

## Carrefour – The Halal Case Study

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The Carrefour company is created by the Fournier and Defforey families in 1959. Carrefour opened its first supermarket in Annecy, Haute-Savois in 1960 and three years later, it invented a new store concept: the hypermarket. The first Carrefour hypermarket, offering food and non-food item, opened in Sainte-Genevieve-des-bois.

Almost a decade later, in 1969, Carrefour opened its first hypermarket outside France, in Belgium. From then on, it continued to expand across the globe. Carrefour hypermarket made its first appearance in Asia, in Taiwan, in 1989. It continues to grow in Asia, adding Singapore to its list in 1997.

Today, Carrefour has a presence in 35 countries and over 15000 stores worldwide. Wherever it has a presence, Carrefour is actively committed to promoting local economic development. Since retail activities are all about contact with people, Carrefour consistently emphasizes local recruitment including management and staff training on the job wherever they operate.

The company's values is to make Carrefour a business that is recognized and loved for helping its customers and consumers enjoy a better quality of life, each and every day. In order to achieve this, the company ensures that it constantly strive to exceed everyone's expectations by providing better value and finding new solutions for a better quality of life; is caring towards customers and consumers by being receptive to their needs each and every day; rise to every challenge with energy, enthusiasm and fresh ideas to help brighten lives.

Its strategy is to make Carrefour the preferred retailer wherever it operates. This means having stores where customers are naturally drawn to their shop and to which they are loyal; it also means having the trust of customers, being able to satisfy and anticipate their needs and earning customer preference through social commitment and action. In essence, making customers happy by making their lives easier.

These values and strategies have also been applied to the hypermarket in Singapore. Carrefour Singapore is the first ever hypermarket in Singapore, offering a one-stop shopping destination with a wide range of food and non-food products, at great discount prices, with excellent customer service.

In line with the company's values and strategies, Carrefour had just recently launched Halal Select, which is the exciting new Halal section at its hypermarket, specializing in the finest Halal products, centrally located for shopping convenience, to meet the needs of the Muslim consumers in Singapore.

The global Halal market is fast expanding and it is now worth an estimated US\$560 billion (S\$784 billion). Realizing the vast opportunities of the Halal market, the application for Halal certification in Singapore has been rising in the past several years. According to MUIS latest estimates, from January to September 2009, a total of 2450 Halal certificates have been issued. It is a 30% increase compared to the whole of 2006, where 1894 Halal certificates were issued. With these increase in application for Halal certification, it not only gives consumers wider choices but also provides job opportunities for the community.

The demand for Halal food continues to rise with the increase in household income, purchasing power as well as the varying taste of the Muslim community. Providing the needs of the Halal market is an effort that benefits all parties. For manufacturers and retailers, it means a bigger market. For Muslim consumers, it means a wider product choice.

Halal products, especially food and beverages, have its social advantages. It helps to improve the relationships between the multi-racial community when they dine together in a same restaurant and no longer need to be separated by restaurants which serves Halal or non-Halal food. This is especially encouraged in a multi-religious society like Singapore.

Carrefour is believed to be the first MNC supermarket to introduce a Halal section which is certified by MUIS. Its plan to increase its outlets and to employ more staff, including Muslim staff, is very much appreciated. Carrefour is also committed to contributing to those in need not only in Singapore but also across the region. Recently, it has made a major contribution in providing humanitarian assistance to our neighbour, Indonesia.

Currently, Carrefour has two supermarkets in Singapore, one in Suntec City and another in Plaza Singapura. It is planning to expand its business by opening more outlets, at least six to eight more supermarkets and a hypermarket, in the residential estates in the next three years to come, in which all will include a Halal section for Halal products.

A few locations have been identified such as in the north, west and east coast of Singapore. This is a result of suggestions from customers that wish to see the supermarket in their residential estates so that it is more convenient for them to do their grocery shopping.

At the opening ceremony of Carrefour's new Halal section, Halal Select, the Assistant Director of Operations and Products of Carrefour Singapore, Mr Siva Kumar Haridas, revealed that the expansion plan as well as the effort to employ new staff will cost about \$84 million in the next three years to come. This consists of the expansion plan

of new outlets which is estimated to cost about \$30 million and also an investment of \$18 million a year for employment of up to 200 Muslim staff to handle the newly launched Halal Select at the two supermarkets.

This expansion plan will also provide more job opportunities for Singaporeans, including the Muslim community. As of now, Carrefour has 600 employees at its two supermarkets, where about 30% are Muslims.

The launch of Halal Select, which is a Halal section of the supermarket, is a result of feedback from the Muslim consumers that frequent the supermarket. Carrefour estimated about 7% of its customers are Muslims.

Halal Select will provide fresh and quality food such as meat, fish and also bread. Carrefour's findings show that 30% of a customer's daily spending is on fresh food such as meat. As such, the supermarket intends to attract more Muslim consumers to enjoy fresh food products which is certified Halal so that they could shop at Carrefour without any doubt.

With the launch of Halal Select, the number of fresh products offered in the supermarket increase about 31% or 800 products. Currently, there are around 15000 food products offered in Carrefour, with 64% of it certified Halal.