

Edition December 2009

Consumer Goods

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Dear Readers,

We are pleased to welcome you to another edition of our CEE Newsletter, this time focussing on Consumer Goods and FMCG market trends.



As usual, you will find a variety of interesting contributions from our GfK colleagues across the region, dealing with some of the latest findings from Consumer Tracking (household panel) analyses and Custom Research surveys.



Not surprisingly, the effects of the economic crisis on shopping and consumption behaviour are at the forefront in most articles. From the growing importance of the middle price segment in Bulgaria to the increase of Private Label shares in Croatia and the successful efforts to strengthen customer loyalty in Slovakia – there are lots of examples of how consumers, retailers and manufacturers are reacting to the adverse market conditions.

A quote from one of the authors describes quite well how GfK's services can make a difference in such challenging times: 'The best way to weather the crisis is to follow the consumers' habits, because changes in customer behaviour will have long-term consequences. You yourself will also have to change. And we are there for you to help you make your adaptations as successful as possible.'

Finally, as always at this time of the year, we would like to thank you for the good cooperation in 2009 and wish you a prosperous and happy New Year 2010!

Yours sincerely

 **Mag. Tobias Schediwy, GfK Austria, General Manager Consumer Tracking CEE**
 **Mag. Gerhard Ortner-Pitzl, GfK Austria, Head of Division Custom Research**

You can find further information about the findings of our studies under  www.gfk.at or via the links from this site to the web sites of all the GfK companies in Central and Eastern Europe.  [e-mail us](#)

 GfK Austria	 GfK BH	 GfK Czech	 GfK Kazakhstan	 GfK RUS	 GfK Slovenija
 GfK CR Baltic	 GfK Bulgaria	 GfK Egypt	 GfK Polonia	 GfK Skopje	 GfK Ukraine
 GfK Belgrade	 GfK Croatia	 GfK Hungaria	 GfK Romania	 GfK Slovakia	 INCOMA (CZ)

Austria

Austrians are not putting a lot of imagination into their choice of Christmas presents

Gift vouchers the big hit for 2009

70% of Austrians have already thought about what they are going to give as Christmas gifts this year. On average, some 390 Euro will be spent on presents – only 15% of Austrians are intending cutting back on their present giving. Gift vouchers, books and toys and games are top of the list as presents for Christmas 2009. These are the results of a representative online survey of 500 persons on the subject of Christmas carried out by GfK Austria between the 18th and 24th November this year.

[▶ read more \(pdf\)](#)

Shortcuts

New Operations & Innovations Manager CEE

Justus Gentner, who has previously worked for GfK Panel Services Germany and, most recently, for Europanel, started his new role as "Operations & Innovations Manager CEE" in September.

More information: [▶ contact \(pdf\)](#)

GfK Hungary

Consumer Research Sector Team Meeting

The CEE Regional GfK Consumer Research Team met in Budapest on the 29th and 30th October 2009. The topics included the exchange of information and experience on markets, clients and tools and the introduction of the Regional Key Account Manager system which it was decided should be implemented during the last meeting a year ago.

More information: [▶ contact \(pdf\)](#)

GfK Russia

The 10th Annual GfK Rus Conference

"Trends on Russian Consumer Markets in 2009"

On October 16, 2009, GfK Rus conducted its 10th Annual Clients' Conference "Trends in Russian Consumer Markets in 2009" at the Marriott Aurora Hotel in Moscow. During the conference, experts from GfK Rus presented to the audience data from their research which makes it possible to monitor the changes in consumer behaviour and attitudes of the Russians which have resulted from the crisis. The clients who attended were shown which markets the crisis has affected most, where consumption has remained at the same level and how the Russians plan to spend their money in the future.

More information: [▶ contact \(pdf\)](#)



Bulgaria

And the winner is ... the middle price segment

There is no general approach which can be adopted for determining price segments within a particular product group. The reason for this is that the assignment of a given brand or product to a low, middle or high/premium price segment is dependent on the subjective perception of the consumer as well as on their personal disposable income. Another problem that complicates the analysis of the dynamics of a price segment and the change in the general price level is inflation. As a result of changes in the prices of the different product categories, which in some cases may be significant, it is quite difficult to define the price segments on the basis of the average price. This means that an update of the intervals for each period analysed is necessary. On the other hand, the definition of price segments makes sense only if it is done within a particular product group and it cannot be applied generally to a given consumer basket since each group comprises individual categories with average prices that may vary considerably.

[▶ read more \(pdf\)](#)

Consumption of sweets in Bulgaria

Do Bulgarians like sweets?

Bulgarians enjoy the habit of 'sweetening' their (daily) life from time to time by having something sweet to eat such as pastry or chocolate products!

Chocolate-coated wafers are consumed most frequently

Two Omnibus mini-studies conducted by GfK Bulgaria in February and October 2009 indicate that chocolate-coated wafers are a particularly popular chocolate product category amongst Bulgarians aged 15+. The mini-studies included 5 chocolate product categories, namely: tablet or bar chocolate, pralines, plain or chocolate-coated biscuits, chocolate-coated wafers and chocolate desserts.

[▶ read more \(pdf\)](#)



Poland

“Mornings with GfK”

For the fourth time – so we may already say “traditionally” – GfK Polonia has organised a breakfast meeting with our top clients, as an occasion for a chat over a cup of tea or coffee. These meetings form a good opportunity to raise questions, discuss various topics and to encourage the attendees to reflect more deeply.

The previous three meetings were organised by the Consumer Tracking department and they were called “The Morning with the Panel”. As the previous meetings turned out to be a huge success, this time we decided to include other GfK departments. Together, we presented interesting data which were intended to answer the question as to whether there is economic potential in the Polish village. The data came from: Consumer Tracking (presented by Ewa Romanska), Custom Research (presented by Barbara Lewicka) and Geomarketing (presented by Przemyslaw Dwojak).

[▶ read more \(pdf\)](#)

Croatia

Ongoing Crisis in Croatia

Private Label and leaflets

The ongoing crisis in Croatia has been manifested in various ways and the first indicator was a growing importance of Private Labels. The crisis in Croatia began in the second half of 2008 when prices started to increase whilst at the same time volume consumption and frequency declined. The increased consumption of Private Labels is a confirmation that price is a primary factor. In addition to the increases in Private Labels, another factor leads us to the conclusion that Croatian households are behaving in an increasingly rational manner. According to the data from the «Leaflet Monitor» department, it is obvious that the number of households making use of the leaflets to optimize their expenditure is growing noticeably. The share of households who use leaflets rose from 14% in the first 5 months of 2008 to 27% in the same period of 2009.

[▶ read more \(pdf\)](#)

Hungary

Holiday Season Overview:

Christmas Season Continues to Decline

Hungarians are spending less and less during the Christmas season every year. Whereas December usually has an outstandingly high share for household spending on fast moving consumer goods, this proportion seems to have been falling over the last three years: this is what the data from the GfK Hungária Market Research Institute show. Amongst the retail channels, it was only hypermarkets and drug stores that were not affected by the slower Christmas season last year and both channel types demonstrated outstanding performances. Nevertheless, Hungarians still buy more of the products they need for their Christmas cooking and baking in December compared to the average monthly amount.

[▶ read more \(pdf\)](#)



Romania

How difficult is it to achieve ‘top of mind’ in the consumers’ mind?

People make choices regarding the brands they buy, consume, offer or recommend to others every day or almost every day. Producers and retailers strive to be as ‘present’ as possible in consumer preferences, to occupy first place in their minds and in the choices they make. However, in addition to the battle between direct competitors in the same category or substitutable categories, there is an interaction between all the products and services people consume or use. GfK Romania has tried to find out how ‘busy’ the consumers’ mind is with brands.

[▶ read more \(pdf\)](#)

Russia

GfK Rus has started to introduce scanning as a method of data collection

In 2009 the GfK Rus Household Panel initiated a transition from paper diaries to scanners for data collection. GfK Rus has chosen an optimal technical solution for Russia, taking into consideration the experiences of other European countries. The obvious advantages of the new data collection technology include high ease of usability and an absence of barriers for those respondents who are not particularly familiar with modern electronic equipment and the internet. First of all, our technology does not require a household to have its own personal computer or internet access. Members of the panel are provided with a compact scanning device (no larger than a wireless home telephone) and a docking station / charger. This means that an electric socket is the only item the respondents are required to have at home.

[▶ read more \(pdf\)](#)

Serbia

Who are the shoppers in Serbia?

In the Shopping Monitor 2009 survey, special attention was paid to the analysis of shopper segmentation. The aim of the research was to follow certain selected patterns of popular shopping behaviours, such as shopping habits, customer satisfaction with shopping conditions, consumer preferences and awareness of retail chains. When it comes to the Serbian market, there are four types of consumer segment: "Planned replenishment", "Budget devotees", "Traditional trade" and "Impulsive & careless". The Planned replenishment segment is the biggest (33%), followed by the Budget devotees with 30% and Traditional trade with 27%. The Impulsive & careless constitute the smallest segment at 10% of Serbian shoppers.

[▶ read more \(pdf\)](#)

Shortcuts

GfK Romania moved

Starting November 30th, 2009, GfK Romania team occupies the 6th floor of the building situated at no. 3, George Constantinescu Street, District 2, 020339, Bucharest.

The phone numbers we can be reached at stay the same: Tel. +40 21 205 5500; Fax +40 21 205 5505

Slovakia

When it comes to clothing and footwear Slovaks are most particular about the brand of their shoes

Most people in Slovakia consider that brands are able to deliver a certain status which may be acquired by purchasing the right branded product. The number of consumers who are "into" branded fashion is growing amongst both men and women. However, when it comes to fashion, Slovaks are most particular about the brand of their shoes. When asked to choose three items of clothing, footwear and accessories where they put the most emphasis on branded products, shoes were the clear-cut leader. Other items from the brand-importance chart include sportswear, jeans and sunglasses. These are some of the findings from the most recent online survey conducted on a sample comprising 528 people aged 15 to 50.

[▶ read more \(pdf\)](#)



Loyalty of Slovak consumers toward retail chains has increased

The Slovak consumers' loyalty to retail chains has increased in Q1 2009, a different trend to that amongst their counterparts in the Czech Republic. Despite the fact that overall purchasing intensity is down and Slovak shoppers have started to keep an eye on their expenditure much more than in the past, they still remained loyal to 'their' traditional retail chains and carried out larger purchases under one roof. These are some of the findings of the most recent analysis carried out by the household panels of GfK Slovakia and GfK Czech. This research tool enables continuous monitoring of all purchases of packaged FMCG goods in all types of stores. The analysis also found that there are great differences in the retail business between the two countries.

[▶ read more \(pdf\)](#)



Slovenia

What do we want and what do we need?

Is consumer behaviour today, in this time of "uncertainty", basically the same as before? The answer is simple: of course it is. Today, consumers still expect to fulfil their wishes and satisfy their needs using the products they buy and the services they use. What is different today is the consumer's perception of what they (really) need and what they perceive as a "luxury" and not an essential commodity.

We cannot claim that existential needs are at the forefront today. This is, without doubt, true for a certain segment of the population, but for the vast majority the need "to have" or "to experience" depends on their system of values and, of course, on the consumer's financial standing. Will someone who cannot afford a holiday also give up having coffee with friends in the afternoon in their favourite coffee shop so they can afford to have meat with their meal? If we simplify the matter, it all depends on how important the free time they devote to friends is to the individual.

[▶ read more \(pdf\)](#)

Ukraine

Development of Ukrainian car market in 2009–2010 depends on consumer confidence

A forecast of interdependence between income and consumption is made for a period of economic stability. Under unstable and uncertain conditions forecast errors in-

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crease, because both the objective factors change and the reaction to them. At the same time, when consumers do not have past experience of adapting to a situation, as at present, their actions become promiscuous and chaotic and this increases the importance of subjective factors (consumer mood and expectations).

This means that the consumer makes a choice according to his/her own evaluation and expectations for the future. This is why models which take into account short-term changes in consumer mood as a factor of consumer behavior are in demand at the present time. Taking into consideration both objective and subjective factors, GfK Ukraine has created a model to forecast the development of the Ukrainian car market.

This model has shown that the changes in objective indicators at the beginning of 2009 gave rise to only 30 % of the fall in the car market whilst a further 40 % was as a result of subjective factors.

[▶ read more \(pdf\)](#)

Comments

If you would like to make any comments about our Newsletter or if any other colleagues in your company are interested in our E-Mail News please let us know.

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