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The urge to adapt to the French urban millennials in the food retailing industry.

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Abstract

The urge to adapt to the French urban millennials in the food retailing industry.

French food retailers have been relying on the same supermarket model for years which used to be a great success. However, the young generation consumer behaviors and concerns are distinct from its elders which negatively impact profits.

This paper chooses to focus on the retailers' former strategies and successes contrasting the current trends and habits among the French millennials who represent 23% of the national population and keep on increasing. French millennial customer habits will be portrayed.

Furthermore, links between existing innovative propositions and customer expectations will be drawn alongside recommendations.

Keywords: Food retailer, French millennials, trends, customer behavior

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Introduction

This paper focuses on food retailing in France and this country has been chosen as a framework due to the nationality of the author. It argues that there is a gap between the current strategies of French retailers, that can be explained through the history of the French nation, and the ongoing tactics which are still at a design or even brainstorming stage and therefore do not move fast enough to build a competitive advantage.

Two of the largest French retailing companies are listed in the Fortune 500. However, the traditional supermarket they built their fame and fortune on is no longer profitable. Since their creation in the 60's, the French society has radically evolved and they need to face a no-coming-back change in its customers habits.

If mass production and standardization have been their motto for 30 years, the French 18-34 year-old population is now looking for customization and have implemented daily solutions to their concerns such as recycling, eating organic and biological food or paying online due to time constraints. Retailers took different routes from basic self-service, low-price war to internationalization. It is now the time for back-to-basics food items, digitalization of stores and an ecofriendly and ethical brand image.

The model being relatively strong for years, retailers have a good amount of strengths and opportunities to rely on but need to act and take their strategy to the next step in order to keep up with a fast-moving and innovative retailing industry. In addition, globalization is clearly visible and behaviors tend to merge but yet, the French millennial is still different and needs to be understood as an individual.

Already representing a quarter of the national population, French millennials' share keeps on growing as more and more get into the professional world and start earning incomes. Hence, this is the most important part of the population to watch out in the coming years.

Retailers are slowly picking up with ongoing trends and need to innovate in order not to lose

current customers who have a low retention rate, attract potential prospects, and be financially sustainable. Throughout the years, retailers have strategized to stay competitive and quite conclusive results have loomed. Each new food store model covers several millennials pain points but cannot always be applied to the French society and need to be thought through to answer the right need for this specific client.

I - Literature review: History of French retailers

a) Starting point

In the *Vingtième Siècle*, an history journal published in 2006, Jean-Claude Daumas wrote his article "Consommation de masse et grande distribution: Une révolution permanente (1957-2005)" where he depicts the French food retailers' strategies alongside the history of the French society. He points out the cause-effect relationships between the society back then and the different laws that positively contributed to the creation and expansion of the well-known French food retailing system whose growth has started declining since the mid-seventies. In fact, until the second part of the 20th Century, the commerce in France was only composed of independent sellers, each one of them with their specialty. There were 795 827 shops in 1950, among them 375 850 were food shops (Daumas, 2006). Neither price nor product differentiation existed. People indeed, used to go to the closest shop and merchants sold few articles at high prices.

The supermarket model was imported in France in 1957 on the influence of the USA and Fordism. In 2012, two consulting groups, Eurogroup Consulting and Responsibility Management conducted a research on the societal and economical role of food retailing within the French society. It indicates that the country was living an unprecedented time, the 'Glorious

Thirty' between 1945 to 1975, when it got industrialized and people started having extra money to spend which contributed to the proliferation of this model.

b) The different types of supermarkets since 50's/60's

The previously mentioned researches and Le Monde's hypermarket concept timeline (2013) all agree that the first self-service shops opened in 1948 by chain stores like Goulet-Turpin or Casino. The idea was to have a self-service store without the help of a seller, pre-packed items, baskets to help one-self carry the items, obvious price tags and check-outs at the end.

Nowadays, most grocery shopping places are still featured the same way.

A discount supermarket franchise was started one year later by Edouard Leclerc selling 25-30% cheaper than usual by getting items directly from industrials, decreasing overhead costs as much as possible, having a small portfolio of high-turnover items and selling at a low margin.

Supermarkets, born in the US in 1930, are large self-service places from 400m² to 2500m².

Only 108 existed in 1961 but it slowly boomed with 1453 in 1969 which is explained by the withdrawal of a fixed-price law under the De Gaulle government alongside the slow acceptance of this model by the population.

The first real French hypermarket (supermarket above 2500m²) was opened in 1963 under the name of Carrefour. It had a 2500m² space, less than 30 km from a big city with a parking lot where clients could find food but not only, "everything under the same roof" as they described it. The success of this model made Carrefour and Euromarché open bigger stores attached to shopping malls.

Besides these 2 big brands, Mammouth was the 3rd pioneer of the French retailing system at that time. Their stores were smaller hypermarkets with an urban presence and 70% of their items were food.

c) End of 1970's: a new route

In times of two oil crisis and economic downturn, French people's purchasing power slew down. To counter this trend, retailers initiated a new strategy focusing on firstly, diversification with specialized stores such as Bricorama (Intermarché's group) or Boulanger (Auchan's group) selling respectively DIY and electrical appliances; secondly, the creation of cheap private label products and thirdly, internalization going to markets where retailing was not yet developed such as Carrefour in Spain in 1973, Brazil in 1975 or Taiwan in 1989 (Daumas, 2006). Isabelle Lescent-Giles also added in her article "The Americanization of food retailing in Britain and France since the 1960s" in the book *Americanization in the 20th Century Europe: business, culture, politics. Volume 2* published in 2002 that the seventies were marked by a product diversification and innovation where good-sellers were foreign food which already announced the beginning of globalization and the search of other criteria than low prices in the food selection.

d) A 90's new era: personalized mass consumption

If mass consumption could characterize habits until 1990's, this new decade unveiled a search for quality and personalized items which forced retailers to do more qualitative than quantitative marketing but always keeping in mind low prices. In addition, this decade saw the success of the hard discount model which was explained by a purchasing power stagnation. These stores used to be associated to lower-income social classes but are now well democratized with 12,8% market share in 2018 (Kantar Worldpanel, 2018) but this number keeps on decreasing as it was at its climax in 2009 with 14,2% (LSA Conso, 2018). The shrinkage of their market shares is partially due to the multiplication of sales by famous F&B brands as much as it is not necessarily cheaper to go to a hard discounter but it is also due to the gentrification of the model. It now has been a few years that Lidl likes to be called a "soft

discounter” with larger stores, extended opening hours, in-store bakeries, fresh food and more brands available (LSA Conso, 2012).

e) 2000's emergence of new strategies

As the French market was saturated, merger and acquisitions appealed to be a growth solution. In 2000, 5 companies owned 80,7% (Daumas, 2006) share and today 78,6% is owned by 6 groups: Leclerc, Carrefour, Intermarché, Casino, Système U, Auchan (Kantar, 2018). Hence, this market has always been highly concentrated.

The change in the way of living pushed the supermarket brands to move towards rising products quality, improving their brand image paired with the right product portfolio to keep an intelligible brand identity and always keeping low or fair prices. Jean-Claude Daumas assumes that today’s challenge lies on the clientele fidelity and data learning to satisfy the right needs while hard discount and specialized stores are growing.

In 2013, Sophie Lestrade completes this latter idea with "Le commerce de proximité de la grande distribution en France. De nouveaux modèles de magasins pour de nouvelles relations avec la ville ?". She writes down what any French person has witnessed in the past few years: a multiplication of proximity stores with smaller formats and a product portfolio that can be described as ‘last-minute’ or ‘lunch-at-work’ in big cities. These companies try to segment its stores depending on neighbourhoods and she finally gets to this conclusion: big food stores are now located in large families or lower income neighbourhoods where clients buy big formats to reduce their total cost and proximity stores are booming in the city or surrounding well-off areas as these customers look for more quality and specialized shops but it is also explained by the lack of supermarkets in the cities.

In addition, Daumas (2006) speculates that marketing is no longer related to the products but the brands. As an example, Intermarché conveys the image of a close-to-merchants supermarket and decided in 2006 to cut down by 20% its offer so that its items reflect its new

brand identity.

As a matter of fact, all brands had to improve their global offer in the past 10 years by having a front office to answer questions, a better in-store signage system, improving their after-sales service, click&collect service but also having a biologic line of products or regional products to follow needs and trends. Indeed, 70% of the hypermarkets have a click & collect service that 1/4 French families use (Nielsen, 2016). According to a 2018 study led by Editions Dauvers and WinMinute called "L'Observatoire du Vrac", 38% of the supermarkets (71% for hypermarkets) have bulk products section mainly for biological items (54%) and vegetables (34%) to answer the growing demand.

With today's trends to eat from local biological agriculture to cashless payment, the 'big 6' try to keep up but have a hard time retaining their clients and find new ways to modernize the hypermarket format.

f) Globalization

Luckily for French retailers, globalization has also made it slightly easier. The previously-mentioned internationalization strategy from the 70's has been favored by globalization and the rapprochement of worldwide consumption behaviors. The word glocalization was popularized by Roland Robertson in 1980. In a conference called "Globalization and Indigenous Culture", he stated that it "means the simultaneity, the co-presence, of both universalizing and particularizing tendencies". It is one of the keys to success for multi-national retailers who could not only offer global and local food worldwide but also get the most out of best practices abroad. For instance, Auchan China has allied with Alibaba to experiment the self-minute box store with mobile payment, consolidating its consumer knowledge to better perform in China and elsewhere. If only 10% of Chinese people prefer cash over mobile payment (The Wall Street Journal, 2018), MMA (Mobile Marketing Association France) found out that only 7% converted to mobile payment in France but with a

progression of +35%. Auchan would then be ready to adapt its Chinese payment method to France when the time comes.

This literature review raises the question of efficiency in the multiplication of strategies towards Millennials. These strategies are explained by the history of the country and can be legitimized. However, these approaches effects still need to be demonstrated on the next most powerful share of the French society in terms of purchasing power.

One can assume from its personal knowledge that a total digitalization of the food offer could be implemented. Nonetheless, the young generation has shown a clear will to go back to the roots of nature in its food habits which challenges the future of French retailers.

II- Current situation: business tactics and consumer habits

The methodology used in order to understand how retailers can approach millennials is qualitative. A qualitative SWOT analysis will be drawn to understand the internal and external environments of French food retailers in their home country. The author collects information on factors that influence the development of an organization, which is generally used to assess the competitiveness of a company in a specific region, as well as data on the French millennial customer habits to create a bridge between what does the company have or will have that fits its target's needs.

a) SWOT analysis of French retailers' attractiveness to French costumers

The literature and secondary data helped in articulating a general SWOT analysis of the 'big 6' given the fact that they have similar characteristics.

Strengths:

Price If there is one thing clients know for sure is that they would hardly find cheaper

products than in supermarkets thanks to the cheap retailer label products but also to the numerous sales that are done on famous brands year-round. In 2016, a LSA/PLMA survey revealed that only 1,5% French person declared never buying private label items and 79,7% have their prices as main purchase motivation.

Late seventies strategy The formula activity diversification/low-price label products/internationalization is what sustains their model as one re-equilibrates the balance. As an example, Carrefour plans on 2,400 job eliminations in France from 2018 but still makes 53% of its profits abroad (Reuters, 2017).

Click&collect store coverage With 4421 click&collect in France, 8/10 online groceries sales are from the click&collect service, the rest being delivered at home (Nielsen, 2018). As a matter of fact, Auchan drive and Carrefour drive were ranked 2nd and 3rd best stores in a ShopperMind survey by the Altavia group in 2017.

Weaknesses:

Low popularity The retailing sector popularity rate is low among French people as they do not trust big groups. A quarter of the French population do not trust retailers' items when it comes to food which is mostly due to recent food and ecological scandals (Toluna, 2016).

Lack of fidelity The French customer is only faithful to rewards and promotions. Retailers tried to implement fidelity cards but clients have several and would switch to a different store depending on ongoing promotions. In 2014, the Toluna Institute conducted a survey on fidelity where 93% of French people regretted they were not systematically rewarded for their faithfulness and 85% expected at least discount coupons in return.

Hypermarkets underperformance The growing decrease of profits for these retailers are mainly due to the under-performance of the hypermarket model. A 2017 Kantar Worldpanel study highlighted the 0,3% growth of the hypermarket model in the past 3 years when the whole French market increased by 3%, the proximity model by +7% and the click&collect

model by +40%. For instance, if Casino Group announced a +1,9% growth in 2018, it mainly is a result of its e-commerce website Cdiscount that reached a +18,4% growth whereas its hypermarkets only improved by +0,8% (Le Monde, 2017).

Opportunities:

Gaining in flexibility with smaller formats Studies show that the hypermarket model is declining. In the meantime, smaller formats such as proximity or specialized stores are gaining more weight. Reducing the size of a store would be a way to reduce renting costs and facilitating openings, the law being more flexible with limited-sized stores. As an example, Auchan's first pedestrian click&collect in Lille has a surface of only 130m² (Lineaires, 2018) and therefore is a cheap new model to invest in or give up on, if not successful.

Picking up on ever-changing trends and having a business model that allow rapid changes would be the key to always adapt to current behaviors. Monoprix reaffirmed its cool and funny brand status with its last Valentine's day or Cannes festival campaigns changing the packaging of some products for only a couple of days which shows their adjustability (Les Echos, 2018).

Embrace participation, Participation designates a behavioral implication that can be physical or mental (Harris et al., 2001). It has a wide range of actions but it certainly has an omnichannel resonance for the connected millennials. Florence Chaffiotte (2018), marketing director at Monoprix, explains how they segment social media to target the right audience and explains that the key is to act toward their targets, follow what is trendy and connect with them by talking the 'same language'. Their last Pokemon Go campaign demonstrates their will to be close to ephemeral communities. They tweeted the release of a Pokemon Go kit that was only available in short quantities which could not fulfill the 10,000 fans who went to the store to get it.

Threats:

Innovation If French retailers exported their business model abroad, foreign companies would do the same. The French retailing landscape has been the same for years which is why the market might be open to changes. There is a threat of new concept stores opening in the next few years. Case in point, Amazon Go in the US has a walk-out service with no checking-out, Walmart in the US directly delivers into people's fridges, any store in China is equipped with phone payment system and Amazon fresh in Paris already allows clients to be delivered fresh food within 2 hours (CNet, 2018).

Large investments As large entities, French retailers' processes are hardly flexible and implementation comes at a cost. Lidl decided a gentrification strategy in 2012 and invested 4,5 billion euros over 10 years which constitutes a no-turning back investment (L'Express, 2016).

Legal changes and their unpredictable nature can affect retailers from one day to the other. As an example, the LME law fixes negotiation rules between retailers and food industrials not involving producers since 2008. This law has favored the rising unhappiness of French producers who are impoverishing. Therefore, this law could be modified, which will cause unexpected changes in the retailer's buying contracts.

More recently, the 'Yellow jacket movement' has blocked the roads to strike against the rise of oil prices. As a consequence, the retailing industry has lost 35% of profits only on November, 17th that marks the beginning of the Christmas season, declared Nielsen.

b) French millennial customers characteristics

French retailers' strategies have been explored in the first part of this paper. The supply and the demand equation having two sides, the demand part needs to be qualitatively defined as well. This paper focuses on the new generation and especially the millennials as they are about to represent 75% of the active population by 2025 which is to say that they will

constitute most of the world companies 'profit concerns.

While it has been hard for researchers to fix a universal age range for this specific generation, this paper decides to stick to the Pew Research center (2018) definition of millennials who are individuals born between 1996 and 1981. They belong to the same generation as they mostly remember events such as 11/9 or wars in the Middle East, internet slowly entered their lives and they always lived their professional lives in a recession time.

This generation has been documented worldwide and it is to be noted that the globalization of behaviors is very present. Therefore, global trends apply for French millennials even if a few particularities need to be highlighted in their way of consuming.

Millennials are particularly saving and savvy as 6/10 French young people compare food prices online according to a 2017 Kantar TNS study called Food is Social. They want to know their relatives 'opinions, what is the product, what are the brand values and most importantly what is their best alternative. Product marketing is no longer enough as the internet allows rapid in-store comparisons. They tend to spend less on food as their yearly average basket costs 2741 euros which is almost a thousand euro less than the following generation (35-49 years old) who spends 3636 euros (Kantar Worldpanel, 2017).

They trust the community. Indeed, 46% French people do recommend food items to their friends (Kantar Worldpanel, 2017) and ratings have invaded the internet. Bloggers were born with this generation Y and they surf on cults of personality/way of life to recommend products. Very recently, "grocery shopping feedback" bloggers emerged in France and shoot videos unpacking their groceries, recommending food they tried and quoting where they bought it with prices.

They are omni-channeled and have the habit of comparing online and they are not looking for a one-stop store and "all under the same roof" as the Carrefour founders said, but rather for

trustworthy specialized stores. They go from specialized outlets on and offline, small local stores to big retailers. Kantar TNS (2017) pointed out that 44% of the 18-24 year old do online grocery shopping.

They look for authenticity which is one the reason for being omni-channelled and locavorism is a big trend. Quality without impacting the environment, consuming local and in-season appeal to be the best option as it also allows local producers to make a living. This is how brands that are true and transparent such as Michel&Augustin, Innocent or Les 2 Vaches got successful (Kantar TNS, 2017).

Specific diets go alongside authenticity. From vegan, lactose-free to simply eco-friendly, millennials have concerns about their health and their surrounding environment and can stick to a specific diet. Some apps capitalized on these ongoing diets, as Yuka and Kwalito, that are leaders in France (01net, 2018). They enable users to scan any food item and the apps provide information on nutritional values or categorize food per diet. In fact, 4/10 French millennials follow their diet thanks to an app which is why Auchan also started the La Vie en Bleu program on its regular app where clients can scan their receipt, get a nutritional assessment and get recommendations for Auchan's bleu products (Auchan Retail, 2017).

This is a snacking generation but they look for quality, certain nutritional values and rapidness. As a matter of fact, the consulting firm Food Service Vision conducted a survey in 2017 on French Millennials eating-out habits and found out that 29% of out-of-home meals are snacks and meals on-the-go.

The Y generation is ultra-connected as much as they are called digital natives which reflects on their customer journey. Mood Media (2017) surveyed French Millennials in 2017 and it turns out that 42% use their phone at the supermarket to ask for relatives' recommendations (34%) or compare prices (28%). However, online payments are still not popular.

Participation, millennials like to be involved into their favorite brand life. If they can choose a new design, logo, recipe, tweet or comment about it, they tend to like it better.

Social media are the key to success and several retailers try to federate a community and sell specific items to a targeted clientele. Monoprix decided to play the young and urban card by having campaigns with play on words about the series games of thrones for example. They now gather more than 1 million Facebook fans and 234 000 Instagram followers (November 2018).

Even if habits globally tend to merge, the French culture is still distinct from its neighbour's. As a first particularity, French people as a whole do not trust big groups and especially when it comes to food as previously mentioned. This makes it harder for French retailers that have a large food portfolio to prove themselves to the consumer who is hesitant when buying. Secondly, French people are at-home chefs. 66,6% French buy basic ingredients to cook themselves and 91% French millennials regularly cook at home but ready-made meals consumption is growing due to the decrease of time allocation to grocery shopping and cooking. French people spend 25% less time cooking than in 1986 (INSEE, 2015). Finally, French people are found to have a particular way to snack. A study led by Vitagora and Ipsos in 2015 shows that the French population's favourite snacks are fruits, cheese and yogurts and are most likely to have them at home.

c) One global behavior? The Chine young consumer

In order to highlight the specificities of the French millennial and based on the author's personal experience living in the Chinese culture for almost 2 years, particularities of the young Chinese consumer will be displayed.

Food delivery: The Chinese millennial works longer hours and goes home even later commuting back home as living in the city center is expensive. The one-child policy also

made them more willing to socialize and frequently eat with friends and colleagues. Therefore, ordering food is a convenient option. It is fast with an hour delivery time, cheap as restaurant multiply online offers and the delivery fee costs no more than two euro, the offer is diversified as almost all restaurants use it and Wechat or Alipay payments are available. Out of 179 million Chinese users for delivery apps, 54.6% are millennials between 18 and 34 years old (Statista, 2018).

The payment method is crucial. Chinese millennials slightly carry cash and would not even think that a store does not allow WeChat or Alipay payments. Even though 69% of the Chinese population declares having concerns about their personal information being hacked, there is still 80% of the population using mobile phone payments (PWC China, 2017).

They have other concerns or priorities as they care about a store having a home delivery service (46% vs 25% globally), online automatic subscription (30% vs 14% globally), self-checkouts to gain more time only attracts 17% and only 18% of the total Chinese population admit using the click and collect option (PWC China, 2017).

To conclude, even if there is convergence of behaviors globally, cultural differences are still to be noted and the French millennials have their own characteristics that need to be addressed by retailers. Strengths and opportunities of retailers coupled with a proper knowledge of the target can help in having a new strategy path.

III- Changes in the retailing landscape

To address the eventual barriers that millennials face when going to a supermarket, most supermarkets have a competitive price strategy allied with clear information on labels and invest in the store/app mix (L'ADN, 2016). However, some companies have moved towards new innovative store models.

a) Amazon Go in the US

Amazon Go was born from an Amazon acquisition of Whole Foods. Amazon is known to be a pure player, a company that invests its resources in only one line of business (Investopedia), as an e-tailer. Its usual core competencies lie on logistics and supply chain. By acquiring Whole Foods on August, 28th 2018, Amazon entered the brick and mortar market. They together pursue a store with "high-quality, natural and organic food affordable for everyone" (Whole Foods Market). They put together alongside with electronical companies the 'just walk out' tech patent so that customers can freely walk out the store without passing by the checkouts. This answers convenience and time-saving matters and it shows that users are open to online payment as they let Amazon charge them without any pre-notification. As far as France is concerned, Le Monde had declared in October 2017 that Amazon was looking to acquire a French retailer. Monoprix is be the closest example of Whole Foods in terms of positioning. However, their owners, the Casino group declined. Amazon approached two other chains, Intermarché and Système U, who even had a strong response declaring "Amazon is not our friend: in the end, their final goal is to eat us and we will not open our door and give them the menu" (Le Monde, 2017) showing the fierce competition.

b) Pedestrian click&collect in France

The click&collect in the super/hypermarkets in France will soon reach maturity as 4421 stores are now equipped. However, they are in the outskirts of the city and require a car which cannot fit the urban citizens. Auchan started the urban driving click&collect in 2014 with one store in Paris. However, Cora and Leclerc changed the goalposts in 2017 when opening their pedestrian click&collect in Metz and Lille. The latter has several advantages to attract customers such as 12,000 items available compared to 6,000 in urban proximity stores, same prices as the city outskirts super and hypermarkets (low prices are possible thanks to replenishment in the closest hypermarkets and lower rental fee due to smaller size pick-up

stores), larger opening hours, they have a local and biological vegetable basket option and most importantly they are accessible by foot in the heart of the city. Interestingly, 90,2% of the Lille store customers were not using any click&collect before the Leclerc pedestrian one which is to say they created a new channel in the city, 28 year old is the average age of the consumers (50 year old for hypermarkets and 39 for the classical click&collect) and 91,5% considers the proximity to their home/work as being the main advantage. Leclerc has now 2 stores in Lille and Auchan just opened one in the hope of attracting the 10,000 inhabitants that live in a 500m ray (LSA Conso, 2018).

This model has limits for some companies. Cora, for example, can only rely on its 60 supermarkets in France to replenish its urban click&collect pick-up points which will certainly cause a limitation in the expansion of its urban stores.

c) digitalization/humanization in Paris

Jean-Charles Naouri (2018), Casino group CEO stated "The retail business is now innovation-centric, and this goes beyond mere technology". Casino 4 was opened in the Champs Elysees in 2018 in a proximity format where not only customers can choose among 6,000 items but they can also order them on screens to be delivered at home. The wine section has a counselor, some read-meals are made from chefs, it has an in-store bakery and even a co-working space. Casino's main goal is to blur the line between digital and physical. As a clear example, there is a furniture display room from the pure-player Cdiscount (Casino group) so that people can have the opportunity to see items before ordering online and food item information are available on screens.

This format is still at an experimental stage. Loads of propositions are offered to clients and results will emerge for Casino who will get to understand better its clients and potentially millennials. Having a digital but still humanized store was a priority for Casino who considers the customers experience a mix of both technology and human contact.

IV - TOWS analysis, recommendations and limitations

The TOWS analysis is a variant of SWOT (Albert Humphrey at Stanford Research Institute, 1960's) that allows to cross the external environment (opportunities and threats) with the internal environment of a company (strengths and weaknesses) in order to find how to grow the business with all these factors.

Strengths-Opportunities:

-If participation should be more present in the retailing landscape, retailers could let the customers dictate what they would like to see implemented and therefore follow the current trends. Social media are a tool to get customer's ideas.

-Diversification already is incremented into the retailers 'groups strategies, it should help them being open and have constant innovation teams, trends trackers or startups ecosystem within their entities for even more innovation.

-Retailers should always think about leveraging their current offers. As an example, they already have a varied bulk bio offer and click&collect services installed and could offer the bulk service or a weekly bulk bio basket to click and collect.

Weaknesses-Opportunities:

- Federate an online community with a specific diet for which the retailer would become a reference of low/fair price, quality and trustworthiness for this specific segment. The retailer has to make choices and focus on a few segments.

-The hypermarket is underperforming but it is still working and essential to the lives of a lot of families. Retailers should simply allocate less money on this model and put more on other projects to satisfy other segments of clients or prospects.

Strengths-Threats:

-Diversification is essential to reduce risks and adapt better to trends but also to have other cards to play when the legal environment of one business compromises it. Investing in

relatively cheap projects such as the pedestrian click&collect with one opening at first helps building better customer proficiency and see if it could be further explored at a later stage.

-Millennials are more price-conscious but are also price-responsible. They would pay more if they knew the product was ethically or eco-friendly produced. Some prices could be raised, the margin for the producers and retailers would increase and finance other investments.

Weaknesses-Threats:

-The lack of fidelity cannot be reversed with such a big portfolio but the brand could focus on some segments and therefore some products.

-Large investments would be necessary for companies that are quite static to innovation.

When having an innovation team that is constantly looking for opportunities and regularly implement new ideas, it is less costly to catch up with a trend.

Recommendations:

After understanding what do the former successes of French retailers lie on, the current situation of their strategies and the French millennial profile coupled with current food retailing innovations, the author of this paper would like to emphasize on two main points as recommendations, the first one is a special focus on present trends and strengths and the second one is has a focus on the future and innovation.

Focus on present trends and strengths

French retailers are indeed massive companies because they do have several strengths to rely on and the author supports the idea of implementing more measures with the current backbones and not to underestimate what is already existing: thinking ahead with ideas that could already be implemented without changing the business model. As an example, letting the client do its regular grocery shopping but relieving them from taking the bags home and

have a proper 'shop&go' service or enabling payment at different places in-store such as the bakery's, fishmonger's or bulk area not to force the client going through long checkouts when they might just want to purchase one or two items.

In addition, the innovation race is one thing but taking care of normal life items is already a big helping hand to costumers. The simple little things in life should not be forgotten. There are items that clients do not expect any innovation from and subscriptions could be offered on a monthly basis for example with discounts for regular clients as it would prevent them from switching retailer or channel.

Focus on the future and innovation

Innovation is a key word, retailers should always leave a room for innovation, flexibility and trend tracking. They do not necessarily need to lead technological innovation (unless they want to such as Amazon) but they need to follow and have in stores what the clientele can find somewhere else (ej: phone payment). More and more companies have integrated a startup into their offices or an innovation team to make sure that the company never stays static.

Besides, new segment targets have emerged from millennials studies and it could be opportunistic to target some of them and eventually become a reference amongst these communities. Finding which segments to target (ej: bio, dairy-free or vegan), building a channel just for them or having bigger shelf space, change the brand awareness towards these new segments' favorite items and engaging with them online could be a starting point.

Lastly, empowerment and participation could be part of the present but most retailers still have not find a way to see materialized significant returns on investment thanks to their online presence. Thus, retailers should develop more on how to embrace millennials involvement in the store or product's life so that they feel more concerned and readier to buy.

Limitations:

Retailers have had strengths for a long time that have not been used to offer a new service proposition such as Shop&Go. Nowadays, all of them are able to offer them but are picking up on the same idea all at the same time which will not allow any of them to have a competitive advantage on their service proposition.

Given the author's recommendation on focusing on specific segments, retailers should be aware of the fact that they might accordingly be labeled and that their wide product portfolio would not make sense with their new brand identity. Plus, retailers' history and the "all under the same roof" strategy have proved that covering everyone's needs was a goal to most retailers who still are in a path of being universal.

In addition, the author tries to understand a group of individuals putting them into boxes and hoping they will respond to an offer. However, behaviors are not a mathematical formula that is always true.

Finally, a qualitative analysis was conducted from secondary data due to the time and space limitation of the paper. It would be essential to conduct a quantitative analysis to confirm the assumptions and recommendations.

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