



PETIT FORESTIER,

REFRIGERATED RENTAL SPECIALIST

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**DISCOVER
OUR OFFERS**



The model guides Mercadona towards achievement of the various corporate components starting with

- The '**Boss**' which refers to the customer
- The '**Employee**' who collaborates in the company's commercial successes
- The '**Supplier**' who is key in the supply chain
- The '**Society**' which holds them together, and
- The '**Capital**' which supports them financially.

All of these aspects are given the same attention to detail and not one of the components supersedes any of the others. Starting from the headquarters at Tavernes Blanques in Valencia, the model and its component parts are implemented throughout the chain, be in Spain or Portugal.



The Mercadona sign stands out on the external facade of one of the many stores.

History and the future

Mercadona appeared on the market in 1977 as a small chain of grocery stores. The current owner, Juan Roig, took it over from his parents in

1981 when the network only consisted of eight units.

Today, the company has 1 633 outlets (between Spain and Portugal), employing 95 800 people (93 000 in Spain and 2 800 in Portugal) serving approximately 5.6 million families who shop daily using the various channels available. Mercadona generated in 2021 (despite a critical situation), another 800 stable and quality jobs.



Well trained personnel ensure that personalised service is available at all times.

The most recently introduced technological and management innovation was the Direct Product Profit tool, one that updated the mechanism for calculating the costs of all the processes involved in business. A team made up of experts in various fields of corporate activity (sales and operations, logistics, new store development, information technology and finance) gave input to the DPP.

After two years of work and an investment of approximately €5 million, the application now allows sales and planning managers to obtain very precise information on the processes and position of at least 8 000 SKU's. It is thus possible to check – immediately, in a complete overview – the price, taxes and transport costs. Those who work with the product only have to search or scan the article to obtain the information and, consequently, carry out the necessary automated simulations, leading to cost optimisation.

Among the results achieved, the most striking and satisfying ones were ...

- In **Logistics**, the increase in the number of packages per trip in the process of transporting cut carrots and rocket, which led to savings of €400 000.
- In the **Ready to Eat** department, the implementation of the new 'self-service' processes, aimed at cutting queues waiting for the order, optimising processing times and increasing collections which, in the same section, resulted in a saving of €4 million.



The 'Spanish ham' is part of an important culinary tradition. An essential component is the specialist assigned to 'boning' the leg of pork, usually in plain sight of customers.

- In the sale of **fresh orange juice**, the reduction of maintenance times (30 minutes a day), has made it possible to save €5 million.

Just these three examples represented almost €10 million euros in savings – equal to approximately double the investment allocated to the entire project.

The savings generated by this ongoing programme do not just go to the company's bottom line. In 2021, €375 million was redistributed to all employees who had been employed for over a year.

The 'Efficient Store'

In 2016, Mercadona started a new inspiring project called the 'Efficient Stores', which was officially started with the Valencia and Granada stores and implemented in 1 183 branches by the end of 2021. This project aims to offer customers better quality service and a complete purchasing experience.

The 'Efficient Stores' have cutting-edge technologies in place, capable of analysing the operations carried out by the workforce, making use of



Horno is a dedicated self-service area within the bakery layout. The impressive impact of the display is reinforced by the hygienic covers for self-service customers.



modern services, tools and devices to optimise (in real time) the flow of all the complicated information that needs to be managed.

This project also intended to embrace the themes of 'environmental sustainability', 'awareness and critical consumption', and 'highest quality food propositions with the least impact'. Basically, it addresses all the consumer questions regarding sustainability of our community, our land and our planet.

Through the development of the Efficient Store, Mercadona continues to generate energy savings (up to 40% compared to a conventional store), mainly through the use of LED lighting and covers/doors for its refrigeration.

1993, in addition to the introduction of the 'Total Quality Model', saw the launch of the SPB (Siempre Precios Bajos – Always Low Prices). Without following the model of the new discounters entering the market, Mercadona promoted the concept of quality merchandise available at excellent low prices, while also focusing its attention on waste reduction.



This impromptu photo of a visibly satisfied customer browsing the frozen food aisle illustrates the customer satisfaction levels of the chain.



The dramatisation of the 'fish market' counter, important in the Iberian areas, is displayed on white and blue colours; the uniform of the assistant on duty is stylised with greys, greens and black colours.



The most recent results

At the end of 2021 (a very complex year), Mercadona sold a total of 12 827 million kilos of merchandise (285 million kilos more than the previous year), achieved a turnover of €27,819 million, recorded a net profit of €680 million (down 6%) with a pre-tax profit of €837 million (9% less than the previous year).

It is evident that this brand, active in both Spain and Portugal, by following clear and inspiring criteria of loyal partnership with suppliers, gratified by the commitment of its workforce and modernisation of the overall service for the benefit of customers (the true regulators of each process), is not afraid of giving up portions of profitability, if this means a consequent increase in volumes and strengthening of the image of reliability, both internally and externally.



Spanish gastronomy requires a wide range of fresh produce and the Mercadona stores deliver on variety and quality to cover any meal requirement.



Fresh produce is packed at DCs in sturdy crates to minimise the handling at store level – from DC, to refrigerated truck, to store cold room, to store display area.



Trolleys made of light material ensure an 'easy-to-manoeuvre' customer experience.

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