

Digital transformation plan for Carrefour-JO

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**Introduction**

Carrefour is a French hypermarket established in 1959. Carrefour has over 12,225 stores in over 30 countries; Carrefour in one of the big players in the retail and hyper market due to its convince , low selling point, freshness through those 60 years(carrefour group 1).  
Currently, multiple of carrefours competitors such as Walmart, Tesco, etc. are planning to go digital in the upcoming years, which means it's crucial for Carrefour to make a plan to go digital; otherwise competitors will overshine and Carrefour would be outdated.  
Here is an analysis of the current Carrefour situation.

Weakness

-poor presence in the Asian market

-bad media image due to France government which lead to boy cutting French companies

Strengths

-Easily accessible due to the number of branches

-low cost of supply because they are local French suppliers

Threats

-competitors overshining it in the digitalized format

Opportunities

-targeting higher class consumers

-extending its reach by going digital

**Analysis**

To start planning how can carrefour turn digital we need first to take a deeper look on how retail and hyper markets operate to detect possible challenges and planning how to overcome them.

The supply chain of hypermarkets starts with the manufacturer worldwide factories distribute goods through transportation all the goods are stored in facilities know as grocery distribution center after those goods are transported from the distribution center to the retail store in the end consumers purchase them here is a visual model of carrefour supply chain.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Firm infrastructure**  Financing, planning, and management | | | | |
| **Human resources management**  Wages, employment, tracking performance | | | | |
| **Technology department**  Sales information and updates, tracking supply | | | | |
| **Procurement**  Coordination between suppliers and keep track of the inventory | | | | |
| **Inbound logistics**  -Keeping track of data  -transportation (trucks, vehicles)  -storage faculty  -Raw material | **Operations**  -navigating sales  -inventory checkup | **Outbound**  -ordering the right quantity from the distribution center  -delivery tucks navigation | **Sales and marketing**  -pricing  -communication  -Promotion | **Services**  -delivery  -customer service  -maintenance |

(edrawmax)

To summarize carrefour has 5 main pillars

1-raw material processing (factories)

2-transportation

3-distribtion facilities

4- retail store

5- end consumer

**Implementation**

My plan to digitalize carrefour in Jordan has two major parts the first is to transform carrefour from a business to consumer company into business to consumer and business to business company

Secondly to eliminate the need for a retail store.

Jordan only has 7 hypermarkets 3 are foreign and 4 are local Table

Description automatically generated

(researchgate)

For that reason small retail market are the most common that is because Jordan does not have a public transportation system so people cannot reach those hypermarkets so they buy all the stuff they need from small retail stores as seen in the diagram more than 80% of foreign hyper markets are located in Amman and there is no transportation method so the rest of Jordan apart from Amman they buy everything the need from local hypermarkets and local retail stores in addition there is only 506 wholesale distributors which is really low for a country with over 12 million citizens

Which leads to my point to transform carrefour into a distribution company in Jordan for that to be there is a couple of steps need to be done

1. Creating an E-commerce platform for wholesale.
2. Rules and regulation between carrefour and the business need to be set.
3. Controlling market prices to ensure local retail stores will not undercut carrefour.
4. A contract is created between carrefour and local retail store that it will not buy wholesale goods from another distributor for an agreed upon period of time.

iii. All interactions with carrefour will be VIA the E-commerce platform.

iv. A proof of owning the local retail store to ensure no wholesales are being distributed to local consumers.

V. A team of health control will examine the retail stores every two weeks to ensure the goods are stored and sold safely under the health code agreement.

3) purchasing multiple of storages across Jordan and converted into food distribution facilities.

4) all transportation will be done by local transportation companies such (nuqol group) to encourage employment of Jordanians which will be great for marketing reasons and help us gain local support.

5) Collaborating with local and regional manufacturers such as (Baladna, Zaki, Hamoodeh) to get the best prices.

6) creating a huge campaign to ensure organization in the Jordanian community.

7) All labor forces employees will be from refugee camps because Jordan as a high number of refugees that are unemployed which will increase the local support

8) Creating a logistics team well-funded to ensure and keep track of the goods transported from the distribution facilities until they reach the local retailor

9) All transaction will be held digitally with zero human interaction VIA (visa and crypto currencies)

By applying the following conditions carrefour will enter a market which is already low in competitors in addition to the digitalization there is no wholesale food distributor in Jordan who is currently digitalized they are way far behind due to lack of funding so I believe there will be low to zero competition in the wholesale distribution sector in Jordan which would ensure a huge profit for carrefour if they got into the wholesale area.

The second change that must be done to transform carrefour completely digital, is relaying completely on E-commerce that will no longer need retail stores. By eliminating the need for a retail stores there is a huge cut in expenses from renting to electricity and maintenance etc... the vision is for the consumer to no longer need to go to carrefour spend around 45 minutes then drive back to the required location instead in the comfort of his own home he can open our E-commerce app select the things he need pay via (visa or any electronical payment method) and wait till his items are delivered.

Challenges that will occur

1. Lack of engagement visualizing and the ability to touch and sense the object Infront of you improves the shopping experience and that cannot be done virtually
2. No emotional connections people usually prefer a certain hypermarket over the other due to customer service and the over all vibe of the hypermarket that cannot be achieved virtually
3. Educating people on how to use E-commerce will be challenging
4. Consumer reaction to change

Those are the main challenges that carrefour will need to solve to have a successful digital transformation

Lack of engagement and visualizing cannot be completely solve its in our nature as humans with a proper campaign and marketing making people realize how much is it a waste of time to go shopping and how difficult it is compared to the comfort and time saving E-commerce it will take time but with the right influencer and a long term plan people will no longer value the engagement and the ability to sense the item instead they will focus on the pros such as saving time and effort in addition with the use of augmented reality our E-commerce platform will portrait the image of a chosen item instead the platform will be designed as a normal hypermarket with shelfs and aisle so that the consumer can still have some sort of engagement with the product, for example its going to be an option in the platform called virtual shopping by clicking on it the consumer will see each aisle and each product like in real life and it will be equipped with easy to navigate buttons to give the consumer the whole experience.

The second point by being the first hypermarket in Jordan to go digital by the time any other competitor decides to go digitalized it would be long enough till the consumer is familiar with our website and how it functions in addition to a team of programmers are going to make the E-commerce application as easy as possible to allow the consumer to have a smooth shopping experience this way we can assure that even if there is competition still the consumer will choose our platform

Both point 3 and 4 are currently worldwide challenges because of the fast pace change into the digital world, there is no solution for that problem but there is a way to make the consumer adapt in a fast pace by the use of local influencers Jordan has multiple of regional influencers with great audience range carrefour will make a contract with those influencers to casually and continuously post on their social media on how to use carrefour E-commerce platform and in addition to advertising and creating the image in the consumer head over time that carrefour has the most efficient shopping method.

For that to be possible carrefour must implement the following

1. Big budget to create the best E-commerce platform
2. Collaborating with local transportation application in Jordan such as (UBER and Careem)
3. A department just for coordinating between the distribution facility and the transportation
4. A vast number of transportation vehicles to ensure fast and reliable way to make sure that the products reach the consumer
5. Emphasizing on marketing and the use of influencers to create the best image for this shopping experience

**Conclusion**

Overall, my plan for digitalizing carrefour in Jordan is to completely relay on E-commerce and that carrefour also enter that market of wholefood sale I believe

By implanting those changes carrefour will cut alot of its expense due to the considerable number of products ordered because of the wholesale so the price of the product will me much cheaper which mean greater margin for profit in addition to solving the transportation problem in Jordan this way carrefour is not just for people in Amman it for Jordan as a whole.

Referencing

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