

Central and Eastern Europe

Majority of the Central and Eastern European retail markets are seeing increasing consolidation of FMCG chains

A recent study, Shopping Monitor CEE 2010, based on the representative international shopper survey of GfK + INCOMA, shows that market concentration in most of the Central and Eastern European countries monitored is still increasing.

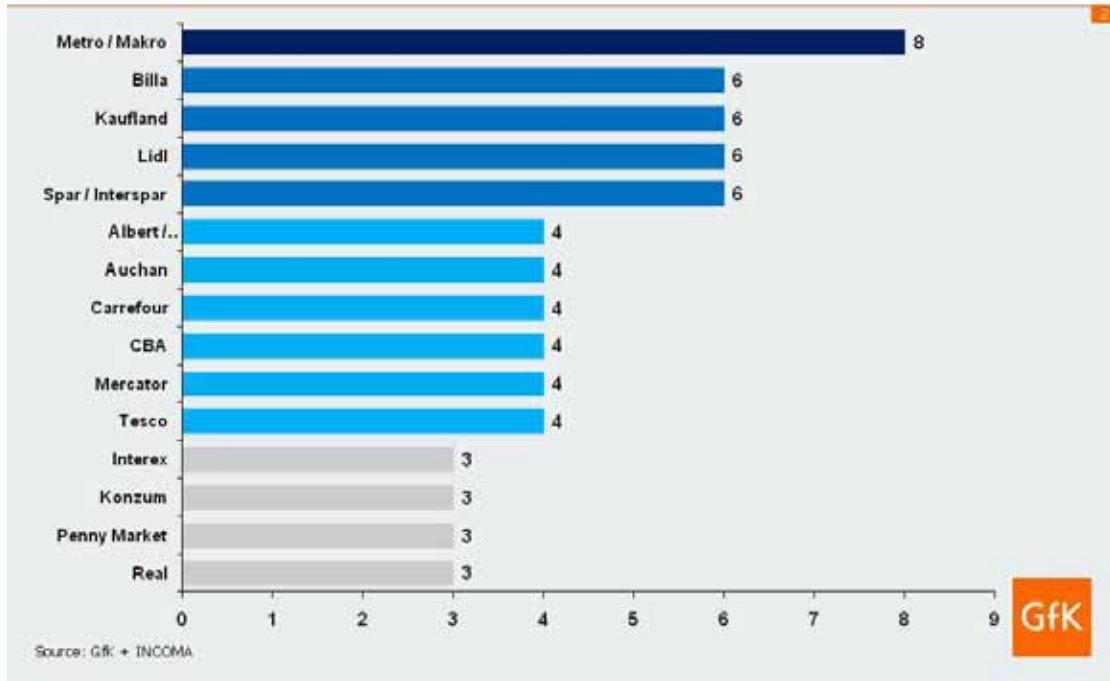


The retail market is most concentrated in Slovenia. When identifying their main shopping place, almost 100% of shoppers mentioned one of the ten biggest retailers. The share of TOP 10 retailers in Slovakia and in Hungary is also very high (90% and more). The Czech Republic and Croatia follow with 85% and 81% respectively. The least concentrated market is that in Bulgaria (48%) which has even showed a slight decline in consolidation developments during this critical year.

Whilst in Croatia and Poland there is one leading chain which is far in the lead (Konzum, Biedronka), the other countries usually have a more balanced structure of retailers. Some of the major international chains are already well established in a number of the countries monitored: Metro/Makro in 8 countries, Billa, Kaufland, Lidl and Spar/Interspar in 6 countries.

The SHOPPING MONITOR Central & Eastern Europe 2010 study also shows the stable popularity of the modern retail formats in the region despite the economic crisis. Hypermarkets, supermarkets and discounters together are the leading retail channels in the CEE region; 68 % of shoppers claim them as the place where they carry out most of their spending on groceries.

Number of CEE countries monitored in which the chain operates



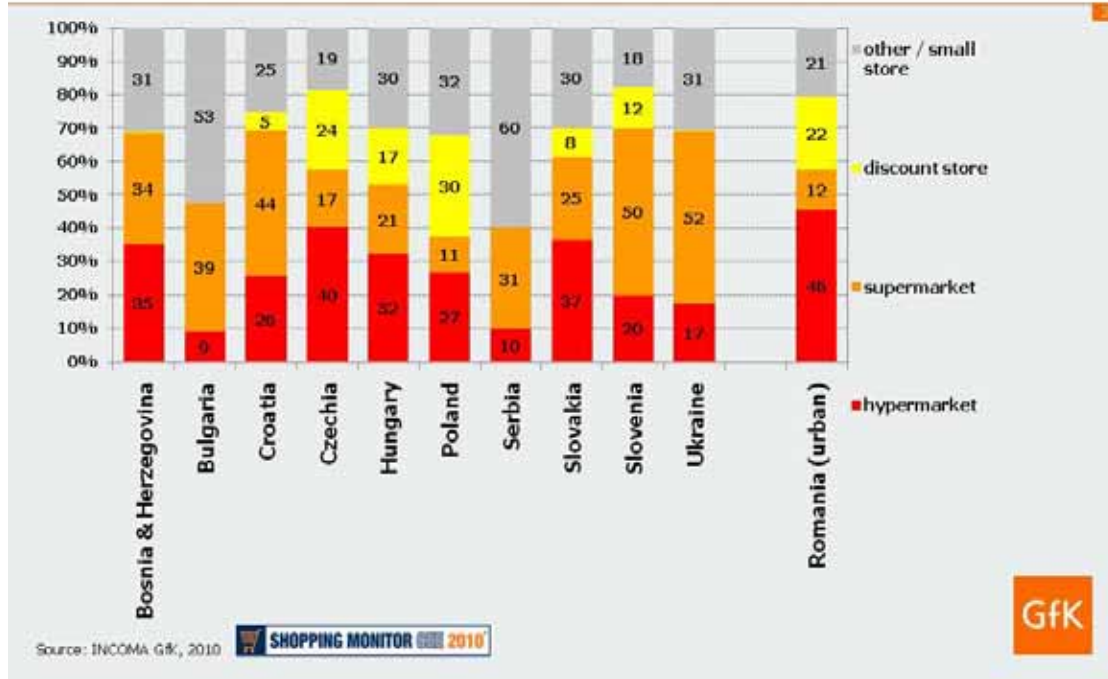
In total, 30 % of shoppers in the monitored region claim supermarkets to be their main shopping place for FMCG and a further 25 % of shoppers spend most on food in hypermarkets; that represents 44.3 million and 37.4 million shoppers respectively (these numbers include both the main shoppers and their household members). Discount stores represent the main shopping place for groceries for 16 % of the households.

In terms of a particular name for the main shopping place, Kaufland has appeared five times among the TOP 3, Tesco has reached a medal position in four countries, Carrefour, CBA and Penny Market in two.

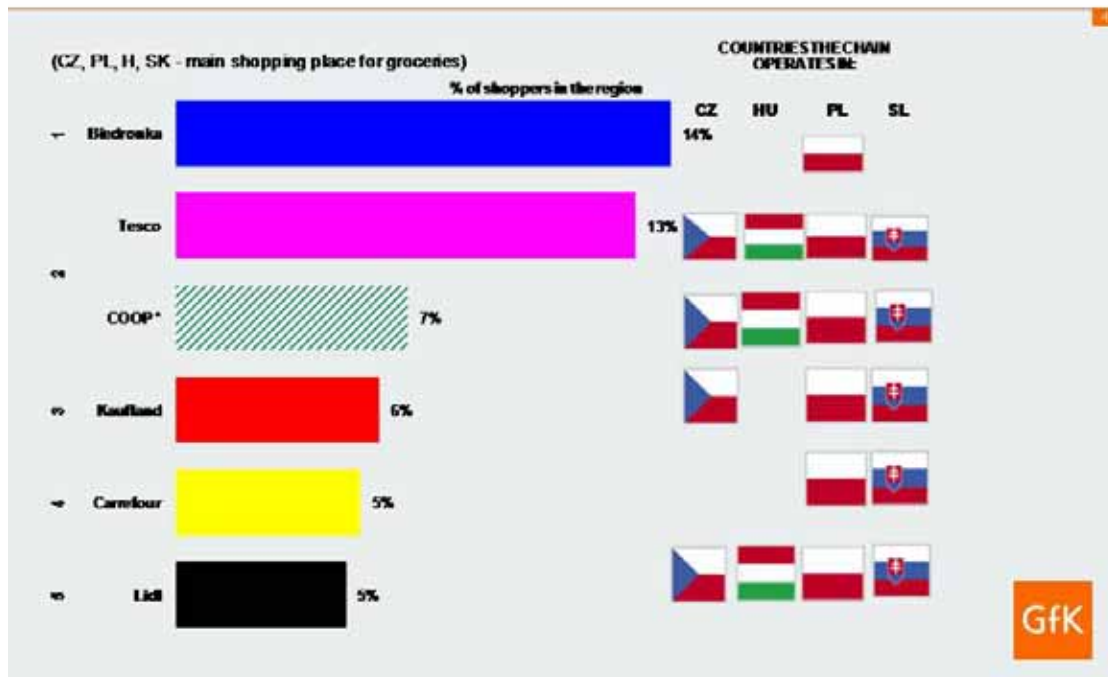
In the Visegrad region (the Czech Republic, Slovakia, Poland and Hungary) Biedronka, the Polish discount shop chain and a member of the Portuguese Jeronimo Martins group, is the favourite retail chain. 14 % of buyers, corresponding to 9.1 million customers, (either direct or other family members) said Biedronka was their main shopping place for fast moving goods.

Second position is held by Tesco, which is present in all the countries of the Visegrad group and was indicated by 13 % buyers as their main shopping place for groceries, followed by the Schwarz Group, Kaufland hypermarkets with 6 % buyers, Lidl discount shops with 5 % and Carrefour (5 %).

The main shopping place for food in the CEE countries monitored



Preferences for retail chains in Viszegrad region





Traditionally, COOP cooperative chain shops occupy a strong position. Although they are not a part of a united retail system comparable to those of multinational chains, they are the main shopping place for 7 % of buyers in the Visegrad countries.

The annual survey of population shopping habits and preferences Shopping Monitor CEE 2010 was conducted in 11 countries of the CEE region: Bosnia & Herzegovina, Bulgaria, Croatia, the Czech Republic, Hungary, Poland, Romania (urban population only), Serbia, Slovakia, Slovenia and Ukraine.

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