

## Retailers, Stay Local!

The belief that food retailers need to expand cross-border to survive is false. UK management consultancy Strategic Vision ranked Europe's largest grocery retailers by net sales per square metre and found that, despite increasing internationalisation, seven out of ten top performers are primarily operating in their own national or regional areas. "There is a notable absence of the large pan-European brands from Carrefour, Metro AG, Wal-Mart or Ahold," comments James Ensor, Strategic Vision's managing director. "This suggests that retailers who stay local can out-perform the multi-nationals." Every year, Strategic Vision compiles information on top retailers' performance, analysing banner sales in Europe, net of VAT. Included are weekly purchase items such as food, drink and tobacco, and on this basis it's Sainsbury's who recaptured first place, partly due to main competitor Tesco's move into Central Europe, where grocery rates per square metre are much lower than in Britain. However, if items

excluded from the analysis (such as petrol, travel and durables) are included, Tesco is Europe's biggest retailer according to Strategic Vision, with

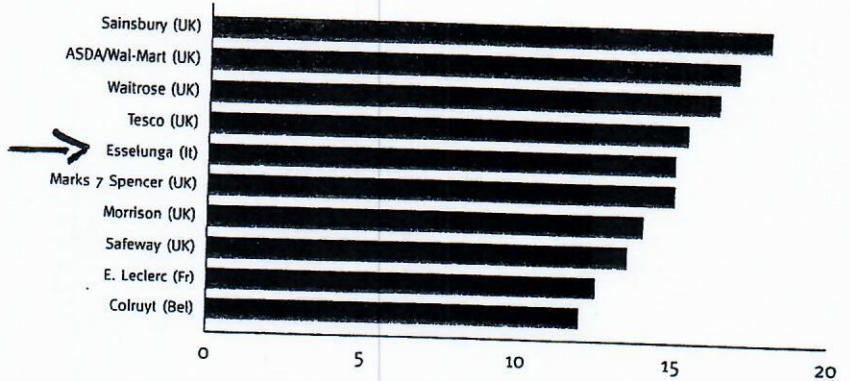
sales of €15.8 billion (US\$ 14.7 billion).

Exchange rate: 1 € = 0.92781 US\$ (2000)

### Top European Grocery Retailers 2000

Net Sales/Square Metre

Annual Sales per Square Metre (€ '000)



Source: Strategic Vision, 2000