

PRESS RELEASE

16 February 2009
PB 009238

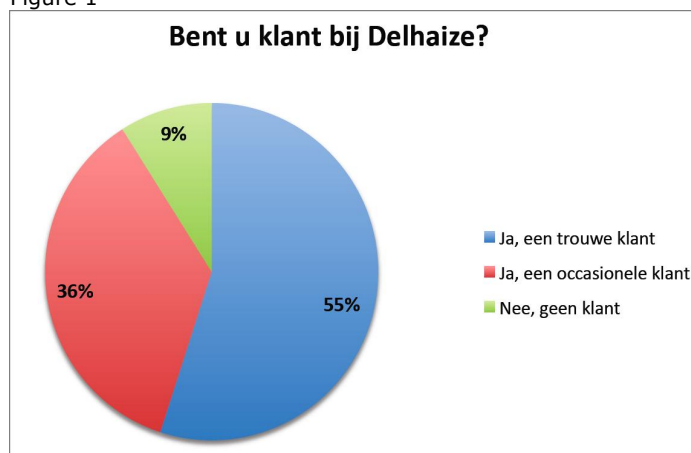
Colruyt is main beneficiary of dispute between Delhaize and Unilever

Brandhome has carried out an online study in the wake of the recent dispute over distribution between Unilever and the supermarket chain Delhaize. The Antwerp communication agency was looking for answers to a series of questions: how many Flemings shop at Delhaize? How many Flemings buy Unilever branded products? How are Flemings responding to the dispute? By choosing their favourite Unilever brands? Or by remaining loyal to their supermarket? And what alternatives do they have?

Virtually all Flemish people shop at Delhaize at one time or another

No less than 91% of Flemings shop at Delhaize from time to time. And as many as one Fleming in two describes him or herself as a loyal Delhaize customer.

Figure 1

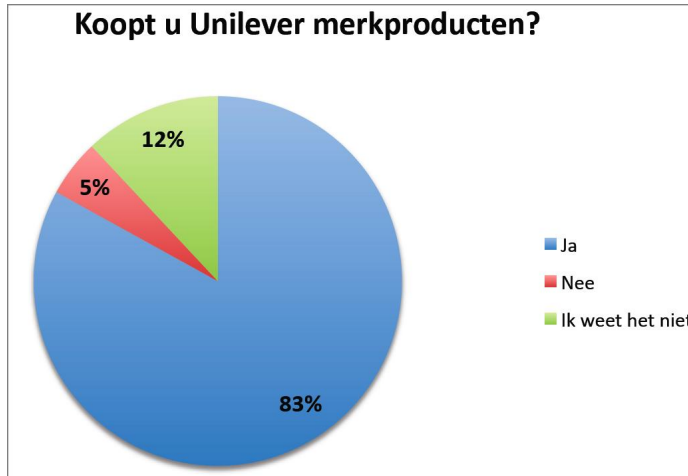


Three out of four Flemish people buy Unilever branded products

83% of Flemings buy Unilever branded products. 12% don't know whether there are Unilever branded products among their purchases.

Brandhome's strategic director, Erik Saelens: '83% is an extremely high rate for brand identification, but we need to put that percentage in perspective. The intense media focus on the incident and the empty shelves in Delhaize supermarkets have made consumers focus specifically on whether or not they buy Unilever branded goods.'

Figure 2



Half of Delhaize customers are continuing to shop at a Unilever-free Delhaize and are choosing alternative products

Half of Delhaize customers continue to shop as normal, choosing one of the alternatives where necessary (see figure 3): 50% opt for a different branded manufacturer, while 50% have switched to Delhaize’s own brand (see figure 4).

Brandhome’s Erik Saelens: ‘Unilever and Delhaize have both roused their customers out of their comfort zone. Customers now have to choose: switch supermarket or switch brand. Media reports that Delhaize will have to pay up to 30% more for Unilever products and that Delhaize has a higher cost structure than Colruyt, say, are all messages that will linger in customers’ minds. You can’t predict what effect that will have in the future.’

Colruyt and other A brands are the major beneficiaries of the dispute

31% of Delhaize customers are now shopping elsewhere for their favourite Unilever brands. 19% of Delhaize customers are dissatisfied and are still considering how to respond (see figure 3). 40% of Delhaize customers have switched to Colruyt to buy their favourite Unilever product. The Carrefour group is also benefiting from the dispute between Unilever and Delhaize.

These rivals serve a combined 34% of consumers who want their Unilever branded goods (see figure 5).

Brandhome’s Erik Saelens: ‘quite a few Delhaize customers will be questioning, whether consciously or otherwise, what has happened to their freedom of choice. An incident like this is a breach of the customer’s relationship with Delhaize. What’s more, 32% of Delhaize customers are now buying their favourite Unilever brands from rival retailers. And 19% still aren’t sure how to respond. If your customers start shopping at your competitors, there’s a substantial likelihood that they won’t come back. Especially when almost half are switching to Colruyt – the rival at which, according to the media, the whole debate first arose.’

Figure 3: What are you choosing now?

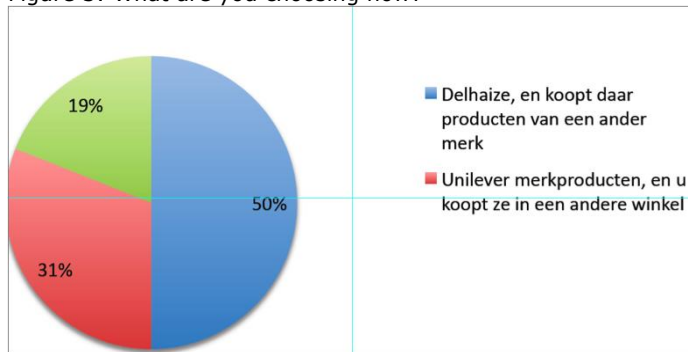


Figure 4

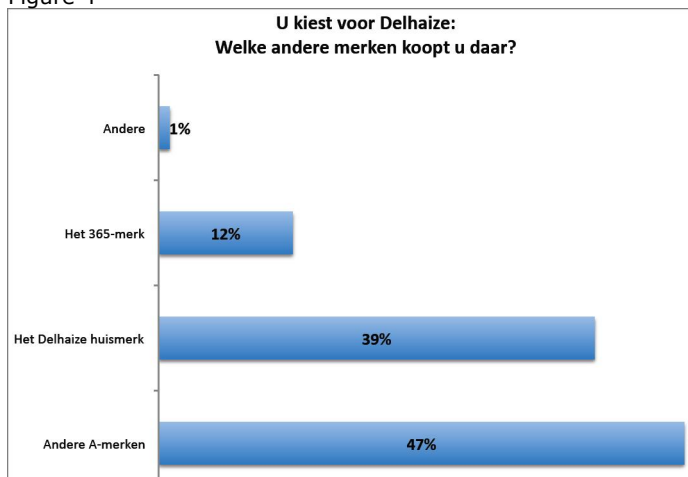
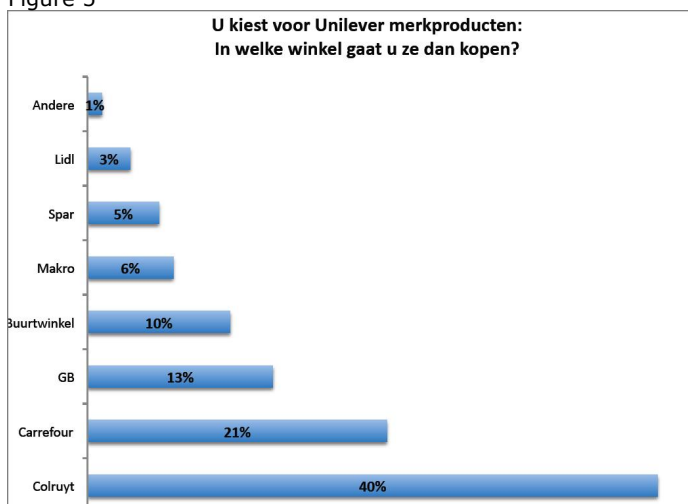


Figure 5





identity driven brand building®

'It's the old saying that when two dogs fight over a bone, a third dog will end up running off with it,' Saelens concludes. 'Below the line, both Delhaize and Unilever are losing from this. Other A brands and other retailers are benefiting. If Colruyt wants to respond aggressively, it can run adverts tomorrow highlighting the difference between Unilever branded products in its stores and those of Delhaize. That would really put the cat among the pigeons.'

Brandhome is a communication agency that works according to a unique and effective brand-building methodology, the Brandhome method®. The agency's key goals include constantly increasing brand knowledge. Brandhome is headquartered in Antwerp, Belgium.

* * * * *

Note for editors, not for publication:

For more information about this press release, please contact Machteld Schierbeek, machteld.schierbeek@frappa.net, +32 3 237 05 95.