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PL Plays Key Role in Coop Italia

By Sabine Geissler



Coop offers a full range of food products for everyday use including cookies, milk, olive oil, and tomato sauce.

Italy's leading retailer has made its Coop Italia brand into an essential element for the development of its group identity.

Coop Italia has focused its private label products to be essential for the development of the group identity, as well as for socially useful operations with an ethical, ecological, and economical impact of the group.

According to AC Nielsen, the Coop Italia brand products are worth a 30% of the total value of private label products sold in Italy and represent a 19% share of the total packaged consumers goods market in Italy.

of about 2 billion Euro.

COOP Italia brand products have a turnover

Over the years, the Coop Italia private label program has created different ranges with a clear positioning, linked by a unique graphic design and by a well defined policy in terms of quality control, value, and communication.

Every Day Value

Coop Italia offers a private label line of "basic" products for every day food consumption including pasta, olive oil, UHT milk, canned tomatoes, wheat flour, and coffee. It also has mainstay non-food household products such as washing powder, toilet paper, and soap.

According to Coop Italia, its Coop brand products needs to meet the following requirements and to fulfill the following values:

Good—the perceived product quality. Each product is approved by the Coop members through a committee (150 to 400 members) evaluating the potential Coop product against the same quality parameters of the relative market segment leader.

Coop Italia: Retail Leader

Coop Italia is the leading retail group of food and grocery products in Italy with a turnover of about 11.3 billion Euro (in 2004), a total market share of 17.7% and with a network of 1,276 outlets present in 17 Italian regions (out of 20 Italian regions).

The latest restructuring of Coop Italia, founded in 1854 as a Consumer Cooperative (Coop) in Turin, occurred in 2004. This involved a review of the territorial articulation of the system to obtain major synergies in the operations

Secure—the intrinsic quality, measured by the following parameters: production specifications, quality control systems, no GMOs, no colorants, additives only if necessary and in a minimum quantity, and traceability.

Coop Italia employs a quality symbol of the “four-leaf clover” in its super-fresh production chain for meat, fruit and vegetables, fish, milk, and eggs.

Ethical—the private label producers are requested to agree to a behavior code based on the SA8000 rules. They include:

- No child labor, forced work, discrimination of sex, race, and religion.
- Respect of the rules in terms of health and security in the conditions of the workplace environment.
- Respect for the right to create associations (trade unions).
- Equitable wages and working hours

Ecological—application, possibly on all products, of the following:

- No phosphates, CFC, pesticides, PVC.
- Use of recycled plastic materials.
- Use of reusable packaging, and reduction of overpackaging.
- Friend of the Sea program for fish and seafood products.
- Ecolabel certification.

Economical—the choice is to offer all Coop brand products at a fair price. This based on a price index versus the market leader which has an average of 75. Thus, there is an average 25% price savings (versus the leading brand) on a selection of about 140 basic Coop items. However, there are differentiated products in specific categories.

8 Specialty Ranges

Coop Italia offers its members eight Coop brand ranges with a specific “vision,” imprinted on sustainable products with an added value in terms of ethics, environment, attention to the modern consumer requirements, and price advantage.

1. Bio-Logici—organic products.

Coop Vision: To warrant a leading position in the natural foods market through the focus on food safety and taste in order to

and to create the base for the 2005 to 2008 development program. This plan calls for the creation of 83 new outlets with a total surface of about 315,000 square meters and an investment of more than 2 Billion Euro, creating about 10.000 new jobs.

Among the targets, there is the penetration of Coop Italia in Sicily with the creation of six outlets.

Today, the Coop Italia system has a base of more than 6 million persons (more than 10% of the Italian population) who have chosen to become shareholders of one of its 155 Consumer Cooperatives, which are organized in Ancc-Coop (Associazione Nazionale Cooperative di Consumatori – National Association of Consumer Cooperatives).

Ancc-Coop, located in Rome, is divided in three districts: Coop Adriatica, located in Bologna; Coop Tirrenica, located in Florence; and Coop North-East located in Milan.

Coop Italia has created internal service structures, which are the tools for the social and commercial development of the group.

There is a national consortium for centralized buying decisions and for the marketing policy. Coop Italia has internal and centralized departments for marketing, buying food and nonfood products, advertising/ communications, branding policy, quality definition and control, information systems and logistics.

The projects, innovations and initiatives of Coop Italia are proposed and submitted for approval to a rich network of specific commissions and work-groups formed by managers and specialists from the major cooperatives.

build an advantage against the natural food offers of competitors.

Coop Message: The bio-logici Coop organic products represent tasteful, good, healthy, and natural nutrition.

Indeed, Coop Italia has been one of the pioneers in the Italian retail market of “natural” products.

Even before starting to focus specifically on organic certified products, Coop Italia had created a specific range of fresh products (fruits, vegetables, meat) that came from integrated farming—products where the use of pesticides and chemical fertilizers have been reduced in favour of natural farming.

The range of Coop bio-logici organic products includes about 300 items.

The philosophy is typical for a cooperative structure, based on mutuality and democratic decisions of its members.

There is also the Inres consortium—National Institute for Consulting, Planning & Engineering. Inres is the consortium which creates the outlets of Coop Italia, managing all phases from the planning, real estate operations, construction, technological equipment and finishing of the outlets, with particular regard to the Coop values of a sustainable development, including environment protection, and reduction of emission of harmful substances.

2. Eco-Logici—environmental friendly products.

Coop Vision: To transmit the Coop group identity in terms of environmental protection.
Coop Message: With the environment friendly products eco-logici, Coop commits to the respect and protection of the today’s environment to create a cleaner and life-friendlier world.

This range includes household cleaning products, paper products, and biodegradable plates and glasses.

The range of Coop eco-logici ecological products includes 12 items.

3. Solidal—fair trade products.

Coop Vision: To express the social responsibility of the group.

Coop Message: The Coop products solidal give concrete support to the cooperatives and to the small communities in the Southern Hemisphere.

Through the international cooperative network, Coop Italia has the ability to create alliances and to “move” situations, and have a positive influence on small local economies. Coop Italia has sponsored different projects of International solidarity: in the past 6 years. It has put into being more than 35 projects, with interventions in 23 Countries through 28 ONGs selected by Coop.

The range of Coop solidal products includes about 23 items, mainly in the coffee and cacao/chocolate categories.

4. Fior Fiore—special regional food products for “extraordinary” eating occasions.

Coop Vision: To strengthen the modern sight of Coop Italia responding to consumer request for high-quality, certified regional food products for special eating occasions.

Coop Message: For fior fiore products, Coop Italia collects and selects the best recipes of the Italian gastronomical culture in order to help consumers to turn a normal day into “something special.”

With the fior fiore range, Coop Italia has created a means to distribute the specialty foods of the Italian culture on a large scale, and thereby building brand loyalty among the Italian consumer who is used to the consumption of quality regional products.

Coop Italia collaborates with the “Slow Food” network in the consumer education regarding certified PDO (Protected Designation of Origin) and PGI (Protected Geographical Indication) products.

The range of Coop fior fiore quality regional food products includes about 133 items.

5. Crescendo—baby and toddler products.

Coop Vision: To strengthen the bonds within a new family, expressing security and tranquility.

Coop Message: The Coop crescendo products offer a complete range of secure and reliable food and non-food products for the growth of the child from the first days of his / her life.

The Coop crescendo range has been developed as an alternative to the baby formula in powder form made by the major brands a cost of 30 Euro per kg, which was three times higher than in the other European countries.

Even though government officials had repeatedly requested the major brand manufacturers of baby food to reduce this price, no real change had occurred.

Coop Italia has created the two basic products: milk in powder for babies and milk in powder for babies II.

The Coop crescendo milk powder for babies was launched in 2004 with a price to the consumer of about 10 Euro per kg. It has had a striking success, bringing down also the general prices of the major baby food brands for this type of product.

Since this successful launch, products for toddlers have been added to this range. The range of baby and toddler products under the Coop crescendo brand includes about 116 items.

6. Soluzioni—ready meals and convenience foods designed for to meet the needs of the modern consumer.

Coop Vision: To convey the modern spirit of Coop, and to defend the leading position among the retail chains by responding to the new attitudes and buying decisions of consumers.

Coop Message: The Coop soluzioni products warrant a practical use and offer a quick preparation of meals for those consumers who wish, however, to maintain a high quality and tasty style of eating.

This range includes frozen ready meals, prepared sauces, freshly prepared pasta dishes and other typical Italian dishes.

The range of ready meals and convenience products under the Coop soluzioni brand includes about 131 items.

7. Essere—personal care products.

Coop Vision: To convey the modern spirit of Coop.

Coop Message: The Coop essere products a modern and safe response to the most personal

needs in terms of personal care products.

The range of personal care products under the Coop essere brand includes about 148 items.

8. Senza Glutine—gluten-free products.

The newest range under the Coop brand, launched in 2005.

Coop Vision: To contribute to and to strengthen the positioning of the Coop brand as a modern range responding to concrete consumer necessities.

In collaboration with AIC (Italian Association of Celiacs), Coop Italia has created products for celiac persons and there are about 143 Coop brand gluten-free items.

Coop Brand Advertising

These well-defined private label ranges are essential for the development strategy of Coop Italia. In the first quarter 2006, Coop Italia has launched a massive advertising campaign both on Italian TV and in the consumer press focusing on the Coop social responsibility, on sustainable development, and on the positive price/value relationship of Coop brand products.

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