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U-TURN AT CARREFOUR: "DE-GLOBALIZATION" AND FOREIGN DIVESTMENT

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ABSTRACT

The literature on Foreign Divestment until recently focused upon manufacturing MNCs. More recently, scholars of international retail divestment have expanded this literature through qualitative case studies of mass merchandisers. Carrefour is the pioneer of the hypermarket concept and international retailing. This paper details its globalization and employs foreign divestment theory to explain past cases of FD and predict more as Carrefour pioneers "de-globalization".

1. INTRODUCTION

France's Carrefour is the world's second largest retailer, sandwiched between the much larger, Walmart of the USA and Britain's Tesco. The history and internationalization of Carrefour is well documented, highlighting Carrefour's status as an outstanding pioneer in the retail industry (Shiue *et al.*, 2006). Carrefour's internationalization process is much wider in scope and more rapid than that of its main international rivals (see Tables 1-2). It has involved multiple investment market entry modes (i.e. organic growth, joint venture, acquisition) and more recently franchising in the Middle East. The company has entered most major regional markets (i.e. Asia; Europe; North America; and South America), but now has no presence in North America.

Carrefour's internationalization has been driven by both 'push' factors, namely its deteriorating performance in its domestic market and 'pull' factors, notably growth in Emerging Markets. This paper examines foreign divestment (FD) by Carrefour contributing to the extant literature on foreign divestment (FD) and especially that on international retail divestment.

2. FOREIGN DIVESTMENT AND DEGLOBALIZATION

FD (FD) has become an integral aspect of global strategy, yet it remains a neglected area among the international-business (IB) and business-strategy academy. It is now widely practiced by multinational corporations (MNCs) from a growing and diverse number of home countries in a larger number of host economies. Furthermore, it is now extensively used by MNCs engaged in all types of industrial activity (McDermott, 2010/11).

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In recent years, a number of studies have suggested that globalization is not an inevitable process and warned of the dangers inherent in companies seeking to pursue a global strategy. Ghemawat (2007) and Rugman & Oh (2010) highlight that despite corporate professions of their global status and commitment to global strategy, that very few companies are in fact global. Instead the norm, even amongst the largest companies in all major regions, is much more mundane. These companies tend to be regional or at best bi-regional champions.

McDermott (2010/11) provides a comprehensive review of the extant literature on FD that has been published since the pioneering studies of Boddewyn in the late 1970s/early 1980s. Several studies of FD have focused upon service based MNCs, including retailers, and the emphasis has in the main focused upon cases of international retail divestment in developed country markets (Alexander & Quinn, 2002; Alexander, Quinn & Cairns, 2005; Burt, Dawson & Sparks, 2003; Burt & Sparkes, 2004). Other studies tended to focus upon a single retailer, and upon a single country or region (Burt, Melahi, Jackson & Sparks, 2002; Palmer, 2004; Palmer & Quinn, 2007; Wrigley & Currah, 2003).

Whenever a firm begins the process of internationalization, it should anticipate that, as it progresses, it will eventually be involved in FD (McDermott, 1989; Benito, 1997). In other words, FD should not be seen necessarily as an indication of a lack of commitment to internationalization but rather as an integral part of this process. McDermott (1996) distinguished between *defensive voluntary* (DV) and *offensive voluntary* (OV) FD. The former arises when an MNC suffers a notable decline in competitiveness, resulting externally in loss of market share and internally in deteriorating financial results. Qualitative studies of FD have largely focused on defensive voluntary FD, and they revealed that the divesting firms had little option but to divest. Cairns *et al.* (2008) also identify two types of retail FD: "corporate crisis" vs. "positive restructuring". As will be seen below, Carrefour has clearly undertaken *defensive voluntary* FD.

An examination of FD by U.K. retailers revealed that the decision to close stores in international markets was sometimes particularly related more to the gravity of the problems the parent company (e.g. Marks and Spencer) faced in its domestic market (Jackson et al. 2004). Retailers thus undertake FD not simply when they fail to achieve success in the market(s) involved but also when they face much more overwhelming strategic priorities, either domestically or in other international markets.

FD in retailing is very different from FD of manufacturing plants as in the latter the MNC does not require to have a manufacturing presence in a market where it wishes to sell its products. Therefore the MNC can easily undertake FD from a country without prejudice to its sales in the divested country. In manufacturing the MNC is constantly seeking the optimum location and its operations are highly mobile.

In international mass merchandising retailing a very different situation exists. The retailer can only serve the market if it maintains a presence in the market. Thus often when a retailer undertakes FD from a country, it denies itself the opportunity to achieve any sales in that country. Therefore one might this situation to exert major impact upon the retailer's decision-making. In the first instance, one might reasonably expect the company to undertake detailed pre-investment analysis, and that its FD decision might be a more prolonged process than the decision to close a foreign manufacturing facility. Furthermore, one might expect that a mass merchandise retail

MNCs might recognize that the "learning curve" is likely to be relatively flat and that they acknowledge that it may take years before obtaining a full understanding of grocery retailing in new markets that have their own peculiarities based upon national cultural differences and industry differences. This consequently may result in FD only after the retailer has afforded itself years to master the local retail environment in different countries, and that whenever a culturally 'distant' market is entered that the grocery retail MNC would allow for a longer period of corporate 'learning'. However, it is evident that international retailers often undertake full or partial FD, and often within a short period of market entry. Within five years of entry, in 2011, Best Buy closed all of its branded stores in China, and by early 2011 Home Depot had closed five of the 12 stores it acquired in 2006 (MacLeod, 2011). Best Buy entered the UK market in the spring of 2010 and announced its decision to close all 11 stores in November 2011 (BBC News, 2011). Belgium's Delhaize announced the closure of 126 US stores in early 2012 and the partial or complete foreign divestment of stores in south eastern Europe (i.e. in Serbia, Bulgaria and Bosnia & Herzegovina) (Preuschat, A. & McGrath, S., 2012).

3. FOREIGN DIVESTMENT THEORY

Boddewyn (1985) developed his theory of FD, suggesting that it is best understood by adopting a condition-motivation-precipitating circumstance perspective since nothing happens unless it is possible, beneficial and triggered – and these causal elements also apply to FD. In terms of *conditions*, Boddewyn (1985) developed a Dunning-like "eclectic theory of FD" predicting that FD would occur when an MNC finds that any one of the following three situations prevails:

- it ceases to possess net competitive advantage;
- it no longer finds it profitable to internalize its advantages;
- It no longer finds it profitable to internalize its net competitive advantage in a particular host country.

In the past the hypermarket concept and its management has been the primary source of Carrefour's competitive advantage. This concept now appears increasingly outdated. In addition to this, Carrefour now faces increasingly intense local and international competition in many international markets. Carrefour has faced for some time a gradual dilution of its competitive advantage.

Boddewyn (1979a, 1979b, 1985) also analyzed the *motivations* for FD, and he highlighted poor performance of the divested operation as well as poor pre-investment analysis, inadequate management and a lack of fit between the divested unit and the parent's strategy. In examining Carrefour's FD history it can be seen that the primary cause of its FD was poor performance in terms of market share, but that this often reflected poor pre-investment analysis and/or poor management.

Boddewyn and others (e.g., Benito 2005; Benito and Welch 1997; McDermott, 1986, 1989; Torneden 1975; Wilson 1980) also cited *precipitating circumstances* in explaining FD. Given that FD has been seen as an admission of failure, it often took the appointment of a new CEO with no attachment to previous investment decisions to overcome this emotional "barrier to exit." Cairns *et al.* (2010) examined FD by nine U. K. retailers and they found that the appointment of a new CEO was an important factor in the FD decision and process. This paper considers the role of a new CEO at Carrefour.

Changes in the external environment of foreign locations can also be regarded as key triggers of FD. Such factors may include an economic recession, new sources of competition and changes in the host nation legal/political environment. Europe has entered a deep economic recession since 2008, especially in the PIGS (i.e. Portugal, Italy, Greece and Spain). This thus increases the likelihood of FD by Carrefour in these markets. In terms of new sources of competition, once other international retailers either enter or increase their commitment to a market where Carrefour is present, the arrival of such new rivals may have an adverse impact upon market attractiveness and/or Carrefour's ability to compete in the market. As a 'first mover', Carrefour has often had to cope with the later entry of its key rivals, especially Walmart. Furthermore, in Emerging Markets domestic rivals are also likely to emerge as a nation develops accompanied by improved distribution infrastructure. As the retail sector expands, host nation governments may begin to favour domestic players at the expense of foreign investors. Furthermore, the nature of diplomatic relations between an MNC's home nation and a potential or actual host nation can be an important consideration in market entry and exit decisions. It is suggested below that Carrefour's latest internationalization has focused upon countries that are unlikely to attract Walmart given the post 2001 deterioration in U.S. relations with such countries.

4. DISCUSSION: CARREFOUR IN CONTEXT

Carrefour was established in 1959 – three years before the founding of Walmart in the USA – when it opened its first supermarket (650m^2) in France. In 1963 it pioneered the hypermarket store concept (2,500m^2). It offered customers one-stop shopping (i.e. food and non-food products), fresh produce, self-service, low prices and free car parking. After 1970, its new store openings were 25,000m^2, and were located in out-of-town areas where land was inexpensive and car access convenient. Since then it has developed a number of different store formats, but it still depends on hypermarkets for the bulk of its sales (i.e. 62.6%) as this format has spearheaded its internationalization in Asia, Europe and Latin America.

Carrefour is also a pioneer in terms of its internationalization process. It is very different from its arch rivals in terms of the scope, speed, and timing of its internationalization (see Table 1). It was just a 10 year old company when it first ventured overseas, whereas Walmart and Tesco were almost 30 and 60 years old respectively. It has entered more than 50 international markets, through organic growth, acquisitions, and joint ventures and recently by franchising, whereas Tesco and Walmart have entered only 15 and 16 international markets respectively (see Table 2).

Even in 2005 before it began to de-globalize, Carrefour still relied upon Europe for 86% of its sales. In entering international markets, Carrefour has focused upon adaptation or 'localization' rather than standardization, but its failure in several markets can be attributed to inadequate 'localization'. Despite its aggressive international expansion Carrefour in 2010 still relies upon France for 41.5% of its revenues (see Table 3). Although it is active in three major regions (i.e. Asia, Europe and Latin America) it still relies upon Europe for almost 74.8 per cent of total sales (see Table 4). Similarly Europe still accounts for the bulk of Carrefour's stores (see Table 5).

Table 1
The Internationalization Process of Carrefour, 1969-2011

Rank	*Market*	*Market Entry Mode*			*Year of Market Exit*
		JV	*Acquisition*	*Greenfield*	
1st	Belgium (1969)	✓			1978Re-entered 2000
2nd	Switzerland (1969)	✓			Re-entered 2001
3rd	UK (1969)	✓			1983
4th	Italy (1972)		✓		1984
5th	Spain (1973)	✓			
6th	Brazil (1974)	✓			
7th	Austria (1976)	✓			1980
8th	Germany (1977)	✓			1979
9th	South Africa (????)				1978
10th	Argentina (1982)		✓		
11th	USA (1988)			✓	1994
12th	Taiwan (1989)	✓			
13th	Greece (1991)			✓	
14th	Portugal (1992)			✓	
15th	Italy (1993)			✓	
16th	Turkey			✓	
17th	Mexico (1994)	✓			2006
18th	Malaysia (1994)	✓			
19th	China (1995)	✓			
20th	United Arab Emirates (1995	✓			
21st	South Korea (1996)			✓	2006
22nd	Thailand (1996)			✓	2011
23rd	Poland (1997)			✓	
24th	Singapore (1997)			✓	
25th	Chile (1998)			✓	2004
26th	Indonesia (1998)				2010
27th	Colombia (1998)			✓	
28th	Hong Kong (1998)			✓	2000
29th	Slovakia (1998)			✓	2006
30th	Slovenia (1998)			✓	
31st	Czech Republic (1999)			✓	2005
32nd	Dominican Republic (2000)			✓	
33rd	Japan (2000)			✓	2005
34th	Oman (2000)	✓			
35th	Qatar (2001)	✓			
36th	Romania (2001)			✓	

contd. table 1

Rank	*Market*	*Market Entry Mode*			*Year of Market Exit*
		JV	*Acquisition*	*Greenfield*	
37th	Tunisia (2001)			✓	
38th	Egypt (2002)	✓			
39th	Saudi Arabia (2004)	✓			
40th	Algeria (2005)	✓			2009
41st	Cyprus (2006)	✓			
42nd	Jordan (2007)	✓			
43rd	Kuwait (2007)	✓			
44th	Bahrain (2008)	✓			
45th	Iran (2009)	✓			
46th	Morocco (2009)	✓			
47th	Pakistan (2009)	✓			
48th	Russia (2009)				2009
49th	Syria (2009)	✓			
50th	Azerbaijan (2010)	✓			
51st	India (2010(		✓		
52nd	Albania (2011)	✓			

Source: Carrefour website

Table 2
The Internationalization Path of Tesco and Walmart *(FDs in Bold and Italics)*

Rank	*Tesco* *1919*	*Walmart* *1962*
1st	***Ireland (early 1980s)***	Canada (1994, Acquisition)
2nd	France (1992, Minority Acquisition)	Mexico (1994, Joint Venture)
3rd	Poland (1992)	Argentina (1995, Greenfield)
4th	Hungary (1994)	Brazil (1995, Greenfield)
5th	Czech Republic (1996, Acquired stores from K-Mart of the USA)	China (1996, Greenfield)
6th	Slovakia (1996)	***South Korea (1996, Acquisition)***
7th	Ireland (1997,	***Germany (1997, Acquisition)***
8th	South Korea (1999)	UK (1999 , Acquisition)
9th	Thailand (1998)	Japan (2002, Minority Acquisition)
10th	**Japan (2003)**	Costa Rica (2005, Minority acquisition)
11th	Malaysia (2003)	El Salvador (2005, Minority acquisition)
12th	Turkey (2003)	Guatemala, (2005, Minority Acquisition)
13th	China (2004, Partial Acquisition)	Honduras (2005, Minority Acquisition)
14th	***Taiwan (2004)***	Nicaragua (2005, Minority Acquisition)
15th	USA (2007, USA)	Chile (2009, Majority Acquisition)
16th		South Africa (2011, Acquisition)

Source: Tesco and Walmart websites

Table 3
Carrefour's 2010 Sales by Region

Region	*Sales*	*% of Total*
France	41,878	41.5
Europe (ex-Fr)	33,647	33.3
Total Europe	**75,525**	**74.8**
Latin America	17,588	17.4
Asia	7,905	7.7
Total	**101,018**	**100.0**

Source: Carrefour website

Table 4
Carrefour's Sales by Country (in • million)

Rank in 2010	*Country*	*2008*	*2009*	*2010*	*% of 2010 Sales*
1	France	42,488	41,2766	41,878	41.5
2	Spain	15,181	14,296	14,059	13.9
3	Brazil	8,396	9,322	12,459	12.3
4	Italy	7,156	6,816	6,440	6.3
5	China	3,463	4,025	4,857	4.8
6	Belgium	4,637	4,534	4,253	4.2
7	Argentina	2,647	2,758	3,426	3.4
8	Greece	2,934	2,045	2,719	2.7
9	Poland	2,434	2,045	2,278	2.2
10	Turkey	1,623	1,526	1,785	1.7
11	Colombia	1,228	1,347	1,704	1.6
12	Taiwan	1,361	1,349	1,456	1.4
13	Romania	1,190	1,135	1,130	1.1
14	Indonesia	893	887	1,085	1.0
15	Portugal	924	915	917	0.9
16	Thailand	584	Divested	Divested	
17	Malaysia	326	328	405	0.4
18	Singapore	94	9L	92	
	Others		19	67	
Total Group			95,503	101,018	100

Source: Carrefour websit

Table 5
Carrefour Store Format by Operating Division in 2010

	Hypermarkets	*Supermarkets*	*Other Stores*	*Total*	*Hard discount stores*
France	204	575	12	791	760
Europe (excluding France)	440	1,031	442	1,913	2,677
Latin America	328	156	45	529	622
Asia	336	19	1	356	244
Total	1,308	1,781	500	3,589	4,303

Source: Carrefour website

Table 6
Carrefour's Foreign Divestments

Country	*Year of FD*	*Year of Entry*	*Age at Time of FD*	*Details*
Belgium	???	1969		Re-entered in 2000
Ireland	1988	1972	16 years	
UK	1988	1972	16 years	Sold to Dee Corporation
The Bernard Years				
USA	1994	1988	6 years	Closed its 2 stores
Hong Kong	2000	1998	2 years	Closed its 4 stores.
Chile	2004	1998	6 years	Sold 8 hypermarkets to D&S
The Duran Years				
Japan	2005	2000	5 years	Sold 8 hypermarkets to AEON Group
Mexico	2005	1994	11 years	All 29 hypermarkets sold to Chedraui.
Czech Republic	2005	1999	6 years	Sold 11 stores to Tesco for •57.4m and Tesco's stores in Taiwan
Slovakia	2006	1999	7 years	
South Korea	2006	1996	10 years	Sold all 16 stores to E-Land.
Portugal	2007(partial FD)	1992	15 years	Sold 12 hypermarkets and fuel stations to Sonae for •662m.
Switzerland	2007	2001	6 years	Sold 12 hypermarkets to Coop for $390m.
Russia	2009 October	2009Summer	Few months	Closed two stores.
Algeria	2009	2005		
The Olofsson Era				
Malaysia	Announced plans to divest in August 2010.	1994		Retracted in November 2010 decision to seek sales of its 23 stores.
Singapore	Announced plans to divest in August 2010	1997		Retracted in November 2010 decision to seek sales of its 2 stores.
Belgium	2010			8 hypermarkets and 3 supermarkets closed; 16 supermarkets transferred to franchise partner, Mestdagh.
Italy	2010			closure of 8 hypermarkets and 12 supermarkets in southern Italy
Indonesia	2010 (Partial)	1998	12 years	40 per cent stake in Carrefour Indonesia sold to Trans Corp
Thailand	2011	1996	11 years	Sold 43 to Big C Supercenter owned by Casino of France.

Source: compiled from Carrefour website.

An examination of Carrefour's internationalization process reveals four distinct periods that broadly coincide with the tenure different CEOs. Table 6 provides details on Carrefour's FDs by year, age of operations, and identifies the CEO at time of FD.

Phase 1, Offensive Internationalization, 1969-91: In 1970, Carrefour became a publicly-listed company. Carrefour's earliest forays into international markets were largely unsuccessful as it focused upon hypermarkets and advanced retail markets in northern Europe. However, in 1973 it entered Spain and this was the start of a focus upon *Latin* markets. In 1985 it entered its second major regional market, Latin America, opening a hypermarket in Brazil. In 1988, its globalization proceeded with entry to a third major region, North America (i.e. the USA) and in 1989 it entered a fourth major region, Asia, opening its first hypermarket in Taiwan (i.e. the Republic of China). By 1991 Carrefour had entered nine international markets (i.e. five in Europe; two in Latin America; and one each in Asia and North America) using a variety of international market entry modes. Not all of these were a success and it divested its poor performing operations in northern Europe.

Phase 2, Aggressive yet Defensive Internationalization, 1992-February 2005: under CEO, Daniel Bernard, Carrefour's internationalization was driven in large part by the erosion of competitive advantage domestically, but also its attempts to gain first-mover advantage in many international markets in Europe, as well as in Latin America and Asia. In 1999 Carrefour merged with Promèdes, the number two in France, to create Europe's largest retail group, and the number two worldwide, behind Walmart. This was seen as a defensive move in response to Walmart (USA) entering the UK market by acquiring ASDA. Despite this consolidation, Carrefour's performance in France deteriorated during the first half of the 2000s as it lost market share to other French retailers (i.e. Auchan S.A.; Casino) that also have an international presence in Asia and the Americas, as well as to German discounters Aldi and Lidl. It has been suggested that Carrefour's long-standing problems in France were aggravated by the Promèdes merger and its failure in post-acquisition integration. During this 13 year period Carrefour divested its operations in the USA, as well as those in Chile and Hong Kong. CEO Bernard was ousted in 2005 as Carrefour's share price fell on low profit margins.

Phase 3, De-internationalization and Politicized Internationalization, 2005-2009: José Luis Durán, the new CEO was an internal appointment, and he identified two major problems: an incoherent pricing policy domestically and rampant internationalization. In terms of the latter, he determined that Carrefour should avoid or divest from markets where it is unable to achieve or retain a top three market player status. Accordingly, this four year period saw Carrefour divest from nine markets all of which had been entered during Phase 2 above. However, Carrefour's domestic performance declined further and Duran too was ousted despite his progress in rationalizing international activities.

***Phase 4, De-internationalization, Stronger Focus, 2009-April 2012*:** Carrefour decided that not only was a new CEO required, but an outsider was required. The new CEO, Lars Olofsson was an executive with Nestlé, and he continued with whole or partial FD (i.e. $1.2bn sale of its business in Thailand; store closures in Belgium and Italy; sale of 40% in Carrefour Indonesia to Trans Corp.) In both Asia and Latin America, Carrefour is now more dependent upon two Big Emerging Markets (i.e. Brazil and China). An examination of Carrefour's sales by country reveals very limited progress. Sales in its largest international market, Spain, are dwarfed by those in France. After France and Spain, Brazil is the company's largest market. Sales in Brazil and Argentina accounted for just over 15% of sales in 2009. However, Carrefour's commitment to Brazil is now questionable, given "Duran's Law" and the company's 2011 failure to merge its operations in Brazil with those of CDP, owner of the country's largest retailer, Pão de Açucar. Casino, France's 2nd largest retailer and major shareholder in CDP, opposed this and the proposed deal was abandoned.

In developed markets, the hypermarket business model is now passé, and in 2011, Carrefour's share price fell a further 45%. As Online sales in developed markets record significant growth, Carrefour and its rivals now find themselves facing a strategic problem that cannot be addressed by marketing tactics (e.g. a coherent pricing policy). Demographic changes have resulted in smaller households that have little incentive for bulk buying, and who instead prefer to shop locally and frequently. Furthermore, Carrefour's overseas European sales are dependent upon economies that have suffered most in the euro zone crisis (i.e. Greece, Italy, Portugal and Spain) or are chronically unprofitable (e.g. Belgium since 2004). FD theory suggests that continuation in such markets is unlikely, save for insuperable "barriers to exit". An even more difficult decision for Carrefour is to determine its future in the rapidly-growing markets of Brazil and China. The decision to undertake FD would clearly be a painful admission that its strategy over the past few decades has been flawed.

5. CONCLUSIONS

Carrefour has been a pioneer in international grocery retailing. Since opening its first hypermarket in 1963, the company enjoyed a period of offensive growth until 1992. However by the mid 1990s, Carrefour has had to focus upon protecting its position of market leader in its domestic market, France. Indeed, it acquired its largest domestic rival in the late 1990s, and this move may have been motivated by a desire to deter market entry by Walmart.

In terms of past cases of FD, Carrefour has exited markets where its performance has been weak. However, it can be seen that the appointment of a new CEO in 2005 resulted in a much more selective approach to internationalization. "Duran's Law" serves Carrefour well. It has already withdrawn from markets where it has failed to achieve a strong market presence (i.e. rank in the top 3). In the few cases where Carrefour was a late entrant (e.g. Czech Republic, Mexico) or entered a mature retail market (e.g. Hong Kong, Japan, South Korea), poor pre-investment analysis seems a major issue.

The role of the new CEO has been very important in explaining Carrefour's FDs 2005-08, when Duran was CEO. Under Olofsson Carrefour has also continued to undertake full or partial FD. However, neither of these CEOs was willing to divest operations that were major contributors to revenues. The word 'carrefour' in French means 'cross-roads'. The world's second-largest retailer has reached a roundabout and it may need to come full circle and commit to "de-globalization". A U-turn appears increasingly likely. Carrefour's globalization strategy has been driven by entering markets when the retail sector is under-developed, and when there is an absence of strong competition. It seems questionable that Carrefour possesses the ability to remain a dominant player in mature, competitive international markets.

In 2012 Carrefour appointed its third CEO in 4 years, Mr. Georges Plassat. Significantly, his key strength is knowledge of the *French* retail market, having previously been the CEO of Casino, Carrefour's main rival in France (Passariello & Masidlover, 2012). The critical challenge will be to create "good strategy" and finally acknowledge the true scale of the company's problems (Rumelt, 2011). In developed markets the hypermarket model appears passé, and

Plassat has terminated further investment in transforming hypermarkets. In international markets, Carrefour appears strong in very weak markets, and becoming weaker in increasingly attractive markets. The new CEO faces a challenging dilemma. How does he satisfy the divergent expectations of activist shareholders, customers, employees and also the recently-elected the French Socialist government? Companies with ill-considered globalization strategies are prime candidates for a break-up, a takeover, or the focus of activist shareholders (Alexander & Korine, 2008). "De-globalization" may present the opportunity to turnaround the company. The Carrefour experience serves as a warning to arch rivals that their attempts at globalization are likely to witness significant failures and thus market exits.

Note

1. Numerous case studies on Carrefour are available online at *www.ecch.com*

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