

stores



# Over 600 next generation stores

"The 'with you' customer service model aims to place the customer at the heart of all our decisions."

Rosa Carabel | SALES NETWORK MANAGING DIRECTOR  
memoria.eroski.es/en/stores



For a further year, EROSKI has continued with the process of refurbishing its stores, changing them to the "with you" model. Particular focus was placed on the Balearic Islands during 2017 and this will continue in subsequent years.

The cooperative's investments have centered on store refurbishments and, at the end of 2017 and after investing over 300 million euros over the past four years, it now has over 600 next generation stores, 570 of which are supermarkets. These stores are predominantly in the north of Spain where EROSKI holds a solid position in the distribution market.

This significant transformation of its network to next generation stores has led to the creation of 1,155 new work positions to date and sales in these centres represent over 65% of total sales.

EROSKI has given a strong boost to its digital transformation by updating its online store and developing new services to offer a full, multichannel experience to customers, meaning they can do their shopping from any device and receive it at their home as soon as possible.

Furthermore, during 2017 we continued to develop collection points for online shopping, with the options "Click & Drive" and "Click & Collect". To date we have approximately fifty centres with these delivery points.

**Our 'with you' stores are at the centre of our relationship with our customers. They are where we can interact directly with customers to offer them a wide range of products in the best conditions in terms of price, quality and service.**

We have a sales network of **over 1,651 establishments**

We have **diversified businesses** such as petrol stations, opticians, travel agencies and sports equipment stores

600 next generation stores that have led to **1,155 new jobs**

**Over 40% of the food sales network transformed** following 300 million euros of investment

The **North and Balearic Islands**, strategic zones for the company

Over **55 new franchises** in 2017

EROSKI gave its **digital transformation a strong boost** to improve the customers' shopping experience

Award for the **Best Online Supermarket**

# We are committed to a multichannel approach

Since 2000 EROSKI has had an online supermarket that has evolved over time to meet customers' needs. In 2017 EROSKI introduced a new, faster and more straightforward platform that can be accessed by all customers.

The new online supermarket is adapted to the needs of today's consumer; purchases can be made from any electronic device without needing to download an app, with shopping assistance features (recent orders, lists, frequent purchases, etc.) and drop-down filters to quickly locate products so that consumers can easily start to shop simply by accessing the website.

The EROSKI experience and trust placed in the brand by our consumers mean that fresh produce is included in 80% of online purchases, far above the sector average where the sale of online fresh goods has yet to take off. The quality of fresh local produce and EROSKI's commitment to healthy food make us pioneers in this area with an extremely wide range of items.

- Over 15,000 food products and fresh produce items online.
- 80% of orders contain fresh products.
- We have developed intuitive, fast and straightforward shopping that can be done securely and easily with every quality guarantee.
- Award for the best online supermarket of the year.



## Award for best online supermarket

Consumers have recognised the changes made to our digital platform and awarded us for our work. Our online store was chosen as the best online supermarket of the year in the 2017-2018 Business of the Year awards held in Barcelona. EROSKI was awarded the 'WebShop of the year' prize in the online supermarkets category.

## Award for best digital transformation

EROSKI's travel agency, Travel Air, also received the Open Awards 2017 prize in the best digital transformation of a large company for its innovative project of integrated digitalisation. Travel Air updated the analogue work structure it had used for over 20 years to a totally digital platform, making it the first company in the sector to entirely eliminate the use of paper.

## Click&Collect and Click&Drive: more collection points

We closed 2017 with 49 delivery points for orders placed using the online supermarket. 18 were "Click&Drive" points that allow the customer to collect their online order without leaving their car at a point close to main traffic routes. The other 31 were "Click&Collect" points located in urban areas with high levels of pedestrian traffic where customers can collect their pre-bagged shopping and avoid waiting and queues.

These new collection options for online orders let consumers place their orders whenever they want via the website or app and collect them the same day, either in their own vehicle or on foot on their way home.

These new advances towards omnichannel retailing help the number of our online supermarkets to keep growing; fresh produce has an increasingly large presence in orders and an initial reticence in this area on the part of customers now appears to have been overcome.



# Hypermarkets

The EROSKI hypermarket network currently consists of 61 centres, 3 of which are franchised stores, distributed across 14 autonomous communities.

During 2017 EROSKI expanded its network of franchised hypermarkets by opening a franchised hypermarket in Melilla and converting a hypermarket in Elche to the franchise model, which was transformed to the "with you" model in September.

EROSKI has worked with its supermarket format for over 30 years and this strategy of expanding franchised hypermarkets is part of the cooperative's plans for forthcoming financial years, placing particular emphasis on competitiveness and adapting its stores to each of the markets where it develops its business activity. It now has three franchised hypermarkets, widening the types of establishment EROSKI can offer as a franchise and broadening the range of franchise retail brands from local supermarkets to hypermarkets.

# Supermarkets

## Expanding our different business model

EROSKI has 1,279 supermarkets to date. In recent years, it has driven forwards the opening of franchises and investment has focused on transforming its network of stores to the "with you" model, reaching 570 next generation stores. In 2017 the cooperative resumed investment in opening its own stores with three new supermarkets in the Basque Country and half a dozen projects underway that are due to be completed at the end of 2018. The own supermarket opening plan will focus in the north and east of mainland Spain from Galicia to Catalonia and the Balearic Islands, regions where EROSKI holds a firmly established position in the eyes of consumers and has approximately 18% of the market share.

In 2017 the cooperative continued to expand its franchise network, opening 55 new franchised establishments. These openings received 12.95 million euros of investment and have generated 507 work positions. Alongside the transformation of its network of own stores, these openings represent a strong boost to the expansion of the "with you" business model that defines the next generation of EROSKI stores and is the basis for all franchise retail brand openings.

The Autonomous Community of Catalonia saw the greatest number of openings with 18 franchised establishments. It was followed by the Basque Country and Balearic Islands with 7 and 5 new franchises respectively. The remaining franchised stores were opened in Andalusia (4), Galicia (4), Andorra (3), Extremadura (3) Madrid (2), Navarra (2) and Aragon, while Castilla-La Mancha, Castile and León, Melilla, Cantabria, the Valencian Community and La Rioja had one opening each.

EROSKI maintains the high rate of franchise openings established in previous years, with over 267 openings in the past four financial years. It continues to expand its franchise network, focusing on Andalusia, Madrid, Castilla-La Mancha, Extremadura and Levante in forthcoming years.

- Sales in the EROSKI franchise network grew by 7% last year.
- The openings represented almost 13 million euros in investment.
- The new stores have generated over 500 work positions
- Last year EROSKI opened two franchised hypermarkets, in Melilla and Elche, and 53 franchised supermarkets.
- In 2017 the EROSKI franchise model was awarded the Best Business Franchise in Spain award and the fifSUR award for an outstanding franchise in the business sector.
- The cooperative has broadened its range of sales formats with new RAPID convenience stores.



## We search for partners to drive our franchises forwards

During 2017 EROSKI signed several collaboration agreements with various financial institutions to promote entrepreneurship via its franchise system. One of its firm plans to expand the 'with you' sales model in all its regions of interest and a way of bringing the EROSKI philosophy and its commitments to the maximum number of homes possible:

- Cajasur has opened a financing plan for EROSKI franchisees with advantageous conditions to meet the particular financial needs of their business.
- In turn, Kutxabank will offer a full range of financial products with advantageous conditions for current and future EROSKI franchisees.



**Do you know about EROSKI's openings plan?**  
 The cooperative is accelerating the rate of an intense plan to open franchises based on its self-management culture.  
<https://vimeo.com/218769542>

# New RAPID expansion plan

As part of its growth plan, in 2016 EROSKI launched a new retail brand of RAPID convenience stores. These small stores are approximately 150 m<sup>2</sup> in size and are located in urban areas and tourism zones with a high population density. The new RAPID stores offer a range of 3,600 products including fresh produce, loose fruit and vegetables and pre-packaged meat and fish. Each store also has an oven to ensure it always has freshly baked bread on sale. The range of foods, drinks, personal hygiene products and perfumes/cosmetics consists of leading manufacturer's brands and EROSKI's own brand.

It is aimed at groups within the population who need to make convenience purchases, often responding to unforeseen needs. During the next few years, plans are in place to expand the RAPID convenience store model, mainly in Madrid, Andalusia, the Balearic Islands, Levante and Barcelona. This will add to the intense schedule of franchised supermarket openings that has accelerated in recent years. EROSKI also has several agreements in place with various banks to support current and future franchisees; the banks offer advantageous financing conditions to open a new store and respond to the needs of its ordinary business.



## Award for best business franchise

For the second time, EROSKI received an award for the best business franchise in Spain from the Spanish Franchise Association (AEF). The award recognises the new franchise expansion model launched by the group three years ago. Since then, over 200 entrepreneurs and investors have placed their trust in the EROSKI brand and today they have a successful business in a key food sector.





CAPRABO, which was launched in Barcelona in 1959, is the oldest supermarket in Spain and EROSKI Group's retail brand in Catalonia since 2007. It currently has a network of 320 supermarkets located in the urban fabric of strategic zones in Catalonia and Navarre. CAPRABO stands out for its innovation, high quality service and customised range.

### Growing Franchises

The business expansion of CAPRABO progresses via the franchise model launched in 2010. Last year a supermarket was opened in Granollers, a second in Barcelona and a third in Hospitalet de Llobregat under the Alioprox model.

### Families at the centre

CAPRABO's Business Commitment focuses on helping families through its Welcome Baby Programme, encouraging healthy eating, with its Choose Well, Choose Healthy Programme, social support initiatives and environmental awareness. It also runs the Microdonations Programme that each day donates any products that can no longer be sold but are still suitable for consumption to food banks.

### Close to you

CAPRABO has created the first digital map of nearby products in Catalonia and has become the first supermarket company to develop an online map with detailed information about its most typical agri-food products that originate from the 41 Catalan regions.



VEGALSA EROSKI has formed part of the EROSKI Group since 1998 and is the leading distribution business in Galicia. It also currently operates in the neighbouring communities of Asturias and Castile and León where it has been firmly established.

The commitment to local, high quality agri-food production that values its place of origin, a constant feature throughout the company's history, has taken a qualitative leap forwards with the Commitment campaign for local suppliers. Throughout the year it runs numerous promotional activities that highlight the quality, flavour and origins of the finest selection of products of the land. Thanks to this campaign, over 326 million euros were spent on purchasing from 909 suppliers from Galicia, Asturias and Castile and León.

Healthy eating is another strategic aim for the year and a good example is the launch of "Eat well, live well" initiative that falls within the framework of the national "Prevent Obesity. Lighten your life" project.

Furthermore, there has been a firm focus on innovation to strengthen e-commerce. The number of distribution centres with a home delivery or in-store collection service has risen to 34. This offers coverage to 9 out of 10 Galician homes.

Awards and prizes:

- **AGAFAN Prize** for support given by the company to large families.
- **'Galician Excellence Award 2017'** from the Catalan Association of Galician Businesspeople, presented to Ventura González Prieto for his business career.
- **Humana, Fundación Pueblo para Pueblo Award** for Vegalsa-Eroski for its commitment to social responsibility and for reusing textiles.
- **eWoman Online Business Award** from Grupo Faro de Vigo-La Opinión de A Coruña in recognition of our innovative website developments for online shopping [www.eroski.es](http://www.eroski.es).

## Diversified businesses

EROSKI currently has over 200 diversified establishments including travel agencies, petrol stations, sports equipment stores, opticians and wholesalers such as cash and carries.



### EROSKI Travel

EROSKI has its own travel agency, EROSKI Travel, and a business travel division called Travel Air. At present EROSKI Travel has a business network of 159 agencies, including Viatges Caprabo, in Catalonia, and online offices at [www.viajesEROSKI.es](http://www.viajesEROSKI.es) and [www.viatgescaprabo.com](http://www.viatgescaprabo.com). Furthermore, EROSKI Travel has a key position in business travel and conference organisation, with offices that exclusively handle business travel under the Travel Air brand. Travel Air has sixteen customer service offices exclusively focused on business travel in Spain's main cities, including Madrid and Barcelona, seven implants and a specialised division that organises conferences and congresses, Travel Air Events. Travel Air is part of GEBTA (Guild of European Business Travel Agents) and ITP (International Travel Partnership).



### Opticians

EROSKI has a chain of 16 opticians staffed by top professionals who offer the best products, service and guarantees. These stores offer a varied range of quality, well-designed products: graduated glasses and sunglasses, contact lenses, liquids and accessories, etc. The best own products, the leading brands in the market and exclusive latest trends with numerous advantages.



### Forum Sport

FORUM SPORT is EROSKI Group's sports retail brand and there are currently 59 stores, including two outlets and a franchise as well as an online platform. With over 25 years of experience in the specialised sale of sports equipment and a presence in 10 autonomous communities, the chain maintains a positive rate of growth. Its business network now includes eight Doers stores that specialise in trainers and clothes for young people.

FORUM SPORT employs 850 people.



### Petrol stations

EROSKI closed 2017 with 50 petrol stations in strategic locations next to its hypermarkets and supermarkets. EROSKI petrol stations uphold the cooperative's policy of offering its members the best prices, payment options and discounts so that they can fill their tanks under the most advantageous conditions possible.