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## Netherlands

### Retail Food Sector

### Report

### 2003

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**Report Highlights:**

This report in combination with the Netherlands Exporter Guide (NL3040), provides an important road map for U.S. exporters who wish to enter the Dutch retail market.

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Includes PSD Changes: No  
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**Table of Contents**

**Section I Market Summary ..... 3**  
    A. Food Retail in the Netherlands..... 3  
    B. Changes And Challenges Within Operating Companies and Formulas ..... 4  
**Section II. Road Map for Market Entry ..... 5**  
    Entry Strategy ..... 5  
    Market Structure ..... 5  
**Section III. Competition ..... 7**  
**Section IV. Best Products Prospects ..... 8**  
**Section V. Post Contact and Further Information..... 8**

## Section I Market Summary

### A. Food Retail in the Netherlands

The majority of Dutch supermarkets are full-service stores operating on floor space between 400 and 1,000 square meters. Approximately 80 percent of food retailers' turnover is generated in stores of 600 square meters (m<sup>2</sup>) or more. In the Netherlands there are very few hypermarkets or super stores and progressively fewer traditional convenience, or mom and pop, stores.

In the Dutch food retail industry, the 5 biggest companies have a market share of 75 percent (figure 1). Ahold and Laurus alone account for almost 50 percent of the market. Some of these companies have several retail models. Laurus, for instance, has three different supermarket models. Sperwer is active in the Dutch market with two different models, Plus and Spar. The remaining three companies have one model each.

**Figure 1: Leading Food Retailers in the Netherlands, 2002**

Rank	Operating Companies	Market Share	Main Models
1	Albert Heijn	27.4	Albert Heijn
2	Laurus	20.5	Edah, Super de Boer, Konmar
3	Schuitema	15.1	C1000
4	Aldi	7.0	Aldi
5	Sperwer	4.6	Plus, Spar

Source: AC Nielsen / USDA

#### Albert Heijn

The Netherlands largest food retailer is Albert Heijn owned by the Dutch-based Royal Ahold. Albert Heijn now has 4 variants on its traditional Albert Heijn model. The traditional and most important variant is the "wijkwinkel" (traditional neighborhood grocery store), with close to 700 outlets throughout the Netherlands and an average floor space of 950 M<sup>2</sup>. More recently Albert Heijn has introduced three variants; "AH XL", "albert.nl" and "AH To Go". The "Albert Heijn XL" is a super store of over 4,000 M<sup>2</sup>, with substantial non-food and service sections. The "AH To Go" is small and sells only ready-to-eat and ready-to-cook products. Finally Albert Heijn introduced "albert.nl" a few years ago, the home delivery service through on-line shopping.

#### Laurus

The second largest food retail company is Laurus. Laurus' most important stores, in terms of sales, are the "Super de Boer" stores. This model includes 355 stores and operates in stores of on average 800 M<sup>2</sup>. Laurus' second largest formula is "Edah", a well known model used by 264 stores (900 M<sup>2</sup>) throughout the Netherlands. The last formula is "Konmar", used in 123 big stores (1500 M<sup>2</sup>).

#### Schuitema

The third largest company is Schuitema, 73% owned by Royal Ahold. Schuitema offers the C1000 formula to independent food retailers on a franchise basis. In addition, Schuitema offers logistics and marketing services. At the moment there are approximately 480 supermarkets operating in stores of an average of 800 M<sup>2</sup>.

## B. Changes And Challenges Within Operating Companies and Formulas

### Price Competition Among Dutch Food Retailers

One ongoing issue this year is the “price war” that was initiated earlier this year by Albert Heijn and subsequently joined by C1000, Super de Boer and Plus. Due to the growing market share of discounters and the slowing economy, consumers are shedding retailer-loyalty and visiting multiple retailers for different products.

Through lowering prices for selected products, retailers try to position themselves better (price/product ratio) and attract the “floating consumer”.

It is not yet clear what the effect of this development will be on the margins of different participants in the retail chain and who will shoulder this burden for lower retail prices. In addition it is not yet clear if AH and others will successfully be able to fully compensate for lower margins on these select products by increasing prices for other products.

### More Expensive Stores Losing To Cheaper Ones

Expensive full service supermarkets like Konmar, Albert Heijn and Super de Boer have lost 2.6% market share, while cheaper supermarkets that also focus on quality products (like Edah, C1000, Jumbo and Plus) are filling the gap. The hard discounters Aldi and Lidl saw their market share increase as well.

**Figure 2: Changing Market Shares Of Dutch Leading Retailers**

Supermarket	2002	2003*	% Change
Konmar	5.7	4.5	-21
Super de Boer	9.5	8.8	-7
Albert Heijn	27.4	26.7	-3
	42.6	40	
Edah	5.1	5.5	+8
Jumbo	1.8	2.4	+33
Plus	3.7	4.5	+22
C1000	14.6	15.5	+6
	25.2	27.9	

\* first 6 months figures

Source: AC Nielsen/USDA

### The Need for Convenience Increases

In addition to the fact that consumers are shedding retailer-loyalty, they shop at different times and locations. During lunch breaks or shopping, people buy their lunch and the food products they need for preparing the evening dinner. Small convenience stores, like “AH To Go” are opened at locations near heavy traffic like train stations, schools, and shopping malls to satisfy these consumers’ needs.

The traditional neighborhood grocery stores are also expanding offerings of fresh and convenient prepared-foods with tailor made sandwiches, wraps and drinks to satisfy the consumers’ need for “food for now”. The ready-to-cook segment is also expanding.

## Section II. Road Map for Market Entry

### Entry Strategy

Success in introducing your product in the Dutch market depends, in large part, on knowledge of the market and personal contacts with knowledgeable importers. The importer, in combination with the Office of Agricultural Affairs (OAA) can provide detailed market information and insight. In addition, the OAA offers guidelines on business practices and import regulations ([www.fas.usda.gov](http://www.fas.usda.gov) Exporter Guide and FAIRS Report). Dutch importers often serve as distributors as well. FAS/Washington and the OAA maintains listings of importers.

### Market Structure

In the Netherlands, several large groups purchase products for the supermarkets chains. In most cases they are divisions of the operating companies in food retail like Albert Heijn, Laurus and Schuitema. However, the second largest purchase group in the Netherlands, Superunie, is not a food retail company. Superunie buys food products from national or international suppliers for its affiliated members.

**Figure 3: Leading Purchase Groups in The Netherlands**

Purchase Group	Formula
Albert Heijn Provincialeweg 11 1506 MA Zaandam <a href="http://www.ah.nl">www.ah.nl</a>	Albert Heijn
Superunie Industrieweg 22B 4153 BW Beesd <a href="http://www.superunie.nl">www.superunie.nl</a>	Jumbo, PLUS, Jan Linders, Vomar, Spar, DeKamarkt, Coop, Hoogvliet, Golff, etc.
Laurus Parrallelweg 64 5223 AL Den Bosch <a href="http://www.laurus.nl">www.laurus.nl</a>	Edah, Super de Boer, Konmar
Trade Service Netherlands (Schuitema) Databankweg 26 3821 AL Amersfoort <a href="http://www.schuitema.nl">www.schuitema.nl</a>	C1000
Koop Consult Edisonstraat 11 2171TV Sassenheim <a href="http://www.superjob.nl">www.superjob.nl</a>	Dirk van de Broek, Bas van der heijden, Digros, Jan Bruijns, Drogisterij & Dirx, Slijterijen DrikIII, etc.

Source: AC Nielsen/USDA

## Super Stores, Supermarket, Hyper Markets or Super Centers, Club & Warehouse Outlets

**Figure 4: Super Stores and Supermarkets**

Name	Format	Ownership	Locations
Albert Heijn	Supermarket	Royal Ahold	Nation wide
Jan Linders	Supermarket	Jan Linders	Regional
C1000	Supermarket	Royal Ahold	Nation wide
Edah	Supermarket	Laurus	Nation wide
Konmar	Supermarket	Laurus	Regional
Super de Boer	Supermarket	Laurus	Nation wide
Coop	Supermarket	CoopCodis	Nation wide
Jumbo	Super Stores	Jumbo	Regional
C1000	Super Stores	Royal Ahold	Nation wide
Konmar	Super Stores	Laurus	Regional
AH XL	Super Stores	Royal Ahold	Regional
C1000	Super Stores	Royal Ahold	Nation wide

Supermarket - retail surface 400 – 1,000 m<sup>2</sup>

Super Stores – retail surface 1,000 – 2,500 m<sup>2</sup>

## Discounters

**Figure 5: Discounters\***

Name	Ownership	Locations
Aldi	Aldi-Gruppe	Nation wide
Lidl	Lidl & Schwarz	Nation wide
Dirk van de Broek	Dirk van de Broek	Regional
Bas van der Heijden	Bas van der Heijden	Regional
Digros	Digros	Regional
Jan Bruijns	Jan Bruijns	Regional

\* retailers which price their product lower than the national average

## Department Stores

**Figure 6: Department Stores**

Name	Ownership	Locations
Bijenkorf products sold in Kitchenware Department	Vendex/KBB	Nation wide
HEMA private Label	Vendex/KBB	Nation wide
V&D	Vendex/KBB	Nation wide

## Convenience Stores, Gas Marts and Kiosks

### Convenience Stores

**Figure 7: Convenience Stores**

Name	Ownership	Locations
AH To Go	Royal Ahold	Regional

"AH to go" are situated at train stations, busy shopping streets and business districts, products sold are ready to eat meals, and other meal components or snacks.

### Gas Marts

**Figure 8: Gas Marts**

Name	Ownership	Locations
AH To Go	Royal Ahold	Regional

Shell - AH To Go

### Kiosks

Independent small shops dominate food outlets at train stations.

### Traditional Outlets

Grocery Stores, butcher Stores, bakeshops etc are still very popular in the Netherlands. Through extra service, sales of high-quality added value products and the serving of niche markets, they try to survive.

## Section III. Competition

Knowledgeable traders, re-export to other countries, good distribution systems, professional supermarkets and affluent consumers make the Netherlands an attractive export market. The Dutch processing industry is very competitive, but the position for primary producers is somewhat different. Due to high prices for farmland, high labor costs, high standards for food safety and animal welfare and multiple rules and regulations, the cost of producing raw materials is often high. As a result, the Netherlands increasingly sources from nearby countries. Trade with EU countries is fairly easy and inexpensive because of the free trade agreement and proximity.

However for some products, the Netherlands has to look outside the borders of the EU, e.g. for year-round availability of fresh fruit and vegetable. The Netherlands sources fresh produce from Southern Hemisphere Countries like Chile, Brazil and New Zealand. In addition to availability, cost is another important reason to source internationally. As a result, poultry is sourced from Thailand and Brazil.

Another reason why the food industry and retailers turn to foreign markets is to look for unique products. This can be either a new product or well-known products that are produced or packed in a different way and therefore appeal to Dutch consumers. However, keep in mind that, profit margins for the food industry and retail are under strong pressure at the moment.

**Figure 9: U.S. Market Share Versus Competitors For The Wine and Seafood Market**

<b>Product Category</b>	<b>Major Supply Sources</b>	<b>Strengths of Key Supply Countries</b>	<b>Adv. &amp; Disadv. of Local Suppliers</b>
<b>Wine:</b> Total imports: 689 million EURO	France: 43% Spain: 10% Portugal: 10%  United States: 3%	Good quality Export tradition/experience Proximity Famous holiday destination	No real commercial availability
<b>Seafood:</b> Total imports: 1.4 billion EURO	Germany: 13% Denmark: 11% UK: 10%  United States: 2%	Unique products TAC / Country's Quota Natural circumstance	EU regulations limit additional catch The domestic market is a fresh market

Source: Product Board of Wine, Product Board of Fish, USDA

## Section IV. Best Products Prospects

### A. Products Present In The Market That Have Good Sales Potential

- Wine
- Nuts
- Citrus Fruit Juice
- Processed Fruit and Vegetables
- Innovative Sauces and Condiments

### B. Products Not Present In Significant Quantities But Which Have Good Sales Potential

- Dried Fruits
- Functional Foods

### C. Products Not Present Because They Face Significant Barriers

- Red Meat and Meat Preparations (hormone ban)
- Poultry (sanitary procedures)

## Section V. Post Contact and Further Information

United States Department of Agriculture's Foreign Agricultural Service  
Agriculture Export Service  
<http://www.fas.usda.gov/agexport/exporter.html>

Office of Agricultural Affairs at the American Embassy  
Postal Address: U.S. Embassy-AGR, PC71, Box 038, APO AE 09715  
Visitor Address: Lange Voorhout 102, 2514 EJ The Hague, the Netherlands  
Phone: 31-70-3109299,  
Fax: 31-70-3657681,  
E-mail: [agthehague@fas.usda.gov](mailto:agthehague@fas.usda.gov)

For more information on exporting U.S. Products to the Netherlands, please visit the FAS website at [www.fas.usda.gov](http://www.fas.usda.gov)