

Marketing in action
case carrefour
consumer behavior
marketing essay



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Carrefour, a company based in France, is a key player in the retail distribution. It is the largest hypermarket chain as well as the second largest revenue generating retail store in the world after Wal-Mart. Carrefour's hypermarkets offer a range of food and non-food products. Carrefour has over 15000 stores operating in 33 countries worldwide.

Back in 2008, the financial crisis occurred and the access to credit and loans was limited. Consumers became price sensitive. Under a tight budget, Consumers spent less on expensive items that offered better brand name. Instead, they placed a greater emphasis on items that were cheaper in price.

This was a perfect time for a discount chain like Carrefour to exploit this consumer behavior. Carrefour learned from several recessions in the past that consumers were willing to switch brands in order to pursue new brands that offered the same quality and value. Thereby, Carrefour decided to offer the best deals in order to attract the most price seeking consumers.

Carrefour's consumers range from lower to upper middleclass people. These people consist of young singles, young married couples with or without children, single parents with children, unemployed people, middle-aged couples with children, and older married couples.

Carrefour compiled a database on the customers who have memberships. The membership form would require the shopper's email/home address and a voluntary section that list shopper's date of birth. The database was able to sort out members by their age and the goods they purchased. It also shows the frequent and non frequent shoppers.

Customers who buy nondurable goods such as clothing, personal care products, and entertainment tend to be young singles. Customers who buy gift items and home improvement items such as furniture, housewares tend to be young married couples/middle-aged married couples/middle-aged married couples with children. Even in recession, these groups still buy durable items beyond items of their necessity. On the other hand, customers who only buy necessities such as food, diapers, toilet paper tend to be single parents with children. Customers who buy mostly prescription drugs, food, vitamin pills tend to be old married couples. With the help of its database, it was able to target its consumer group directly.

Carrefour sent out discount coupons, via e-mail, of relatively expensive items to their affluent groups such as young singles, young married couples without/with children, middle-aged couples with children. These groups tend to have a large discretionary income. Carrefour sent out discount coupons, via email, of necessity items such as food, diapers less affluent groups such as single parents with children and older married couples. These groups usually can't afford big-ticket items and have less discretionary income. Carrefour offered each consumer group great promotions through e-mails.

Lastly, Carrefour realizes that there are going to be a lot of unemployed people due to the recession. Carrefour offered great deals for movie DVDs and alcohol, which are very popular during a recession as unemployed workers want entertainment and escape from reality. They advertise this through traditional advertising channels such as TV and Newspaper.

New Initiatives taken by Carrefour:

As consumers are willing to compare prices through different channels to find the best deal, Carrefour recently began to advertise in sites such as Facebook, Twitter, and blogs to capture these consumers. Advertising through these sites allows the company to reach a wide global audience. In addition, it is cheaper than the traditional methods of advertising. Most teenagers spend more time online watching videos than ever before. Consequently, Carrefour started posting its commercial on Youtube. Another new form of marketing Carrefour has been engaging is corporate social responsibility. There is an ever-increasing market of consumers who prefer to shop in a store that is ethically responsible. In the winter of 2008, Carrefour donated €35, 000 to help people affected by a flood in Colombia the harsh conditions. Carrefour made its positive action public through press releases and has received good reviews from its stakeholders. Lastly in 2009, Carrefour started a “ Positive is back” Campaign to help lighten the mood of people affected by the recession. Carrefour redecorated its city stores location to make life easier for its customers. The interior color scheme of the store along with its soothing background music and mood lighting create a peaceful shopping oasis in the middle of a city. This helps consumers enjoy their shopping experience and bring optimism into their lives. As a result, Carrefour was presented the Golden Banner Award in 2009 for its urban convenience concept. The techniques used by Carrefour have been extremely effective. Carrefour performed well even in times of recession. It has generated a profit while most other retails companies reported a loss in 2008-2009. Carrefour owes its success to its understanding of its customers and its ability to market to its target groups effectively.

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