

KINGDOM SECURITIES

Kingdom Securities Ltd - Corporate Access



Introduction

- Carrefour is a French retailer which entered the Kenya's space in 2013 with only two stores.
- Currently, Carrefour is the fourth largest chain in market share, after Naivas, Tuskys and Quickmart, with eight (8) stores.
- According to the retailer, this growth could majorly be attributed to its resilience yet aggressive business model, and partly due to exit of some competitors.

Covid-19 Impact on Consumer Trends

- The Covid-19 crisis continue to wreck the retail business as consumer patterns have seen an almost sudden shift.
- The retailer reported an initial spike in demand of essential commodities due to panic buying. The demand consequently relaxed back to normal levels.
- Market for products like electronics and clothing has remain low during the period.

Evolution in Payment Structure

- The pandemic has led to a gradual transition from cash payments to M-Pesa and card payments. The retailer projects an upward use of non-cash payment methods in the near future.
- The change in payment method can also be attributed to an increase in online purchases.

Retailer-Supplier Relationship

- Learning from the past experiences in the sector of strained relationships between retailers and suppliers due to delay in payments, Carrefour has adopted a supplier-retailer partnership technique.
- They maintain a Supplier Payment agreement with credit period ranging from 7 days for grocery suppliers to 90 days for electronics and other slow moving products.

Retailer's Outlook

- The retailer foresees a slowdown in sales during this covid-19 crisis. This is expected to pick with normalcy in economic activities.
- Build on online market platform – an increase in online orders and an improved use in digital payments method, the retailer plans to improve on its online platform to grow online sale to post COVID-19 era.
- Upcoming Stores – (Without giving the timeframe) the retailer is targeting to expand nationwide by opening stores in Mombasa, Kisumu, Nakuru, Eldoret, Naivasha.
- Expansion financing – The retailer plans to finance its growth through credit facilities from major financial organizations.

Carrefour - Kenya

Entry into Kenya	2013
Start of Operations	2015
Initial No of Stores	2
Current No of Stores	8
Regional Presence	Uganda - 1 Store

Carrefour – Kenya

Frank Moreau – Country manager – Kenya

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