Political Economic Social Technological Environmental Legal Distribution

Introduction encrypted

The great distribution is part of the most important sectors at an economic level for the territory of France and all the more so for the world as a whole. In 2020, it are over 44,000 food sales points that are listed and at least 10,900 communes in France have at least one general food store.

The main signs present on the territory are Leclerc, Auchan, U, Intermarché, Carrefour and Casino. They hold 85% of the market share by themselves. Discount stores also form part of this landscape, with a 60% increase in clientele over the past 10 years. The sector's turnover exceeds 210 million euros, with more than 700000 employees, of whom 89% are directly engaged on a permanent contract. The payroll is 15.7 billion euros in 2020.

Analyse PESTEL of the retail sector

Political

The political domain engages the stability of states and ease of exchanging with international partners for all types of products that concern certain product categories. Indeed, large retailers regularly work with foreign countries to have a wide range of references in their shelves and thus satisfy consumers.

We note that each country has its own rules and the distributions must take into account the various laws and regulations before bringing a product in particular.

Economic

The great distribution must have a great influence on the economy of a country, since food products are part of the essentials for all consumers.

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

If customers tend to desert certain hypermarkets for some of them in favor of smaller sales spaces, it remains that the sector's signs do not know particular difficulties.

Sociological

The clientèle in large-scale distribution is very vast, there is no particular targeting by the store signs. Consequently, it is most important to be able to satisfy everyone and also fight against competitors.

Consumer behavior towards large-scale distribution is different from that analyzed in other sectors. In 2020, more than 80% of clients go to the supermarket nearest their home.

Most customers remain loyal thanks to a loyalty card, which allows them to accumulate points and gain discounts on all sorts of products.

Technological

Like in all other sectors of activity, large-scale distribution has been forced to adapt to technological innovations. Automated cash registers, or click-and-collect, everything is being done to facilitate shopping and customer travel.

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

Hypermarkets are increasingly competing with specialized stores by highlighting dedicated sales spaces for technologies, with specially present sales consultants to help customers in their choices.

The great distribution wants in 2020 to be closer to the needs and expectations of consumers, with an increased presence on the net and more particularly on social networks. These latter allow for a more effective fight against competitors by maintaining a permanent interaction with internet users.

Ecological

The great distribution, like a majority of other companies, has made a big effort in recent years to adapt to the ecological demand of partners and clients. Indeed, organic products have appeared on shelves a few years ago and references continue to increase even today. Consumers are very demanding about this type of product which gradually, has extended to all areas of activity, food certainly, but also household products and textiles.

Meanwhile, bags become reusable at will by the customer and many brands deliver cardboard boxes for click and collect.

Legal

At the legal level, large distributions are subject to laws that protect consumers. Store hours as well as days are regulated, in order to avoid unfair competition against other small businesses - :

The conditions of withdrawal regarding technological products or electrical appliances are the same as in specialized stores.

Transparency in the origin of products is also a must.

REFERENCES

According to Nielsen, sales in the large distribution sector increased by more than plus more off-set.