

Diploma in h



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[pic] Diploma in Hospitality and Tourism HT 1020 Marketing in H&T The outlet of Carrefour® Lecturer: MR. Alvin Group name: 4+1 Group members:

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Introduction Our group has chosen Carrefour® for our project. In this report, firstly we will introduce its history briefly and then we will focus on 5 areas to analysis assessment and provide the detail that will enhance good marketing image/branding. The report will be conducted by analysis process, including situation analysis, identifying and explaining strategies, target customers needs and wants as well as the recommended implemented plans. 2.

Background (History) The Carrefour Company was established by the Fournier and Defforey families in 1959.

Over the past 40 years, the Carrefour group has grown to become the first largest retailer in Europe and the second largest retailer in the world, the group currently operates four main grocery store formats: hypermarkets, supermarkets, cash & carry and convenience stores. 3. Marketing research

3. 1 Marketing Concept Here are five key concepts under the Carrefour conduct their marketing activities. As we know, Production Concept is a concept where goods are produced without taking into consideration the choices or tastes of your customers. The Carrefour goods in the global procurement.

A commodity into Carrefour, manufacturers must first obtain a recognized headquarters negotiations, each branch orders through the system. Carrefour has an international commodity department, responsible for looking for resources in the world, Commodity introduced to purchasing department, then he will ordering the goods . But, Product concept is the understanding of the dynamics of the product and showcase, the best qualities of the product. Carrefour is based on low prices, excellent customer

service and a comfortable shopping environment for consumers to provide the required products of daily life.

Carrefour limited and carefully select the types of goods , It will first consider the needs of customers , From customers, employees, vendors, competitors obtain information to adjust the classification and respond to market trends, we need to understand the outside message, and then the reaction in the shop. For example, in 1994, Carrefour did not sell cosmetics, it selling computers in 1995 began selling cosmetics, computers. The Carrefour goods are usually priced lower than other markets .

The Carrefour goods are usually priced lower than other markets, In 1987 , Carrefour in Taiwan set off a sales promotion, reduce price lower than the normal market price of 20% to 50% , Carrefour through such sales way to make a profit . Carrefours through low-cost strategy, not only quickly occupied the market, and gradually establish a major feature of the full range. Sixties and seventies of the twentieth century, Carrefour launched " Vivez Libre" merchandise, free product is cheap unbranded products, the advertising slogan is: " 'free product', no name, just as good, and cheaper. Within two weeks, 80 percent of consumers tried free products, 70% of consumers become repeat customers, This success is based on a basic concept of Carrefour, that customerphilosophy. This is the marketing concept of Carrefour. Carrefour did not forget their socialresponsibilityand is committed to safeguard the quality and safety of products, spare no effort to promote the Carrefour Quality System, and around the farmers in China to jointly develop green products and organicfood, from product design, packaging and logistics the pursuit of environmentally friendly low-carbon.

In addition, it balance to the " 3c model " 3. 2 Service Marketing The world economy nowadays is increasingly characterized as a service economy that Marketing services holds a unique place in business acumen and required different strategies to be successful. Services are characterized by being intangible, perishable, variable and inseparable from their provider. Marketing Services is not just about selling something, it is a true encounter . In fact, the growth of the service sector has long been considered as indicative of a country's economic progress.

Economic history tells us that all developing nations have invariably experienced a shift from agriculture to industry and then to the service sector as the main stay of the economy . services now increasingly represent an integral part of the product and this interconnectedness of goods and services is represented on a goods-services continuum. 3. 2. 1 Services environment Carrefour supermarket have a warm feeling for consumer, it can increase sales. They offers holiday shopping channels, during the holiday season, customers can enjoy the convenience of shopping and fast.

External environment provides parking, special offers the announcement district and have different partition; wine drinking area, recreation area, bulk, grain and oil area, Hardware District. In each partition have the difference between all kinds of goods. The best-selling products usually put in the customer more easily to find it. If you can not find something, inside the supermarket staff will give you the greatest help. 3. 2. 2 Carrefour's service concept People-oriented . Carrefour attaches great importance to direct contact with the customer a line employeeeducationand training .

Because lower-level employees have the biggest impact on service perceptions. So that employees fully understand and comprehend enterprise service marketing's overall goals, enhance their customer service sense of responsibility and sincere love, and pay attention to cultivate their dealing with customers, and establish a good relationship with the customer. 3. 2. 3 Carrefour's quality of service management. Quality service ensures that customers are satisfied with what they have paid for, and maintain the key to customer satisfaction is the level of product quality.

For service companies provide intangible products, the evaluation of both the quality of their services include: customer service content beyond the basic services provided by the enterprise, also including the specific quality of the various services offered by the enterprise project. 3. 2. 4 Four-dimensional customer service Carrefour has four-dimensional customer service system that all the stores to install the " service satisfaction survey system", they can collect customer feedback as an important indicator of the stores appraisal to urge stores that continue to improve and optimize the services to improve the management level. . 3 Micro & Macro Environment Assessment The first time Carrefour created a new type of sales market, the hypermarket in 1963, the first time Carrefour set up the huge supermarket In French in the same year. The first time Carrefour entry international market in 1969, for now have more than 10000 stores in 31 countries and area, it is the NO. 39 top Fortune Global 500 in 2012.

Although the Carrefour is powerful in the world, it also has the weaknesses; the online shop development of Carrefour is lacking behind as compare to competitors, market in some countries lack of management or expertise in

this business. The way of Carrefour to development is at current markets possible to amplification at new aspect, or opens the stores in some countries that it didn't open before, such as some third-world country, this action not only can set up the new market for Carrefour but also can increase the opportunities of the local.

Absolutely, the Carrefour faces some threats; recent years there is a increase of competitors, thus causing a drop in market shares. Economy problem in Europe, has causes many forms of difficulty including revenues, costs and also trades. These are microenvironment of Carrefour. In the macro environment of Carrefour by using PEST to analysis the China market. China's membership in WTO has helped oversea investor to easily penetrate into the China market due to government standardizing its market laws and regulations to international standards.

Having one of the world largest population, the open market to the world has boast China's economy thus causing increase of wealth in the population, increasing the amount of middle class consumers greatly attracts foreign investors like Carrefour; To enter the market or expand their market shares in China. Due to internationalization, China social and culture is more or less affected as they are more exposed to the world, they are becoming more and more westernize.

Better wealth and social changes have also changes peoples buying behavior, consumers who have better income naturally believe that overseas products might be better than local ones. Such belief and buying behavior have causes brand and business from other country to target China's high spending market. Open market to the world also leads to increase research

and development in the country, as company and business coming in means that factory like assembly and production factories will start to move in too.

Technology and expertise start to increase in China due to this flow of business vast development. Business like Carrefour who carries house brand will consider moving its factories of production to China due to low labor costs and also the improve of technology and expertise will minimize the difficulty of shifting of factory; thus fast improvement in technology and expertise encourages business to shift its production or assembly line factory to China.

3. 4 Analyze Consumer Behavior

In recent years, Consumer makes many buying decisions everyday.

When it comes to shopping, the first thing come to the shopper mind is supermarket. The supermarket and people's lives are closely interrelated. However, supermarket environment, service attitude, commodity classification create a lot of influence on shoppers desire to shop.

3. 4. 1 Cultural Factors

One of the main characteristics affecting consumer behavior is a Culture factor, which exert the broadest and deepest influence on consumer behavior. For Carrefour, the business scope includes daily provisions, clothing, household appliances and etc. They have all kinds of goods that one need.

It is now introducing KFC in the shopping concept. FuNaiTe dry cleaning shop is another concept. It has more than 50 different brands available in the market. It is like a collection of store and leisure, catering and entertainment as one of the major integrated stores. They can completely satisfy the consumers " One-stop shopping" daily life consumption demand. There are three values that Carrefour always adheres to. They are Committing, Caring

and staying Positive. They respect the customer's shopping freedom and want as much customers as possible.

For customers, employees and suppliers, they have to trust each other. 3. 4.

2 Social Factors A consumer's behavior is influenced by social factors. The Carrefour group is also responsible for the society. Carrefour actively participate in China's public welfare undertakings and community activities, supporting and participating in Beijing's bid for the Olympic Games and Shanghai world expo bid, and with a variety of forms to the affected areas, hope school, welfare institutions urgently needed goods donated. All of these influences our consumers and let our life more colorful.

So people like to go Carrefour for consumption. 3. 4. 3 Personal Factors A buyer's decisions are also influenced by personal characteristics. The economic situation of buyer is very important in purchasing goods. For Carrefour, they are not only providing the consumer Variety and special commodity to choice, such as food, Personal care, home supplies, Style leisure and so on. But they also have many promotion activities. Let consumer feel the money that was spent is valued. Because of the " One-Stop Shopping" concept, buyers managed to save time in shopping.

Carrefour determined in expanding as many business lines as possible, so that customers can purchase a neat daily necessity catered to all the classes, which located in different level of consumption customers. Commodity classification allows buyers to easily find things they are looking for in the shortest period of time frame. 3. 4. 4 Psychological Factors Psychological factors also play a role in consumer behavior. For example the Carrefour make full use of light and off-price merchandise to create the

whole store a better atmosphere. As if making the customer feels the urge to buy upon entering Carrefour. . 5 Segmenting Consumer Markets we can identify from 7 aspects to segmentation consumer market. The first aspect is the geographic segmentation. Geographic Segmentation is collecting and analyzing information according to the physical location of the customers or other data source. Carrefour marketers use geographic segmentation because they know where to sell their products to increase advertising and sales effect. For example, there are different numbers of population among each province in China then Guangdong consists of highest population with 160, 000, 000 peoples.

Therefore, Carrefour should put more attention in Guangdong as the geographic in Guangdong is stronger compare than other province. Secondly, demographic segmentation calls for dividing the market into groups based on variables like age, sex, income, familylife cycle, religion, education etc. Carrefour has targeted their demographic segment on age groups to enhance the performance of the organization. By age group report, age group from 15 to 64 years old had the highest number of people.

In short, Carrefour Company should focus more on age group from 15 to 64 years old by identify their needs and wants. In this age group from 0-14 years old, they are more demanding in toys, milk, nappies, baby foods and prams. Age group from 15-64 years old has a broader and variety needs such as fashion item, cosmetic, apparels andhealthcare products. Age above 65 have less demand, they like to buy a newspaper. Next, gender segmentation calls for dividing a market into different groups based on sex.

Men tend to be cigarette and wine, whereas women tend to cosmetics and clothes.

Fourthly, Carrefour marketers focus on the age and life cycle segmentation including provision of different products or use different marketing method for different angles and life cycle group. Fifthly aspect is income segmentation. Since the present income gap still very big, low-income people could not afford some expensive things, such as diamond and gold. Next is psychographic segmentation. It calls for dividing a market into different groups based on social class, lifestyle, or personal characteristics. Finally aspect is behavioral segmentation.

This group based on consumer knowledge, attitudes, uses, or responses to a product. Carrefour marketers believe that behavior variables are the best starting point for building market segments. 4. News 4. 1 The Asia market territory is narrowing. On July 5th of 2012, according to people familiar with the matter, Carrefour trapped in big shareholder pressure, they are considering selling its branch, Malaysia, Singapore and Thailand, in order to raise \$1 billion. Carrefour has been hiring Goldman group, UBS assist to asset auction. However, the plan is still in the primary stage. 4. 2 Suspected price fraud

This year , on January 6, by the national development and reform commission disclosure suspected price fraud, using the original fiction to attract customers high settlement, not to perform price commitment, misleading price marking and so on the many kinds of fraud. For example, Shanghai Carrefour Nan Xiang shop sales bow and arrow spherical teapot, price tag labeling each 36. 80 Yuan, the actual settlement price 49. 00 Yuan

each, Sales clove auspicious teapot, price tag labeling each 36. 90 Yuan, the actual settlement price 66 Yuan each. 5. Recommended Strategy & Implementation Plan

They should improve the quality of service of the employees, at the same time clearly the price supermarket products. That can not engage in fraud. Attention should be paid to the education and training of the front-line employees in direct contact with customers, so that they fully understand and appreciate the overall objectives of the enterprise services marketing, and enhance their sense of responsibility for customer service and a sincere love and attention to train them to deal with the customer, with the customer to establish good relations and other aspects of high-level skills. 6.

Conclusion

Through the marketing research of Carrefour, We know that committed, caring and positive, these three values reflect the Carrefour's culture. The Carrefour marketing concept is to low prices, excellent customer service and comfortable shopping environment for the vast number of consumers with daily life for all kinds of consumer goods. To customer commitment is in the price, product variety, quality, service and convenience and so on, various aspects meet the needs of the consumers. Carrefour as the greatest influence of first-class enterprise in the world, they also still exist some defects to be changed.

In general, Carrefour provided the best service to customer and consumer everyday. Let everyone to enjoy better quality of life everyday. Reference list Carrefour. 2011. Current news. [online] Available at: <http://www.carrefour.com/cdc/group/our-group/>. [Accessed November 11 2011].

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