Retail Distribution

IMPORTANCE OF THE SECTOR

For the third consecutive year, French distributors have witnessed a slowdown in sales. The growth rate of the retail trade has declined in volume from close to 3% in 1990 to 1.5% in 1991, with a particular impact on small businesses. However, one of the characteristics of French distribution is the very strong presence of superstores (hypermarché) and supermarkets as opposed to traditional retail outlets whose strength lies in neighbourhood access and specialized products.

Superstore and Supermarket Business

As of January 1, 1992, there were 900 superstores and 6 600 supermarkets in France, accounting for annual sales of 368 billion FF ($74 billion) and 253 billion FF ($51 billion) respectively. This type of distribution represents 36% of total retail sales, and is currently dominated by acquisitions and merger operations leading to a concentration of brand names at a national, and soon, European level. As an example, the purchase of Euromarché by Carrefour in 1991, increasing that concerns's sales to 100 billion FF, has created havoc among the balance of competition. Their French competitors did not idly stand by, as Casino and Rallye agreed on a merger in May 1992. Under the agreement, Casino acquires ownership of 101 superstores and close to 500 supermarkets, thus increasing its sales by 50%.

Retail Trade

In 1991, there were 388,300 retail outlets with total sales worth 1,719 billion FF ($344 billion).

PRINCIPAL FORMS OF RETAIL OUTLET

	Surface (M^2)	Number
Traditional store	less than 120	
Superette	120 to 400	5,267
Supermarket	400 to 2,500	6,600
Hypermarché	more than 2,500	900
General Store	"	120
Magasin populaire (non-specialized)	400 to 2,500	538
Franchise (specialized store)	less than 120	

Source: Direction du Commerce Intérieur
Ministère de l'Artisanat, du Commerce et de la Consommation