

# MASS RETAILING

## February 2010

Mass retailing covers two major sectors: food and non-food.

Mass retailing in the food sector can be found primarily in the following types of stores:

- Supermarkets and superstores that offer a large choice of products and services.
- Big-box outlets that emphasize price with fewer choices and a deliberate policy for reducing costs.
- Convenience stores: Growing rapidly, this class of stores responds to quick purchases from consumers in heavily trafficked areas both in downtown and rural areas.

Food retailers manage multi-brand stores that offer, depending on their size and store policy, a more or less wide range of products. They may also offer specific consumer services such as preferred customer (loyalty) cards, home delivery, advice and guidance, and so on.

Non-food or specialized mass retailing includes large and medium-sized stores in many different sectors—among them home improvement, gardening, household appliances, sports equipment, and personal care.

The wide array of products is a characteristic of large-scale retailing in France. Leading international brands and regional products at the lowest possible prices are designed to meet the needs of all sorts of customers.

Mass retailing leaders in France: an evolving economic model

Fields: Management, finance, and trade

See also the following profiles: Management; human resource management; tourism, hotel and restaurant management

**Professional, opportunities**: Management, communications, trade, sales

Having developed an efficient business model, French mass retailers have expanded internationally, but change is in the air. Carrefour, the largest French and European retailer, is the world's second-largest after the U.S. chain Walmart. Other chains, especially those composed of independent stores such as Leclerc and Système U, are seeing their market share rise steadily. Supermarkets and superstores have reacted to the rise of the big-box discount stores by developing and emphasizing products sold under store labels and offering more attractive pricing through promotional campaigns. The growing consumer preference for healthy eating has encouraged alternative means of supply, notably associations that deal in local, farm-raised products.

Mass retailing, a job-creating sector that brings together many occupations

Overall, mass retailing in France is a job-creating sector that accounts for a substantial percentage of business employment. France's trade and retail federation counts more than 630,000 salaried employees in the food industry. They in nearly 11,500 large retail stores that generate some €173 billion in revenue.

Mass retailing occupations are extremely diverse and include the following:

- · Marketing.
- Communications.
- · Financial and business management.
- Human resources.
- Logistics.
- Business computing and information systems management.
- Sales and purchasing. These represent a third of all retail jobs and require management skills.
- Traditional trades (bakery, butcher, pastry, fish) requiring specialized kitchens or other facilities, and specific skills to guarantee quality control and compliance with health and sanitary regulations.
- Central offices that provide administrative services and perform operational activities (purchasing, stocking, sales) have developed highly technical support units that handle construction, buildouts and furnishing, urban planning, and sustainable development.

# ORGANIZATION OF HIGHER EDUCATION



## Two-year undergraduate degrees

 $\underline{\text{DUT}} \ (\textit{diplôme universitaire de technologie}, a \ 2\text{-year technical diploma offered by universities})$ 

- DUT in merchandising

The merchandising program trains market researchers, customer service representatives, assistant brand managers, sales representatives, and buyers capable of eventually assuming managerial responsibilities in marketing and sales (managing a sales team).

- DUT in logistics and transportation management

The DUT program in logistics and transportation prepares graduates to manage a small to mid-sized company, and to assume logistical and transportation responsibilities in larger companies.

<u>BTS</u> (brevet de technicien supérieur, a 2-year technical certificate offered in secondary schools)

- BTS in management of business units

This program focuses on management of sales teams, management of customer relations, management and promotion of products and services, and marshaling of data and business information

- BTS in negotiation and customer relations

This BTS trains sales personnel for all types of sales work, geared toward firms whose production does not require technical or specialized skills or knowledge. Graduates often take jobs in the field (e.g., traveling salesmen, door-to-door sales).



- BTS in international business

Buying, selling, and negotiating: most holders of this degree work in France rather than abroad. They prepare contracts that conform to customs regulations. To enroll in this program, students must speak two foreign languages, one of which must be English.

- BTS in sales

As sales people and negotiators, graduates manage relations with customers to create long-term personal relationships that add value.

- BTS in accounting and organizational management

This BTS trains personnel to translate business operations into accounting terms as assistants and associates in corporate or organizational accounting departments.

· BTS in transportation

This program produces technical operations personnel for the transport sector.

#### First undergraduate degree

International business academies train students in 2 or 3 years for sales positions in France or abroad.

More than 30 schools of business offer 3-year programs that prepare graduates to quickly assume middle-management positions. Most schools allow holders of another 2-year postsecondary degree to obtain their business degree in 2 additional years.

Selective schools of general management affiliated with local chambers of commerce and industry admit students based on their performance on a competitive exam, their academic record, and an oral interview and are established by Chambers of Commerce and Industry.

## Advanced programs in business (4-5 years of postsecondary study)

Just over 100 business schools in France offer 4-year programs and admit students directly out of secondary school (that is, they do not require applicants to have completed a 2-year preparatory program). These schools offer specialized programs in trade, sales, marketing, and other business fields.

Business schools, specialized schools

Some examples:

- The Ecole Supérieure de Gestion et de Commerce International de Paris allows students to specialize in international trade, business and marketing, or business communications.
- The Institut International de Commerce et de Distribution bases its teaching on interactive learning, made possible by small class size and an emphasis on exposure to the business world, including international experience.
- The Institut de Préparation à l'Administration et à la Gestion has campuses in Paris and Nice. The first two years include internships or traineeships in companies. In their third year, students specialize in operational marketing, sales functions, logistics, management control, or international business.

## Professional degree programs offered in France's universities

Three-year <u>professional licence programs</u> (licences professionnelles) in law, economics, and management and in economics and management offer a large number of business-related options.

#### Master's programs

- Professional master's in law, economics and management
- Professional master's in management and business administration
- Professional master's in marketing, specialization in sales and distribution
- Professional master's in economics and management, concentration in management and international businesss, specialization in international purchasing and distribution of goods and services
- Research master's in law, economics, and management, concentration in corporate law, specialization in retail law and business contracts

# **NEW CAREERS IN MASS RETAILING**



Food safety and the ability to track products through the supply chain are up-and-coming areas of specialization (quality control, prevention and mitigation of health risks) Another growth area for the mass retailing sector is management of information systems. The successful organization of supply networks, growth in the number of sales outlets, and greater globalization of brands all require standardized systems and real-time data processing (customer data bases, business statistics, product data bases, supplier data bases, store performance, data mining).

Logistics is also a hot field, with the arrival of new technologies for the automation of order preparation, warehouse practices, optimization of product cycles and shelf life, and management of flows of data and merchandise.

The growth of e-commerce has also created new occupations that demand new skills.

Finally, the large retail chains are important actors in land-use planning and development in the areas where they operate. Like the communities that host them, they face the challenges of sustainable development—among them energy conservation, waste management, recycling, multimodal transportation, the construction of "green" stores, and the increased demand for organic products. Thus, retail chains require skills in the fields of urban planning, local development, architecture, and sustainable development are equally sought after by these companies.

# **INTERNATIONAL RECOGNITION**



Because of its prominent international presence, French mass retailing is recognized as a leading model. Moreover, the superstore (hypermarché) is a French creation. This dynamic sector, which provides 75 percent of retail jobs, stands out equally for its ability to incorporate traditional trades (butcher, bakery, pastry sections) for which France has a long-standing reputation and expertise.

## **Useful Websites**

#### Professional journals

- LSA magazine: http://www.lsa-conso.fr
- Points de vente magazine: http://www.pointsdevente.fr
- Linéaires magazine: http://www.lineaires.com

Corporate, government, and professional Web sites

See Web sites for the following retail chains: Carrefour, Auchan, Casino, Leclerc, Intermarché, SystèmeU, Cora, Decathlon, Ikea, Conforama, But, Leroy Merlin, FNAC, and Darty

- Fédération du commerce et de la distribution (FCD, trade and retail federation) http://www.fcd.asso.fr/
- Portal for France's chambers of commerce and industry

http://www.cci.fr/

• French Ministry of Economics, Industry and Employment http://www.economie.gouv.fr/

#### Information on degree programs:

http://www.letudiant.fr/metiers/secteur/commerce-distribution.html http://www.studyrama.com/secteur.php?id\_rubrique=3519

- L'Ecole Supérieure de Gestion et de Commerce International de Paris http://www.esgci.com
- L'Institut International de Commerce et de Distribution (
  http://www.icdparis.com
- L'Institut de Préparation à l'Administration et à la Gestion http://www.ipag.fr

## Keywords

brand – consumer goods – central purchasing units – trade – cybermarket – e-commerce – food – food safety – hypermarket – logistics – management – marketing – mass retailing (food and non-food) – production – retail chains – retailers – retailing – retail occupations – supermarkets – superstores – sales – supply chain management – trade and retail federation



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