

MERCADONA'S NEW EFFICIENT STORE MODEL

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Front of the store in the Peligros supermarket, Granada.









INTRODUCTION

Mercadona, a Spanish-owned, family-run supermarket, introduces its New Efficient Store Model. With this new model, Mercadona aims at reinforcing and renewing the pioneering atmosphere store model, which was started in 2000, by improving the distribution, decoration, eco-efficiency and layout of the different sections. The objective is to offer "The Boss" - as clients are known internally -

a more spacious, comfortable atmosphere, and an optimised layout of the assortment.

Thanks to this initiative, the company has also reinforced good quality employment for its **79.000 employees** who strive daily to offer the very best service to the **5.1 million households** who place their trust in Mercadona. To this end, the company has implemented a series of electronic devices that

allow for real time interaction from any location within the store and highly optimised processes.

Mercadona currently has more than **1,600 neighbourhood supermarkets** in 50 provinces located in all 17 Autonomous Communities, and the company is set to implement this New Store Model in the 126 refurbishments it plans to carry out in 2017.

The supermarkets in Puerto de Sagunto (Valencia) and Peligros (Granada) are the first two stores to implement the New Efficient Store Model



Store front of the Periodista Azzati supermarket in Puerto de Sagunto, Valencia.

RELEVANT INFORMATION AND RESULTS



"The Boss"

The new atmosphere store design is more spacious, comfortable and welcoming

New distribution and decoration aimed at improving shopping times and the shopping experience

The objective is to refurbish 126 supermarkets in 2017

The Employee

Implementation of new electronic devices to simplify processes and improve productivity

Collaboration with Valencia's Institute of Biomechanics to adapt the till workstations and avoid overexertion

Specific training in technology tools for all in-store employees

The Supplier

More than Rene

130 specialised technicians have collaborated in

have collaborated in the IT improvements

65 suppliers

have partaken of the development and construction of the New Store Model Society

Renewal of the Trencadís Murals,

handcrafted by more than 200 intellectually disabled people to provide some atmosphere to the different sections Eco-efficient Store: Up to

40% reduction in energy consumption

compared to a conventional store

Capital

The objective is to invest

€5M

in R&D+i in IT improvements during the course of 2017

The objective is to invest more than

€180_M

in refurbishments and renovations in 2017

Detail of the front featuring the bar code

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NEW EFFICIENT STORE MODEL

The new store offers numerous advantages for the "Bosses", as it optimises the shopping speed and the overall experience. As a matter of fact, the improvements introduced affect all of the store's processes as well as its appearance, and they go from the storefronts to the smallest, behind the scene details in the supermarket.

Thanks to this, Mercadona now has more comfortable, efficient stores for the 5.1 million households that shop at its supermarkets.

ENTRANCE

The entrance has been made more accessible and comfortable. The front features top to bottom glass, favouring the entry of natural lighting to the stores, which in turn enhances their luminosity and warmth.

The interior decorations include vertical lines representing product bar codes.

A double entrance has been favoured to avoid gusts of air, as well as an anti-slip carpet that prevents dirt from entering the store, and a perforated ceiling has also been installed to give the area some homogeneity. Also worthy of mention is the implementation of benches for clients to rest.

INSIDE

To surprise "The Boss", the inside of the store presents warm, interchangeable colours that favour the store's self-management, differentiate the sections and reinforce the concept of atmosphere stores.

The ceiling is made of vinyl tiles that are lighter and provide warmth to the atmosphere, and the main material used both for the tills and some of the sections is thermoplastic, on account of it being resistant to blows and changes in temperature.





Access to the Periodista Azzati supermarket in Puerto de Sagunto, Valencia, characterised by its amplitude and luminosity

A line of the new till units in the Finestrat la Marina supermarket, in Alicante.

THE NEW TILLS

The new tills improve workstation ergonomics while simplifying and optimising invoicing and speeding up changes between functionalities, which contributes towards improving the productivity of the employee's tasks. The new till unit has been designed in keeping with the results of the "Ergonomic evaluation of the new till unit at the supermarket cashier workstation" study, prepared in collaboration with Valencia's Institute of Biomechanics.

From among the numerous initiatives that have been undertaken, the improved space between the tills stands out, as well as the elimination of the turning motion by the employee, as all the different tasks are now performed facing the client.

Furthermore, this new till includes a receipt that "The Bosses" will find easier to read, as it has been designed based on their real needs."

More space between tills providing improved comfort for "The Bosses" and employees alike



Los Molinos supermarket in Paterna, Valencia.

FRESH AND DELI MEATS

The meat counter has become a finishing station where "The Bosses" may choose their tray, come to the section and request that they finish it to their individual taste.

In addition, the deli section is self-service, except in stores in the Canary Islands, the Valencian Community and the Balearic Islands, where it is combined with the deli counter.

Additionally, some stores include a ham knife-carving service, whereby the employee manually carves the amount of ham "The Boss" wishes to purchase.

BAKERY

The inside of the bakery expands to 60 m², and a storage area is created to improve comfort for the employees during the baking process.

FRUIT AND VEGETABLE

The fruit and vegetable section expands its aisles to a maximum of 7.5 metres in length, to provide improved comfort for "The Boss". Self-service freshly squeezed orange juice machines have also been implemented, and frozen product cabinets have been adapted in order that "The Boss" may access the products more comfortably. Furthermore, a space that is on view by "The Boss", called Zona de Corte, or slicing area, has been created, where the employees will prepare the fruit and vegetable without interfering with the clients shopping.

FISHMONGER

The employees now have a trolley to transport the crushed ice, and a specific module to place the shellfish in. In this way, employees may perform their tasks more comfortably, while "The Boss" is able to view the products more seamlessly.

SUSHI

Sushi gains protagonism in certain stores, leaving the fish section to gain its own cabinet.

PERFUMERY AND COSMETICS

This section stands out because of its new, independent central gondola, as well as its backlit modules.

DRINKS

The beverage section features a new wine cellar with reinforced posts and the incorporation of two new units, one for fresh milk and another for refrigerated juices.

THE SHOPPING CART

The new, lighter, much more comfortable shopping cart is renewed to match the new image. Furthermore, "The Boss" may now choose from one new basket model and two new, much more ergonomic carts.

REST AREAS

The staff rest areas are renewed to include a small kitchen where the employees will be more comfortable during break times.

LOCKERS FOR THE EMPLOYEES

The innovative new lockers stand out on account of having been designed to include a section on top in which to store footwear or helmets.















NEW DEVICES

The New Store Model includes a series of collaborative devices and tools with which to share any information from any section around the store.

The introduction of this improvement allows for linking up the invoicing system and the store's real stock. In this way, when products are put through the tills, they are immediately discounted from the store's stock levels.

These improvements also contemplate the employees' skills, as they now receive specific training, in order that they may learn to use the new devices and improve their technological skills.

Tablets replace paper for carrying out administrative tasks



Begoña, employee at the Los Molinos supermarket in Paterna, Valencia.

ENVIRONMENTAL COMMITMENT AND CSR

The New Store Model further reduces environmental impact. It adds new energy saving measures to the eco-efficient store model introduced in 2000, which at the time featured more than 20 measures aimed at increasing energy efficiency at the store, including presence detectors, low energy lighting and fast opening doors.

The company's commitment towards the environment, which it proved in 2012 by updating the model to include new technological advances - such as the refrigeration residual heat recovery system -, is once again reinforced by the introduction of the New Efficient Store Model.

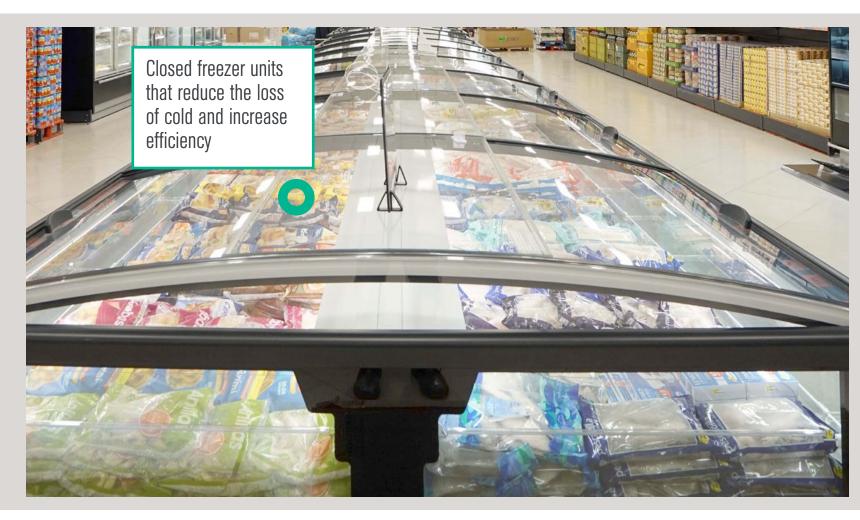
The new model introduces additional improvements, which, added to the previous ones, translate into energy savings of up to 40%.

ENERGY EFFICIENCY

All the freezer cabinets in the stores are equipped with doors that prevent the loss of cold, without reducing visibility or access to the products. The central cooling system further includes a floating condensation unit, a measure that reduces energy consumption and simplifies maintenance tasks.

The estimated savings in energy consumption in comparison with a conventional store are of up to 40%

A **subcritical CO**₂ **system** has been installed for the **production of industrial refrigeration**. This system brings about significant savings in energy consumption and reduces atmospheric emissions. Furthermore, free cooling - or mechanical natural ventilation - has been introduced, which is an energy efficiency measure that reuses air from the outside to help achieve the desired temperature inside the store.





BUILDING ENVELOPE ISOLATION

Thermal and acoustic isolation of the store's building envelope has been improved to take into account the temperature of each section. The process has included adapting the thickness of walls and ceilings, interrupting thermal bridges and increasing the isolating capacity of the outsidefacing windows' double glazing.

ACOUSTIC REDUCTION

In order to reduce **acoustic contamination**, the store's flooring has been modified. The floor tiles are larger and have been arranged diagonally. This avoids the acoustic impact produced by trolleys and pallet jacks.

ENERGY SAVING

All the lighting features LED technology.
Automatic control mechanisms have been introduced to regulate light intensity throughout the day as required.

WATER SAVINGS

A specific area for cleaning has been included in the new eco-efficient store model, whereby in addition to the automatic cleaning and disinfecting product dispensers that regulate consumption, an **automatic utensil cleaning system** has been installed that reduces cleaning tasks, as well as water and energy consumption.





TRENCADÍS MURALS

The Trencadís Murals, created by more than 200 intellectually disabled people, adapt their style to the New Store Model. The Murals present a wider design befitting of the company's new image, to decorate the meat, deli and fish sections.



Periodista Azzati supermarket in Puerto de Sagunto, Valencia.

