into its sector so that everyone can say “Auchan changes MY life”.

7
New governance

Edgard Bonte
Chairman

Isabelle Bouvier
Finance, Performance and Asset Management Director

Pierre Büchsenschütz
Secretary General

Patrick Coignard
Managing Director Spain and representative of the community of Southern European countries

Jean-Denis Deweine
Product and Flow Director

Dominique Ducoux
Managing Director Hungary and representative of the community of Eastern European countries
The transformation of Auchan Retail contained in its Vision 2025 is being stepped up, and in this task Edgard Bonte, Auchan Retail’s Executive Chairman and representative of the community of Asian countries, is seconded by Pierre Büchsenschütz, General Counsel, as well as by three support service directors and four country managing directors (who also represent several countries grouped into communities covering specific geographical regions). This new simplified governance structure favours greater agility.
Pathways to new-generation retailing

At the heart of new-generation sourcing

Getting together over a coffee

From field to fork

InExtenso – Community fashion

A voyage of learning
Adapting to different moods and lifestyles

Being Chinese in China

A future grown from seeds of experience

Towards augmented retailing

Working towards the circular economy

Reaching out a helping hand
“Go and show your talent abroad” – that’s the challenge laid down by Auchan Retail’s home-grown version of the Erasmus programme, which enables young employees to spend six months living and working in another country. It’s great for their personal and professional development, and sets the scene for a transfer of know-how. The first round drew 272 applicants of 13 nationalities out of the 14 countries where Auchan Retail has a presence.
WE’RE ABOUT PEOPLE FIRST AND FOREMOST

Carpe diem!

Having joined Auchan Retail Portugal in 2013 as a cashier, Hugo became an operational manager in 2015. He had expertise in communications and digital marketing, and was on the lookout for the next adventure – “eager for a challenge”, as he puts it. Everything happened very fast. After submitting his video bid on a collaborative platform in October, he passed the selection interview and was in Hungary by 21 January. “I wanted to get away from Mediterranean culture, to learn about other approaches to the customer experience, and I chose Eastern Europe.” As part of the Innovation Department’s CRM & Data team in Auchan Retail Hungary, he devised a VIP customer loyalty scheme and card, which involved carrying out analysis, selecting benefits and managing marketing campaigns. “I’m sharing my experience and Portuguese best practices, and learning about other methods that may be useful back in my own country.”

Sharing Auchan Retail’s know-how and values

Like Hugo, 10 other talented young staffers fulfilled their desire to work abroad, including moves from France to Spain, from Poland to Vietnam, and from Luxembourg to Senegal. Pauline, a recruitment manager in Luxembourg, is one of 14 country coordinators for this Erasmus-type scheme, and she’s delighted at the melting pot of cultures and ways of working. “Thirty people applied to come to Luxembourg – chiefly from Senegal and Romania – and one of our employees, Camille, took an assignment in Senegal.” Fatoumata, who coordinates the scheme in Senegal, agrees there’s strong interest in these international placements. “We draw up a remit for each candidate, in line with our needs. For instance, we’re planning to open the biggest hypermarket in Senegal (3,000 m²) and Camille is advising us on the whole non-food side of things – clothing, household appliances, and so forth.” Senegal was the first country to undergo the entire administrative and logistical process, and Fatoumata is pleased with how it went: “I’m proud to be part of this scheme, because it perfectly reflects Auchan Retail’s values.” Openness, excellence and confidence in people’s talent and future – these qualities underpin this international exchange programme as well as the wider culture within Auchan Retail. We look forward to catching up with Hugo, Camille and the other pioneers of this exciting multicultural initiative in a year’s time, to find out how the experience has enriched them.
"It’s 7.32 a.m: let the contest begin," announces the arbitrating judge. All 11 participants jump to their kitchen stations, totally focused and determined – who will emerge as Auchan Retail’s 2018 Best’artiste Pâtisserie? They’ve already demonstrated their skills by each triumphing as the Best Pastry Chef in their own country, congregating here from China, Spain, France, Hungary, Italy, Luxembourg, Poland, Portugal, Russia, Romania and Ukraine. This morning, here in Lille’s International Hotelier School, Auchan Retail’s top pastry chefs from around the world will show off their excellence.
They have five hours to come up with their own versions of three French pâtisserie classics, the religieuse, the fruit tart, and the entremets au chocolat. Each contestant gets the same ingredients and the same support from the Hoteliery School’s commis chefs – and the rest is up to them. Rachel Levesque, winner of French TV show Le Meilleur Pâtissier in 2017, chaired the expert jury that selected Auchan Retail’s three global champions for 2018 Best’artiste Pâtissier.

Promoting quality in the food trades

At Auchan Retail we campaign for good, healthy and local food, acting as a standard-bearer for the food-related trades. “Career development for our food professionals is organised into three stages,” explains Alain, Director of Auchan Retail’s Fresh Food Section. “As an apprentice, you learn your trade. As a trained professional, you hone your skills and expertise. And as an artist, you’ve then mastered every aspect of your field – this contest illustrates Auchan Retail’s approach.” Participants demonstrate their mastery of fundamentals and their creativity, while the commis chefs offer enthusiastic support. “We want training to be the driving force in our pursuit of excellence within the food industry,” asserts Jean-Denis Deweine, Auchan Retail’s Product and Flow Director. “Skills transfer at first hand is a cornerstone of Auchan Retail, and another objective of this contest.” Now the hour of judgement has come. After tastings and discussion, the jury awards the Auchan Retail Best’artiste Pâtissier award to Mariia from Ukraine for her daring and elegant confections. The French and Portuguese champions also win a place on the podium. On their return to their home stores, they’re fêted by both colleagues and customers – proud to claim a prize-winning pâtissier as their own!
An HR policy dedicated to new-generation retailing

100% of employees trained in healthy nutrition

9,374 interns and people on work-study courses trained at the professional trade school in 2018

If our customers’ everyday lives are to change for the better against the backdrop of a fast-shifting retail landscape, society needs organisations and employees able to deliver this promise. That’s why we are significantly changing Auchan Retail’s human resources approach and coupling together our economic and social performance at every level. Our new HR policy is designed to combine workplace wellbeing with efficiency, to support skills acquisition — always in tandem with improving individual and collective performance — and to help staff find meaning in their work and opportunities to take the initiative.

We have identified five major directions for making Auchan Retail a benchmark among employers, which is our explicit goal.

- Successfully transform the company’s corporate and management culture

In the face of regular upheavals in retailing and the emergence of new forms of competition, Auchan Retail is establishing a fresh corporate and management model in line with its values of openness, excellence and trust. The model must have meaning for all our 350,000 employees, capitalising on the positive elements of our DNA while turning the necessary corner to adapt to an ever-changing marketplace.
- Get future-ready, with the right organisation and skills
  As a new-generation retailer it's vital for us to anticipate how big trends like increased digitisation and automation will alter our business, and be ready with new organisational models so Auchan Retail can serve its customers in the best way possible. By upskilling employees, empowering them to take responsibility and use their own initiative more widely, we're building a more robust organisation in readiness for the significant changes ahead.

- Attract and promote top talent, increase diversity of recruits and career paths
  To attract new-generation retail professionals, we're giving people more scope to express their talents, and welcoming a broad field of external recruits by providing the conditions for them to find fulfilment in their work based on the key concepts of autonomy, responsibility and engagement. This approach relies on a new model of developing talent where both expertise and potential are valued; it's both objective and exacting, and allows for a diversity of career paths and fast-tracking options. Employees in countries where Auchan Retail operates are also empowered to take on responsibility more rapidly in their local arena.

- Organise operations in a customer-focused way that promotes excellence
  We want to provide a streamlined, agile and coherent shopping service to our customers, designed to fit in with the way they live their lives. Our local presence is organised into clearly delineated zones, each engaged in working collaboratively within its surrounding ecosystem so the interests of customers, staff and the company are served.

- Dare to be socially innovative
  Social innovation has been intrinsic to Auchan Retail's ethos since its beginnings, and we aim to continually reaffirm this core value through meaningful CSR commitments and initiatives that are evident to customers while inspiring pride and engagement among employees.

A recognised new-generation approach
This overarching culture has taken root throughout the company, manifesting itself in workplace wellbeing, in dialogue at every level, and in appreciation of every employee’s engagement. The proof is that Auchan Retail was awarded Top Employer certification in Ukraine, Romania and Spain in 2019. This distinction recognises the quality of Auchan Retail's HR practices and inspires us to make our business even more people-friendly.

A commitment to go above and beyond
Having a disability is no bar to playing a role within Auchan Retail. Our Ukraine training courses are delivered in sign language, and a mobile app there enables over 200 hard of hearing employees to communicate with colleagues and customers, setting them up for career progression. A total of 6% of Auchan Retail Ukraine employees have a disability, against a statutory quota of 4%, and the recruitment of young apprentices with Down's syndrome to Kiev's hypermarket bakeries won a United Nations Partnership for Sustainability Award. Auchan Retail Spain employs partially sighted department managers and market managers in partnership with the Spanish ONCE Foundation. Nearly 4,000 people with a disability work in Auchan Retail France's hypermarkets, accounting for 7.5% of the workforce. And now the rollout of the Lumicaisse is changing the lives of deaf and hard of hearing cashiers, their colleagues and their customers, for the better by registering items passing through the till with a light signal instead of a beep.
At the heart of new-generation sourcing
WE’RE REINVENTING PROCUREMENT

Getting away from strong-arm tactics in negotiations between retailers and suppliers; sitting as equals at the negotiating table; and finally sharing value all down the line, from farmer to retailer – that’s what new-generation central buying platform Horizon aims to do. It strives for constructive negotiations with manufacturers and is setting up three-party supply chains with the agricultural community. The first one covers free range eggs. Let’s see how it works.

Free range eggs from France

A shelf wobbler draws the eye and the appellation on the label makes your mouth water. The boxes are recycled cardboard, which can be recycled again, and are made in France, so they haven’t travelled thousands of miles. So far, so good. The eggs are also of French origin: they come from farms where the hens live outdoors, feed on French cereals guaranteed GMO-free, and aren’t treated with any antibiotics. Despite all these benefits, they cost no more than you’d expect to pay for eggs. Even so, their price point means that everyone in the supply chain – from the farmer and chicken feed supplier to the processor and retailer – receives an equitable amount. And everyone along the line can rely on these terms remaining unchanged for at least three years – there’s even a mechanism that kicks in should there be any increase in the farmer’s cost price. “The agreements cover guaranteed minimum volumes over a term of at least three years, so we all know exactly where we stand,” explains Jean-Denis Deweine, Director of Products and Flows at Auchan Retail. This inaugural three-party supply chain was co-developed with Casino Group and Schiever in collaboration with the agricultural community, and is the first tangible outcome of our purchasing alliance, agreed in the summer of 2018.

“When you know you have a contract with guaranteed minimum volumes, it really takes the pressure off.”

ROLAND, chicken feed supplier in Finistère, Brittany
The “laid in France” free range eggs are a highly positive outcome of Auchan Retail’s new approach to sourcing, but it’s just the beginning.

All negotiations conducted by Horizon France for 2019 were completed on time and deemed constructive by their food industry counterparts. The first free range eggs have hit the shelves, and negotiations about sensitive agricultural products such as milk, meat and potatoes complied fully with the French Égalim law that aims to ensure a trickle-down of value to farmers and food producers.

New-generation purchasing alliance Horizon brings together Auchan Retail, the Casino Group, Dia, Metro and Schiever. Between them, these distributors operate more than 25,000 sales outlets in 47 countries across Europe, Asia and South America – making Horizon one of the world’s largest purchasing groups. Its activities are divided between two entities, the Horizon France central procurement platform and the Horizon International services negotiation platform.
Horizon France
The three banners active in the French market have joined forces across three domains. Horizon France negotiates joint purchases with major suppliers of national brands (without impacting SMEs), focusing on the common good – with price being far from the only factor. It issues joint calls for tender for non-market purchases and basic retail brands; and it works with the agricultural community to set up shared supply chains underpinned by a bond of trust that promises to breathe new life into the French countryside.

Horizon International
Representing the four partners in the 47 countries, this platform offers a suite of services to major brand suppliers based on the complementary geographical locations of the partners. It will also boost the export growth of SMEs by allowing them access to its network. Lastly, the partners can launch bulk international calls for tender for non-market purchases and basic retail brands.
COME WITH US

Getting together over a coffee
When we set out to build up an international Auchan-branded range, starting with coffee was a real challenge. It’s a product that varies so much across cultures – every country has its own tastes and consumption habits. Our desire for a range that meets the needs of every country is a good illustration of our approach. We wanted to involve the entire coffee ecosystem, from customers to employees, and collaborate with all Auchan Retail countries in building up a coffee range step by step – one that’s unique in the world.

**Sourcing by coffee experts**

“We did an inventory of all the coffees we had in the Auchan Retail countries of Europe,” explains Olivier, Director of International Retail Brand Food Products, “and got coffee experts to sample the 10 best ones in each country.”
What the project team ended up with was a sort of “taste mapping” of the best coffees in Europe by category (arabica, robusta, blend). They could then single out the best in each category to serve as a quality benchmark for devising the Auchan-branded range. “We decided to buy the coffee at source through Supremo, a company with expertise in purchasing raw coffee,” continues Olivier. Then the beans were sent to our partner Méo Fichaux for roasting and packaging.

Choosing the recipes was a team endeavour

To find the best people to roast our coffee, the project team talked to all the suppliers in all the countries and classified them by potential for innovation and quality requirements. Café Liégeois, an Auchan Production partner going back more than 15 years, made the cut. The company’s Sales Director for France, Vincent Ballot, takes up the story: “We were tasked with creating an aromatic profile for capsules using coffees of several origins, from several plantations, on several continents – and the end result would be judged by consumers.” At this point, the organoleptic quality of all those blends were compared with the earlier taste mapping benchmarks, to select the recipes for the new Auchan coffee range. This time, employees were entrusted with the crucial mission. Quality engineer Gaëtan proudly declares: “We tasted nearly 800 coffees in three weeks!” Potential suppliers then had one final hurdle to clear – an audit of quality and labour practices at their plant – before they were selected. “A panel of 60 consumers from Italy, Poland and France had the last word,” concludes Gaëtan. “They approved the final selection and agreed that it met the needs of Auchan Retail customers.”
WE'RE SEEKING OUT FLAVOUR AND CO-CREATION

The idea is to set up an Auchan supply chain for coffees of guaranteed origin within a year.”

OLIVIER, Director of International Retail Brand Food Products at Auchan Retail

Reworking the Auchan Retail ranges involved everyone up and down the line, for the best flavour and the good of the planet.”

GAETAN, Quality Engineer at Auchan Retail
COME WITH US

The new range has been introduced in all the world’s Auchan Retail stores (except in Asia), and customers can choose from between 24 and 114 different items, depending on the country.

(1) UTZ means “good” in Quiché, a Mayan language. This recognised coffee certification promotes fair working conditions, a fair deal for growers, the sustainable use of agrochemicals, and access to education and health.

Each country to its own

Auchan’s own-brand coffee range meets the three fundamental expectations that consumers have: they want quality in every product, different varieties of coffee to suit the moment, and organic or ethical products. The final range includes 150 items, and each country chooses the varieties its stores will offer, in line with the prevailing coffee culture. Fifty UTZ-certified references, 10 organic references and solvent-free decaffeination are all marks of Auchan Retail’s commitment to environmental responsibility.

Welcome to the coffee area
We cater to all tastes and requirements

Consumers have changed over recent years. They no longer make their purchases based on price alone – far from it. Today’s consumers buy according to their mood, their needs, and even their convictions. To make sure everyone has the breadth of choice they want, Auchan Retail is rethinking its food offer across the board, and introducing new colour-coded packaging.

The brand with the bird logo is reinventing itself by getting to the crux of what consumers want. Informed by studies, tests and feedback, Auchan is driving forward the renewal of its own-brand food offer at every level, from recipes to fresh packaging that clearly displays its value propositions. From now on, three ranges complement each other to form Auchan’s exclusive offer, fully optimised to cater to all tastes and budgets – delivering on the promise of food you can trust.

- One brand, three ranges
  Taking coffee as an example, just follow the bird!

**Essential**
- Quality staples at rock bottom prices
- Ground coffee blend of 50% arabica/50% robusta

**Core**
- A little something extra in the ingredients or packaging, at a good price
- Decaf made through natural decaffeination without solvents

**Gourmet**
- Fancier – perhaps even branded – products that transport you, and at a fair price
- Coffee of 100% Sumatran, Brazilian, Ethiopian or Colombian origin
From field to fork
As a campaigner for good, healthy and local, Auchan Retail wants to reassure consumers on the hot topics in different localities. People might worry about cold chain integrity in one area, animal welfare in another. From Spain to Vietnam, Auchan is harnessing blockchain technology to track the origin and composition of its products from the field they grew in to the store shelf.

All hands on deck at Larrère farm

It’s harvest time at Escource in the Landes, southwest France. Organic carrot seedlings were planted out three months ago and have grown well, their green tops now stretching to the horizon. Along the rows, labourers are busy pulling up carrots and collecting them in boxes fitted with RFID tags that record the route driven. Tightly monitored and tracked like this, the carrots are routed to the processing area where they’re kept in batches based on their plot of origin. The boxes are loaded onto refrigerated trucks in this same order and driven to the Larrère farm 45 km away. No sooner are the carrots unloaded than they go through the washing and deep cooling process known as hydrocooling, before being packaged into bags. A dynamic QR code is then printed onto their packaging, containing the data emitted by the RFID tags. This means that all the information about their trajectory at the Larrère farm is embedded in the QR code. The Auchan truck is already waiting to load – Larrère’s vegetables are dispatched on the very day they’re harvested.
COME WITH US

she spotted the day before on the Auchanetmoi website. She peels and grates the carrots, which do indeed produce a lot of juice, exclaiming: “Cooking is such a pleasure when you know exactly where the ingredients come from!”

When Auchan’s hypermarket opens its doors the following morning, the organic carrots take pride of place. Beautifully fresh and richly orange, they catch the eye of shopper Louise, who likes to know what she’s eating. She whips out her smartphone to flash the QR code on the packaging. Within seconds, details come up of the carrots’ history, their variety ("nantaise"), their origin, how they were grown (100% organic), their processing, their taste attributes – even their juiciness! "I feel like I’m buying directly from the farmer," smiles Louise. As soon as she gets home, she puts the oven on – she wants to try out a recipe for carrot cake...

The blockchain rallies everyone who’s involved in the product life cycle – from the growers, through the processors and logistics people, to the retailers.”

JORDAN, Blockchain Project Coordinator at Auchan Retail

QR codes – a mechanism for building trust

"The blockchain rallies everyone who’s involved in the product life cycle – from the growers, through the processors and logistics people, to the retailers.”

JORDAN, Blockchain Project Coordinator at Auchan Retail
WE'RE ENSURING TRACEABILITY

Global technology for the local good

Food security concerns can vary between Europe, Africa and Asia, leading to different information needs among customers. What makes Auchan Retail’s blockchain so valuable is how it adapts to local requirements by supporting an increasing number of POCs[1].

The first was built by Auchan Retail Vietnam with German startup Te-Food, and gave rise to Ho Chi Minh City’s public blockchain. Two years down the line it’s used on 18,000 pigs, 200,000 chickens and 2.5 million eggs – and will soon be applied to aubergines, mangos and the popular Asian exotic fruit, durian.

Blockchain is steadily gaining ground and now tracks French supply chains of potatoes, eggs, chickens and organic carrots. Iberian pork and exotic fruits grown in Spain are also fully traceable, as are carrots and chickens in Italy, and the chicken supply chain in Portugal is secured by blockchain.


“Everyone down the line enters their own data, including any particular conditions, treatments applied and taste attributes. The blockchain makes everyone responsible and accountable.”

PATRICK LARRÈRE, Director of Larrère Farms
By tracking our products at this granular level, we can instantly spot any that aren’t up to standard and optimise product recalls. The system is going from strength to strength, and more data will be added as food-related concerns arise in various countries.”

OLIVIER, Director of International Responsible Supply Chain Programs at Auchan Retail

“The blockchain makes it possible to integrate a variety of traceability systems from one end of the food chain to the other. Being able to start from local issues and specific conditions makes all the difference.”

MARTON VEN, Te-Food CMO
Welcome to the foodchain of Auchan Retail

At the heart of Auchan Retail’s success lies the product, and our brand is on a mission to restore people’s confidence in the products they eat. Over two decades ago we initiated a co-creation approach to building up "responsible supply chains" in France with farmers and food industry insiders and now we’re accelerating the pace. By the end of 2018 we had 302 such supply chains in place across 11 countries – a tangible mark of Auchan Retail’s engagement.

In France alone, more than 600 unprocessed commodities derive from “responsible supply chains”, and when the 100th supply chain was unveiled at France’s 2019 Salon de l’agriculture show, it ushered in a new era of processed products made with ingredients supplied through these channels. The actual product was veal blanquette from an SME in Pas-de-Calais (northern France) that uses Aveyron and Ségala veal – the first responsible supply chain in history – and organic carrots from the latest-generation version of this procurement system.

Spain, too, is advancing fast. Its “Alcampo Producción Controlada”-labelled tomatoes and natural orange juice are a hit with consumers. The Veta la Palma farm supplies sea bream and sea bass produced in line with the natural cycles of the Guadalquivir salt marshes.

Auchan Retail’s goal of building a foodchain people can trust is now moving up to the next level. Targeting a minimum of 500 responsible supply chains by the end of 2019, we’re consolidating about 10 global supply chains and will continue to roll out the blockchain technology that augments our capacity in this area. With exclusive products and our commitment to a socially and environmentally responsible foodchain – plus the traceability to underpin it all – Auchan Retail aims to be recognised worldwide as the gold standard for food you can trust.
InExtenso: community fashion
In 2018 Auchan Retail’s clothing brand launched InExtenso Lab, an international project that reinvents the codes of fashion. Let’s step behind the scenes of its first capsule collections.

**A fresh creative challenge**

The InExtenso Lab invited students from seven leading European fashion schools (in Spain, France, Hungary, Italy, Poland, Portugal and Romania) to design the brand’s first capsule collections. Such restricted lines – born of an unexpected collaboration, and deliberately produced in small numbers of just a few designs – have the power to revive a brand’s appeal and cause a minor stampede when they arrive in store. The brief was simple: to design a woman’s party outfit and one sportswear ensemble for men or women. The stakes were high for the young fashion designers, with the winning garments bound for the rails of every Auchan store in Europe. This win-win project enables Auchan Retail to give future designers a chance at stardom, while students get to see how the clothing industry works, right down to how the clothes are marketed. Let’s see how the first International Fashion School Challenge unfolded.
The community has voted!

The students in the seven schools drew sketches, tore them up, and innovated, and shared... and eventually showed their work to an expert fashion jury in their home country. The evaluation criteria were the same for everyone: originality, adherence to the brand image and respect for the environment, and scope for mass production at the right price. Out of a hundred-odd submissions, the juries selected 18. Another screening round ended with 14 left in the running – that is, two finalists per country. Next came the moment of truth. And who better than our customers to pick which InExtenso collection they’d want to wear? So we held a vote on each country’s Auchan Facebook pages and 300,000 likes later, InExtenso had a winning style.
WE'RE CREATING FASHION FOR EVERYONE
InExtenso’s designers and clothing buyers worked with the winners to finalise prototyping of the new garments before large-scale production was launched. Next, the Lab set up a high-impact event to unveil the collection. The seven winners were invited to present their designs at a runway show before an audience of journalists and influencers, alongside the Auchan Retail teams. A live broadcast on 10 countries’ Facebook pages generated up to 200,000 views, with ultra-positive comments from viewers.

“We wanted to give a platform to the up-and-coming designers of tomorrow’s fashion with this enriching, bold and outward-looking initiative!”

JULIEN, InExtenso Lab project manager at Auchan Retail

“Seeing our designs go into production gives real meaning to all the work we put in!”

JADE, designer of France’s winning 2019 sportswear
WE'RE CREATING FASHION FOR EVERYONE
The students had to take account of Auchan’s market and identify the right target segments and price points – it gave them a taste of what being a designer is really like!"

Szilvia, Director of Mod’Art School, Hungary

“It was a tough challenge – the winners operated at a near-professional level and richly deserve to have their designs sold all over Europe!”

Clara, blogger in Spain
The capsule collections arrive in store

This method of producing “capsules” enables the InExtenso Lab to capture trends as fast as social networks and influencers come up with them nowadays. The winning party outfits hit the shops in November 2018, running the gamut from elegant black to glamorous sparkle. With soberly tailored trousers, a daring jumpsuit, silvery print, and an all-over lace top, the line offered as many styles as it did designers. Spring 2019 saw the arrival of InExtenso’s sportswear capsule collection in the stores, with an equal diversity of styles to satisfy fashion-savvy fitness fans.
Introducing our new non-food lines

Non-food products also change the lives of our customers, so they have a big role to play within Auchan Retail. But how do we make them irresistibly tempting? The Group is exploring two possible routes to making Auchan Retail a very attractive local marketplace: popular big-name brands and exclusive in-house brands.

One Two Fun, Auchan Retail’s take on toys
In 2018, Auchan Retail amalgamated its toy ranges into a single up-and-coming brand, One Two Fun. It’s split into seven “universes” encompassing all types of games and play, and at launch it offered more than 500 products to fill the early years with fun! One Two Fun reflects the energy and values of Auchan. Openness and an end to gender stereotypes is fostered through unisex toys. Trust is reflected in One Two Fun’s approach to safety, with chemical testing beyond the legal requirements and ethical, transparent production processes. And as for excellence – the brand covers 12 countries, following the big trends in toys and bringing out new capsule collections fast enough to keep up with the kids, so the fun never stops.
Working towards the circular economy
WE'RE ASSUMING OUR RESPONSIBILITIES

The circular economy is about reducing the use of plastics, reducing waste, reusing, repairing, and recycling, in a break from the old linear model of “make, use, throw away”. Circular economy products are designed to conserve resources, use less or better packaging, last longer and can be recycled. Auchan Retail is engaging in the circular economy by capitalising on existing initiatives. Here’s an overview of our responsible practices.

Sorting and recycling our operational waste

Auchan Retail encourages its stores to sort and recover as much operational waste as possible, starting with the cardboard and plastic packaging used for transporting goods. Materials recycling is foremost among all waste recovery methods, ahead of anaerobic digestion and composting.

The “zero waste” programme initiated by Auchan Retail Spain in 2013 is leading the way, making it possible to reintroduce materials one by one in a circular economy. Cardboard is recycled into paper, polyethylene is converted into plastic pellets, organic waste is transformed into compost or bioenergy, and inert waste into combustible fuels. Some 35% of our Spanish hypermarkets had achieved the “zero waste” target by the end of 2018, and over 7,500 tonnes of waste have already been given a second useful life.

Auchan Retail Luxembourg has set up a pallet recycling system. Auchan Retail Romania entrusts its recyclable waste to a single partner that will eventually recover 80% of it. Auchan Retail France has launched the Plastic Challenge, with the aim of recycling 100% of its operational plastics by 2025. Already, these plastics are being recycled to make reusable...
shopping bags for customers. And in China, Auchan Retail made a commitment to donate 90% of its used IT equipment to NGOs or social and solidarity economy enterprises for repair and reuse.

Turning customers into eco-consumers

We’ve put more collection points at the entrances to Auchan Retail stores so our customers can join us in the circular economy by handing in things like batteries, clothes, printer cartridges and other recyclables. Auchan Retail France declared 2018 the Year of the Circular Economy, collecting anything that can be recycled. Over the months we recovered 10,250 pairs of jeans, 252 tonnes of batteries, 23 million plastic bottles (in partnership with bottled water brand, Cristaline – in total, we’ve collected 61 million bottles since we set the system up), 142,000 school bags, more than 3,000 pairs of glasses, and 320 tonnes of clothes. This tally puts hypermarket customers squarely at the heart of the recycling system. In Spain, 88 recycling points in supermarkets and hypermarkets collect small household appliances, light bulbs and neon tubes, and a page on the website directs customers to the 1,800 collection facilities run by municipalities. In Poland, a joint awareness-raising campaign with Henkel reached 5 million viewers. Auchan Retail Portugal has teamed up with Nespresso to take back used coffee capsules, while Auchan Retail Italy collects and recycles its customers’ old clothes together with Humana People to People.

The end of the line for polluting bags

To make sure that plastic bags found loose in nature are a thing of the past, Auchan Retail no longer hands them out free at the checkout. Customers are charged for bags as an environmentally friendly alternative in 11 of the 14 countries where Auchan Retail operates. The other three countries have begun educating their clientele as a preliminary to future action. China uses “stone paper” bags of polypropylene and limestone powder, which eventually decomposes in sunlight. Spanish bags are composed of potato starch, making them biodegradable and compostable. In Italian and Romanian hypermarkets, bags are made of cornstarch; our Polish and Hungarian hypermarkets offer bags made from recycled plastic bottles, while in Russia they use brown paper bags. Our Taiwanese stores only offer their customers tote-style shopping bags. French hypermarkets provide reusable checkout bags with 85% recycled content, made from the plastic wrapping that comes on the pallets when they’re delivered. In Luxembourg, reusable organic cotton bags are available for fruit and vegetables, closing the loop of the circular economy.
The planet is crying out for less packaging, and consumers want to see products better and more sparingly packaged. So here are two key commitments for Auchan Retail’s non-food offer by 2025:

- **Reduce all packaging by 50%**
  We will design out packaging right from the early stages, cutting down or eliminating it in part by selling more articles loose. Some packaging will be reused, and clothes hangers will be better managed. We will replace as much plastic packaging as we can with “eco-responsible” cardboard boxes, and where that’s impossible, we’ll opt for reusable or recyclable plastic.

- **Use 100% certified wood, paper and cardboard**
  Furniture, toys, exercise books and printing paper, cardboard beauty product packaging and wooden pallets will all be sourced from suppliers with an independently certified FSC or PEFC label. Any supplier who wants to work with Auchan Retail now has to sign up to conserving the world’s forests – it’s a non-negotiable clause in our contract specifications.

These commitments apply to all non-food products from 1 January 2019. The aim is to ensure that all our employees assume social and environmental responsibility for their choices in order to build up Auchan Retail’s circular and solidarity value chain.
Adapting to different moods and lifestyles
WE'RE SERVING MODERN LIFESTYLES

Auchan Retail has realigned its approach more closely to its customers’ needs, reorganising itself into community localities and breaking away from the old structure based on regions and formats. From now on Auchan Retail aims to offer a seamless shopping service tailored to how people live their lives today. The reason is simple: by meshing the physical with the digital, we’re enabling people to shop how they like, when they like and where they like. Let’s see this in action, with Fernando in Portugal.

**Hot coffee and fresh croissant for breakfast**

The house is still quiet when Fernando wakes up, so he takes the opportunity to do his weekly shop on Auchan’s online system. “My shopping list is already on there. I know exactly what I’m buying and how much it’ll cost,” he remarks, paying for his order and selecting a 7 p.m. delivery timeslot.
It’s now 7.45 a.m., as Fernando heads for the My Auchan convenience store near his home and settles down at the counter. This morning he’ll have coffee with an oven-fresh croissant from the hypermarket’s in-house bakery. Danilo, who coordinates the Algarve trial community locality, explains: “The community locality is the totality of all our physical and digital contact points, dovetailing to facilitate local people’s everyday lives. The concept also entails a more convenient system of local logistics. Our largest stores become supply platforms for all the stores in the community locality, so all customers benefit from the best of our offer.”

Noon, the freshest time

On Tuesdays, the supermarket gets its deliveries from local producers. The counters are groaning with fresh fruit, vegetables and condiments, a cornucopia of flavour and colour that Fernando never tires of. A farmer describes how pomegranates are grown, while a cheesemaker shares the secrets of his trade. Further on, the day’s fish catch is displayed on a platter, showcasing fresh clams, octopuses and cuttlefish. “There’s a strong emphasis on local products here because that’s what people ask for,” explains supermarket manager
Jorge. “The community locality enables us to get a better insight into what our shoppers want, and to forge closer relationships with local producers.” Meanwhile Fernando fills his trolley with fresh food for the week.

The easy-to-reach shopping destination

Towards the end of the day, Fernando makes the most of living so near the hypermarket to pop in and get his favourite meal from the deli counter, salted cod fritters. He loves them, and the chef here makes an amazing version. In community localities you can get to the shops within 10 to 20 minutes on foot, by car or by public transport, so Fernando gets back home to his waiting family in no time.
As he puts away the groceries that he ordered that morning and which have just been delivered, Fernando realises that he forgot to get any sugar, so he sends his son to the convenience store downstairs. In Fernando’s community locality, each Auchan contact point plays a different role in his life depending on where it’s sited, each coming into its own at a different moment. This locally anchored presence makes Auchan Retail a constant in life – accessible wherever you are, whoever you are, and whenever you like.

“The community locality is all the Auchan retailers getting together to change people’s lives.”

Vanessa, employee of the Faro Community Locality, Portugal
With its community locality concept, Auchan Retail is simplifying the shopping experience, improving everyday life and ushering in the retail of the future. The community locality revolves around a host of useful partnerships with local farmers, producers and independent traders, opening up new ways of doing business at the heart of a local marketplace under the Auchan Retail banner.

Walk-in order collection points
France is now made up of 113 community localities that, between them, bring together 640 bricks-and-mortar contact points sited in accordance with local people’s shopping habits. This physical network is underpinned by our digital capacity to cater to all needs. Our first Auchan Retail walk-in collection point was opened in 2018, in downtown Lille. People can now stroll round to pick up their shopping just a few hours after ordering it online from the hypermarket on the outskirts of town. It’s the perfect solution for busy professionals, students, and older folk who prefer walking to driving, and adds a further dimension to Auchan Retail’s shopping service.

Filling up on everything at My Auchan
Auchan Retail and Aral, Luxembourg’s biggest name in service stations, now offer motorists a chance to fill up their shopping bags as well as their tanks, thanks to the My Auchan concept. These ultra-convenience stores provide an appealing range of fresh, organic and local products and ready meals to eat in or take away, along with non-food products, for a time-saving refuelling stop. In Romania, My Auchan stores are burgeoning in Petrom service stations too, bringing ultra-convenience into the everyday lives of Romanian drivers.
A future grown from seeds of experience
Very large format stores are to be revamped. Hypermarkets will serve as platforms within the Auchan Retail ecosystem and focus on food, while non-food ranges will be deployed in in-store corners. The transformation of Turin’s long-standing hypermarket into an experiential store sets the tone – here Oliviero, its director, talks us through it.

**A food hall full of temptation**

When you get to Auchan’s Corso Romania hypermarket, it’s hard to imagine that it’s 30 years old. The wall of checkouts has vanished and you’re greeted by an alluring choice of display islands, from the mouth-watering pâtisserie counter to the vintage barbershop, not to mention the abundance of fruit in the fresh food section.

“We’re greeting the customer in a new way,” explains Oliviero. “They get an overall view of the store from the mall, and find themselves instantly immersed in the sensual appeal of our food counters. You can smell freshly baked ciabatta bread, pizza coming out of the wood oven, parmesan melting over fresh pasta, and rib steak grilled to taste.” Indicating the five food labs and four open kitchen areas where chefs can be seen through windows busying themselves in readiness for the lunchtime rush, Oliviero points out: “Customers see everything happening right in front of them.”
Early customers are already seated in the welcoming central dining area, enjoying a little plate of charcuterie and cheese accompanied by a glass of wine chosen on the recommendation of the sommelier, who’s close at hand in the wine cellar. “Regional” aisles offer a cornucopia of typically Piedmontese products. “You can create 40 flavours of ice cream with this dry mixer,” beams Oliviero proudly, “it’s the only one in Italy! There’s even more variety at the cheese counter, with over 450 varieties of fresh or matured delicacies sourced from Piedmont or further afield.” An irresistible aroma of Vergnano coffee fills the air, and connoisseurs come to buy it in bulk.
Smell, touch and pick

What are these customers putting into their shopping basket? “They’re having a really new experience,” enthuses Oliviero, “picking their own fresh salad products straight from an aeroponic greenhouse. This above-ground cultivation system reproduces the natural ecosystem, using no chemicals. Seasonal fruits and vegetables that started life in greenhouses in the region around Turin end up ripening right in the middle of our store.” This month, the crop consists of lettuces, basil and radishes, which people are happily picking. But at the entrance, it’s two big igloos piled high with fruit and vegetables that are the real attraction. “One of them is devoted to seasonal produce, and the other has organic and exotic products sold by weight, so everyone chooses just what they need,” explains Oliviero, proud of changing lives with Auchan.

“ When you pick your vegetables yourself, you feel as if they’re from your own garden, and it makes you choose them in a different way.”

Giulia, an Auchan customer
COME WITH US

A much richer experience

A specific checkout area separates the food hall from the rest of the store, where the experience continues among the non-food sections. Some teenagers have made themselves right at home in a sofa, putting the latest game consoles to the test. Elsewhere, a young couple makes a smoothie in a real kitchen, trying out the blender before they commit to buying it. In the cosmetics corner of the big health & beauty section, two friends are taking tips from the makeup advisors in their quest for a new look. “From now on our hypermarkets won’t ever feel like endless hangars that you simply push around a shopping cart in. These spaces offer people a wonderful mix of food, inspiration, friendly interaction and useful knowledge,” is how Oliviero sums it up.

“Watching someone knead pizza dough, expertly cut pork chops or tenderise a slab of beef is an opportunity to relearn old skills, old trades, old recipes – it’s bringing our culture back to life.”

MARIANA, an Auchan customer
“People eat every fourth meal out these days, compared to one meal in five just two years ago,” notes François, Director of Fresh Food Products at Auchan Retail France. Ready-prepared dishes are proving popular in Italy, Spain, Romania, Hungary, Russia, China, Vietnam, Ukraine, and beyond – and this success is inspiring Auchan Retail across all its formats.

- **The hypermarket** boasts chef-quality cuisine, with a crew in an open kitchen preparing delicious fried fish and daily specials to take away or eat in.

- **The supermarket** offers dishes prepared behind the scenes using products from the shelves, and gives you the recipe so you can reproduce it at home with the same authentic ingredients.

- **The ultra-convenience stores** get regular supplies from the nearest hypermarket-cum-supply platform so customers can enjoy great food, Auchan Retail-style, at any hour. You can savour a dish of the day at the counter, and take home something ready-prepared for an evening meal. Auchan Retail staff take cookery classes with premier chefs in our Vietnam stores and at the Scuola Arte Bianca(1) in Milan, Italy, to train as chefs in their own right. In Spain, even the association of great Madrid chefs is involved. Today’s Auchan Retail stores operate 496 kitchens worldwide, all set in the heart of food courts with deli counters, and open to the view of customers.

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(1) Cookery school specialising in pizza, bread and fresh pasta-making techniques.
Being Chinese in China
One in five internet users in the world is Chinese. The champions of online buying (computer, tablet and smartphone purchases combined), Chinese consumers are also big fans of novel shopping experiences. So the country offers a perfect setting for Auchan Retail, working through its subsidiary Sun Art, to hone phygital retailing through the Auchan and RT-Mart brands, driven by people’s constantly shifting expectations and by our alliance with Alibaba.

In the land of the QR code

A smartphone is all you need, and the shopping process barely takes longer than the data transfer, delivering a totally seamless experience. Orders are parcelled out to different sections of the store, each with its own order picker for optimal efficiency. Let’s see how they can home deliver in under an hour.

Wen sees Shan’s order for nine products come up on his screen, and heads straight for the first item on the list: chicken feet in jelly. He picks them up and scans the QR code, then puts them in a basket. Strawberries are next. They’re handled by another picker, who covers the fresh produce zone. Within minutes all the items are gathered in the basket, it’s placed in the lift, and Shan’s order is ready to go! The basket ascends to the ceiling-level conveyor system, which transports it across the hypermarket to the despatch area. Here, another employee quickly packs the chilled products in separate compartments before handing over the box to delivery man Bao, who sets off for Shan’s on his scooter. He weaves through traffic, avoiding jams on the route his smartphone gives him, and calls Shan to let him know he’s almost there – he’s arrived! “You’ve barely finished placing your order, when it’s here already. That only took 45 minutes!” exclaims a delighted Shan, checking the time on his smartphone with amazement.
OME WITH US

**O2O – short circuit shopping**

With new technologies emerging in China every day, more and more sophisticated consumer expectations are driving forward the retail experience at a furious pace. People’s top priorities are convenience, personalisation and interactivity – which is why O2O is so popular. It stands for Online to Offline, the phygital model par excellence, which efficiently combines the overhead conveyor system under hypermarket ceilings with the Alipay Wallet smartphone app to deliver fresh food and household consumables in under an hour. A year after it launched in the Shanghai pilot hypermarket, this service was already racking up 1,000 orders a day. Fast forward another year, and after rollout to the 484 Auchan and RT-Mart stores across China, more than 45 million orders were delivered in 2018.

**Technology breaking new ground**

The smartphone comes into play again as a private key to unlock the Auchan Minute connected retail cabin, with another QR code to identify you and unlock the door. Unstaffed and with no cash register, this store format carries 500 everyday products with QR codes that you scan to purchase, before finalising your total shop. At the end of 2018 there were 330 Auchan Minute ministores across China, which between them served the instant shopping needs of over a million loyal customers. Our partnership with Alibaba continues to generate retail innovations like this trail-blazing artificial intelligence-driven ministore. There’s no end to how phygital retail makes life simpler.

“*Scale, speed, hyper-connectivity – China has everything to serve as a lab for Auchan Retail’s phygital innovations.*"
WE'RE ABOUT PHYGITAL INNOVATION
Auchan Retail is ready for phygital life

Consumers are changing. They’re keen to save time, but are also willing to take a bit longer to try out new things. It’s a real revolution in how we live our lives. At the same time, technology is driving new ways of relating, and changing our approach to retail. Phygital solutions including O2O and Click & Collect are gaining ground all over the world.

- **Following China’s lead**
  Phygital momentum is increasingly shaping retail right across Europe. It often begins with Click & Collect, speeding up the process of picking up shopping orders, then gradually moves towards home delivery, which gets faster as logistics progress. The ultimate goal is to achieve practically instant O2O deliveries. Shoppers in Romania are beginning to adopt Click & Collect, placing more than 70 orders in six months at the Galati hypermarket, which responded by immediately launching Click & Deliver. Now customers can order online from a choice of 13,000 products and enjoy home delivery within three hours of their order being made. At the Cotroceni hypermarket in Bucharest, in-store chefs prepare 25 dishes that are available to Click & Collect in 30 minutes, and can now be ordered for home delivery within 45 minutes thanks to a partnership with Uber Eats. Auchan Retail Hungary is coming out of the starting blocks with the launch of Click & Collect in three stores near Budapest in an extension of the Click & Deliver service begun in the capital.

- **Inspired by Retail’s Big Show in New York**
  Shopping experience 4.0 will be driven by data, speech recognition and robots, promising to change the lives of consumers and employees alike.
A snapshot of new-generation shopping at Retail’s Big Show in New York

Data in the aisles
With smartphones, tablets and even connected watches, section managers have data at their fingertips to plan ahead and avoid stock shortages or other vagaries.

Robots arrive in store
Today they’re used to fill the shelves, and in the future they’ll personally assist customers.

Speech recognition
People have virtual assistants in their cars, their computers and their smartphones. The next digital revolution is well under way…

Ultra-precision homes in on the individual
3D body scanning tech paves the way for made-to-fit-you-personally fashion, and neighbourhood data analysis means you’re sent hyper-local offers.

● A short step from the innovation lab to the shelves
With our open and forward-looking approach, Auchan Retail spots the trends that will shape retail’s future and runs with them. In France we worked with Google Home to trial the first voice chatbot that recommends food & wine pairings. The Christmas toy catalogues continued the augmented reality experience begun in 2017 that delighted children with both an online app and an in-store treat. In Spain and Portugal, our staff use tablets to manage stock in real time and advise customers. In China, thanks to artificial intelligence and the processing of data from social media, the Taobao Xinxuan in-store corners offer daily necessity goods that closely match customers’ expectations. In Romania, our Well.com mobile application – set up jointly with Oney Bank – means customers can pay for shopping through biometric authentication, a fingerprint, or a mobile phone. We’re reinventing the shopping experience, every day, all over the world.
Towards augmented retailing
Digital technology is revolutionising and simplifying the shopping journey, making it more fluid, more fun, and more immersive than ever. Augmented reality draws consumers right into the heart of things. With the new Cosmia app, developed in Ukraine and available in 11 countries, a string of tutorials and trend advice helps users try out endless makeup looks, and make their life more beautiful!

**Hours of fun with the Cosmia app**

The girls watch the tablet with excited fascination, as the new Cosmia app makes them up virtually onscreen in real time. For her first birthday in augmented reality, Manon decides to go for a Hollywood pin-up look, while her friends opt for chic glamour and bright poppy glitz. They work their way through all the Cosmia styles. “What we want to do,” says Manon – whose virtual mouth is being brightly lipsticked even as she speaks – “is invent our own look and share it on social media through the app.”
Manon is thrilled when she opens her present. “It’s the lipgloss I put on my Cosmia wishlist!” This is the young teen’s first item of makeup – “only to be worn at home,” cautions her mother Audrey. Manon and her friends rush to re-launch the makeup app and check out the lipgloss page with its application instructions. Among the various tutorials and beauty tips, the girls come across a guide to creating the perfectly drawn mouth. They seize the chance to learn how it’s done, from a pro channelling the latest trends.

Augmented reality and values

Audrey had her smartphone at the ready when selecting her daughter’s gift in the beauty section of her local store. “The Cosmia app let me flash the QR codes of all the different shades of lipgloss and try them out on myself. I didn’t want anything too lurid for Manon.” This experience of augmented beauty reassured her, and she was won over. “Cosmia gives information about the ingredients of its pencils, foundations and eyeliners. And what’s more – importantly – there’s no animal testing!” concludes Audrey, delighted to see her daughter taking her first steps into the very real world of enjoyable, attainable and well-crafted beauty, as promoted by Cosmia.
The Internet of Things is reshaping the retail landscape

- **Barriers fall as technology advances**
  - **74% of French people** want the freedom to buy whenever they like, wherever they are.
  - **29% of 18-25-year-olds** prefer to shop online without leaving home.
  - **91% of Chinese people** think voice-activated virtual assistants will make their lives easier.
  - **57% of French people** think so too, and 28% plan to buy one in the coming months.
  - **50% of French people** want help to learn better consumption habits (53%).

- **Whether you’re shopping or working, your interface is the same smartphone screen.**
- **Whether you’re at home, in the office or picking up an order in-store, there’s the same super-speedy delivery.**
- **Nowadays, making purchases is a fluid process that merges into consumers’ everyday lives, and the store comes to you.**

- **Welcome to the era of speech recognition**
  - **91% of Chinese people**
  - **think voice-activated virtual assistants will make their lives easier.**
  - **57% of French people**
  - **think so too, and 28% plan to buy one in the coming months.**

- **The pursuit of meaning and trust**
  - **80% of French people**
  - **are paying more attention to the environmental, waste and energy impacts of products they buy.**
  - **50% of French people**
  - **want help to learn better consumption habits (53%).**

- **Digital channels having started the disruption for retail trend, now virtual assistants are posing the next challenge.**
  - Since bots were introduced in after-sales departments, they have become much more sophisticated and influential in consumers’ lives. Their algorithms are getting stronger, and soon they’ll know us better than anyone in the world – until eventually, they become our virtual doppelgangers and do our shopping for us.

- **Consumer confidence has been badly shaken by a series of crises and people’s anxiety is spreading to the non-food sector.**
  - What impact are these products having on their health, on the environment, and on society, they wonder. With QR codes, blockchain and myriad apps, the digital realm offers new ways to meet consumers’ needs for transparency and rebuild their trust.

COME WITH US

Reaching out a helping hand
AuchanRun 2018 brought together 15,000 Auchan Retail employees from Luxembourg to Mbour and Ho Chi Minh City who ran or power-walked 400,000 km between them over 11 days – alone, in groups, or having managed to rope in their families. That’s equivalent to 25 times the distance that separates Taipei and Dakar, the two furthermost cities on the Auchan Retail map. The Auchan Youth Foundation was able to donate €55,700 to the charity SOS Villages d’Enfants for projects promoting good nutrition and health in the 14 countries where Auchan Retail operates.

**SOS Villages d’Enfants**

The Auchan Youth Foundation is now focused on advancing Auchan Retail’s Vision, supporting charitable projects that help improve health and nutrition among young people living in neighbourhoods and cities where Auchan Retail stores are sited. In 2018, it awarded an average of €11,300 each to 96 projects chosen by staff in their own countries based on local needs and supported by everyone at the sponsoring stores, right up to director level.

See what we do and our charity initiatives at:
www.weaveourfuture.org
www.fondation-auchan.com
www.pokolenie-auchan.ru
An amazing initiative, a new partnership, a proud farmer, a happy consumer, an employee passionate about their work, and other great stories from the heart of Auchan Retail causing a stir on Facebook, Twitter and LinkedIn.

Life is set to change. don’t miss a single snippet of news!