PESTEL OF THE LARGE DISTRIBUTION

Numerical introduction

Large-scale retailing is one of the most important economic sectors for French territory and, a fortiori, for the whole world. In 2020, more than 44,000 food outlets were listed and at least 10,900 municipalities in France have at least one general grocery store.

1

1

Politics

1

Note that each country has its own rules and the distribution must take account of various laws and regulations before bringing a product, especially.

1

1

It is a sector where competition is certainly very high, but which also attracts a large number of customers every day, regardless of the brands. The health crisis did not affect this type of business, which remained open since they were obviously considered essential businesses.

If customers tend to desert for some of them the too large hypermarkets in favor of smaller sales spaces, it remains that the brands of the sector do not know any particular difficulties.

Sociological

The clientele in the large distribution is very vast, there is no particular targeting on the part of the brands. The most important thing therefore is to be able to satisfy everyone and also fight against competitors.

The behavior of consumers towards large-scale retail trade is different from that analyzed in other sectors. In 2020, more than 80% of customers go to the supermarket closest to their home.

Most of them retain customers by means of a loyalty card, which allows them to accumulate points and win discounts on all kinds of products.

1

As in all other sectors of activity, large-scale distribution has been forced to adapt to technological innovations. Automated checkouts or click-and-collect, everything is being done to make shopping and customer travel easier.

Since the beginning of the health crisis, click and collect has taken on considerable importance in customers' purchasing habits.

Hypermarkets are increasingly competing with specialized stores by highlighting sales areas dedicated to technology, with specially present sales advisers to help customers in their choices.

1) Large retailers want to be closer in 2020 to the needs and expectations of consumers, with an increased presence on the Internet and particularly on social networks. The latter allow them to fight more effectively against competitors by maintaining a permanent interaction with internet users.

Ecological

1

1) In addition, the bags become reusable at will by the customer and many brands deliver cardboard boxes for click and collect. 2) Moreover, the bags become reusable at will by the customer and many brands deliver cardboard boxes for click and collect.

Legal

At the legal level, large retailers are subject to laws that protect consumers. Opening hours and days are regulated in order not to operate too unfair competition against other small businesses.

The terms of withdrawal for technology products or household appliances are the same as in specialized stores.

The obligation of transparency in the origins of products is also in place.

1) REFERENCES

According to Nielsen, sales in the large distribution sector increased by 8.5% in 2020 compared to 2019. This increase is mainly due to the health crisis and the closure of restaurants which has led consumers to buy more food products from supermarkets. In addition, online sales have also increased significantly during this period, with a growth rate of +30%.