FAVORITE STORE

Traditional store vs Discounters vs Super/Hypermarket

What store format do Romanians prefer? What is the frequency with which they visit supermarkets, hypermarkets or discounters? How often do they go to traditional stores? How much money do they spend, on average, in a store and how much does this amount differ from one store format to another? What store brands do Romanians prefer? The answers to all these questions can be read in the Special colomn and are part of a survey conducted by ISRA Center at Piata magazine's request.

Foto: dreamstime

The data were collected in the first part of this year's November, the main objective of the survey being to identify the differences in perception regarding small (proximity) stores and large stores (modern retail). The objectives also aimed at identifying: type of store in which consumers did their shopping in the past 6 months and visit frequency compared to the previous period; amount usually spent at one purchase occasion; consumer satisfaction with each type of store.

According to research results, half of the respondents do their daily shopping in traditional stores. Important differences are registered at regional level: in Oltenia for example, the percentage of those who visit traditional stores every day is significantly higher (69%) than total (50%), whereas in Banat, 44% of the residents visit this type of stores several times a week, by comparison to 31%, the national mean for this time range.

RESEARCH METHODOLOGY

Research pool : population in urban environments over 50k residents, aged between 20 and 60;

Sample size :1,113 respondents;

Method of data collection: face-to-face interview method on the basis of a questionnaire designed by ISRA Center according to Piata magazine objectives;

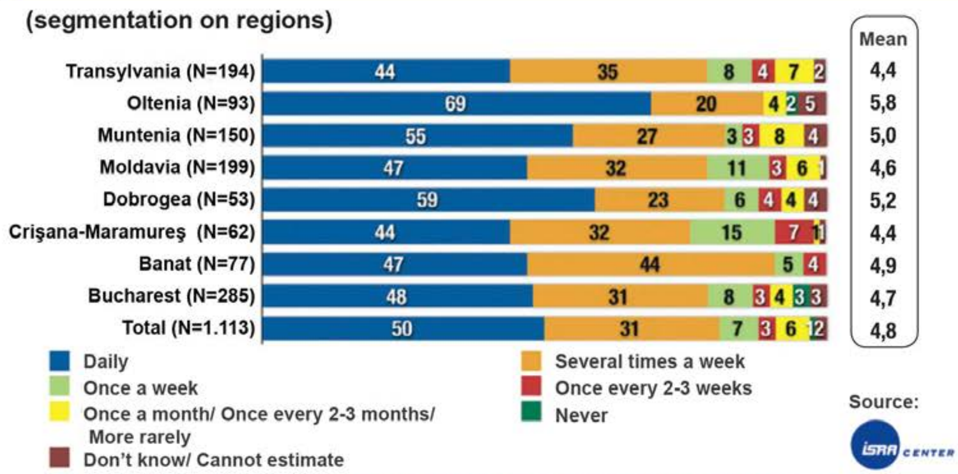
Period:November 6-19, 2010;

Main objective :identification of differences in perception regarding small (proximity) stores and large stores (modern retail)

Specific objectives

- level of satisfaction with each type of store;
- purchase frequency in the past 6 months by comparison to the previous period;
- stores in which they shopped in the past 6 months;
- amount spent at one purchase occasion.

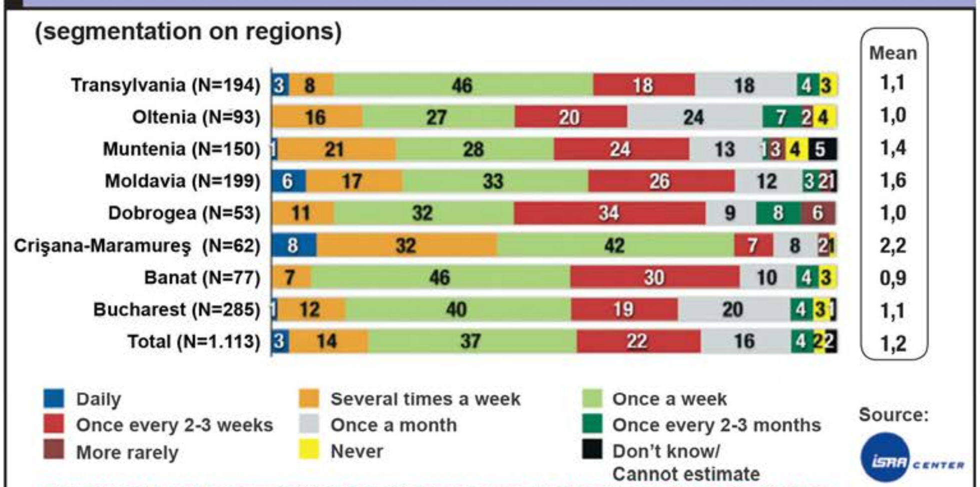
PURCHASE FREQUENCY - TRADITIONAL RETAIL



The mean shows how many times a week consumers go shopping in this type of stores
Base: all respondents, N=1.113 (N = number of respondents)

Oltenia respondents frequent traditional retail every day to a greater extent (69%) than respondent from the rest of the country (50%). The same situation can be found in small cities, of up to 100,000 residents (56%) and in the case of young respondents aged between 20 and 29 (53%).

PURCHASE FREQUENCY - SUPER/HYPERMARKET



The mean shows how many times a week consumers go shopping in this type of stores
Base: all respondents, N=1.113 (N = number of respondents)

Most of the city residents (37%) go shopping in super/ hypermarkets once a week. The percentage increases in the case of young respondents (41%) and decreases in the case of people aged between 50 and 60 (30%). The latter choose to shop more rarely in the super/ hypermarkets, that is once a month (23%, compared to the national mean of 15%).

ALMOST THREE QUARTERS OF THE CITY RESIDENTS STATE THEY HAVEN'T CHANGED THE FRQUENCY WITH WHICH THEY VISIT TRADITIONAL AND MODERN RETAIL IN THE PAST 6 MONTHS.

As far as modern retail is concerned, a bit more than one third of the interviewees (37%) state they go shopping once a week, and the percentage goes up to 46% in the case of Banat and Ardeal residents. Crişana-Maramureş is the region with a higher percentage of those who visit modern retail stores every day (8%), compared to the national mean (3%).

At the level of the entire sample, the purchase frequency for discount stores seems quite evenly distributed between "once a week", "once every two-three weeks" and "once a month". Approximately three out of 10 respondents (26%) state to never have visited this type of stores, most of them being Dobrogea (40%) and Oltenia (36%) residents

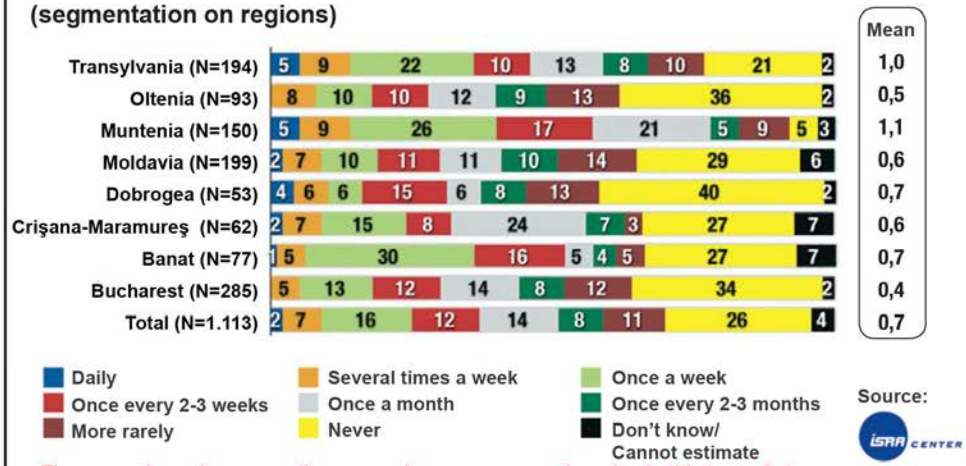
On the other hand, Banat and Muntenia respondents frequent these stores once a week in a significantly higher percentage (30%, 26% respectively), by comparison to the national mean (16%).

Almost three quarters of the interviewees assert they haven't changed the frequency with which they visit traditional and modern retail in the past 6 months. However, 31% of Transylvania residents and 33% of the people aged between 50 and 60 state they more rarely go shopping to modern retail (compared to the 23% mean), whereas 15% of Moldavia respondents go to discount stores more often (compared to the 8% mean).

IN OLTENIA, THE PERCENTAGE OF THOSE WHO FREQUENT TRADITIONAL STORES IS SIGNIFICANTLY HIGHER (69%) THAN THE NATIONAL MEAN (50%).

PURCHASE FREQUENCY - DISCOUNT STORE

(segmentation on regions)



Source: ISRA CENTER

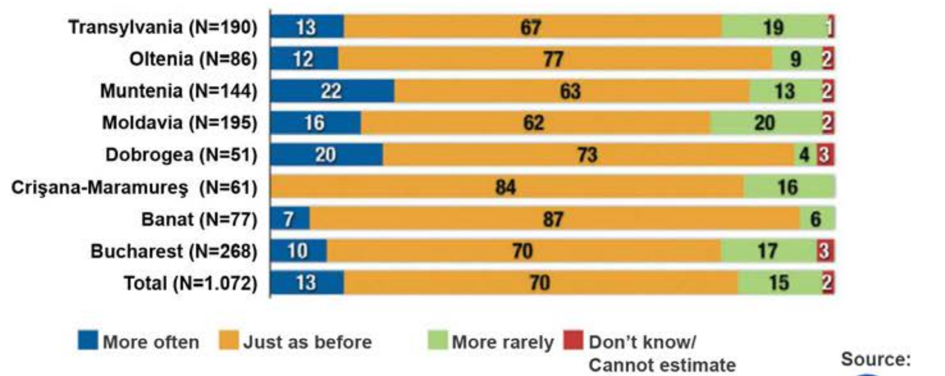
The mean shows how many times a week consumers go shopping in this type of stores

Base: all respondents, N=1.113 (N = number of respondents)

A quarter of the city residents have never shopped from discount stores. Most of them live in Dobrogea (40%) and Bucharest (34%), are aged between 40 and 49 (31%), and 27% are women (as compared to 25% men).

PURCHASE FREQUENCY IN THE PAST 6 MONTHS COMPARED TO PREVIOUS PERIOD - TRADITIONAL RETAIL

(segmentation on regions)



Source: ISRA CENTER

Base: respondents who shop with a certain frequency in traditional retail, N=1.072 (N = number of respondents)

In November 2010, 7 in 10 respondents shopped from traditional retail just as often as they did 6 months ago. But compared to November 2008, the frequency decreased from a mean of 6 times a weak to 5 times a week. The decrease is given by the segment of the elder respondents (50-60 years old), who no longer go shopping to proximity store every day, as they used to 2 years ago.

One single shopping occasion means: in traditional retail, expenses between 10 and 30 leis, for 61% of the respondents; between 101 and 150 leis spent in modern retail for 25% of the people who took part in the survey; in discount stores, amounts varying between 51 and 100 leis for shopping done by 28% of the consumers.

Depending on the region they live in, on the level of household incomes, on the age range, etc., respondents are willing to spend more or less in these stores. This way, in traditional retail, Bucharest and Banat residents allot amounts between 10 and 30 leis to a greater extent, whereas Crişana-Maramureş and Muntenia respondents limit themselves more to shopping not exceeding 10 leis.

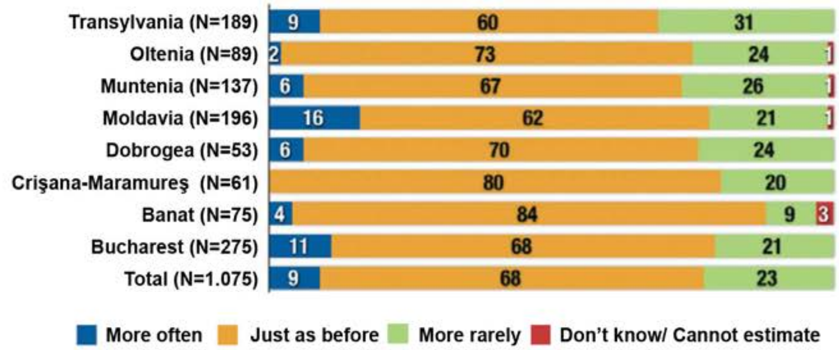
But when it comes to modern retail, the amount drops under 100 leis in the case of those with household incomes below 2,000 leis (30%) and increases to over 200 leis in households with incomes over 4,000 leis (42%).

As for discounters, Bucharest residents (30%) are willing to spend more in this type of stores (between 101 and 150 leis). The elders (33%) remain in the more restrained category from the point of view of the amount paid at one single purchase occasion (between 10 and 50 leis).

Concerning the names of the traditional stores visited in the past 6 months, more than half of the respondents mention "the store near home/ work/ faculty" without naming it. However, 3% of them make references to ABC stores, and 1% name stores such as: Avicola, Darina, Mic.ro, Palas, Euro Market, Moniladi, Transagape, Iza.

PURCHASE FREQUENCY IN THE PAST 6 MONTHS COMPARED TO PREVIOUS PERIOD - SUPER/HYPERMARKET

(segmentation on regions)



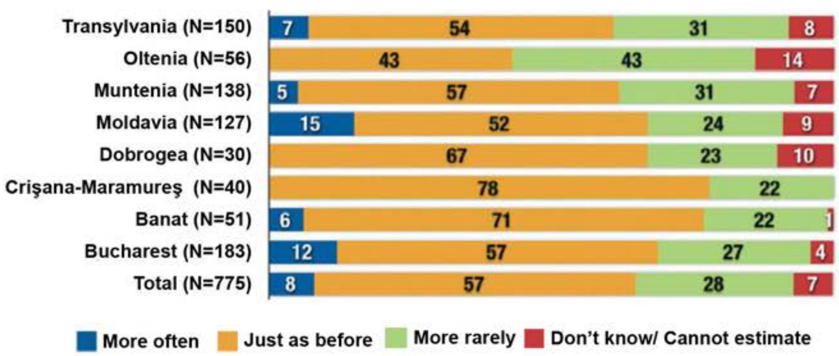
Source : ISRA CENTER

Base: respondents who shop with a certain frequency in modern retail, N=1.075
(N = number of respondents)

In the case of super/ hypermarkets, a significantly higher number of Moldavia residents have increased the purchase frequency in the past 6 months (16%, compared to 9%, the national mean), whereas in Transylvania, the situation is the other way around (31% go shopping more rarely, compared to the mean of 23%). The 20-29 age category increased the purchase frequency (13%), whereas the elder respondents decreased it (33%)

PURCHASE FREQUENCY IN THE PAST 6 MONTHS COMPARED TO PREVIOUS PERIOD - DISCOUNT STORE

(segmentation on regions)



Source : ISRA CENTER

Base: respondents who shop with a certain frequency in discount stores, N=775
(N = number of respondents)

Moldavia is maintained on top of purchase frequency for discount stores as well, with a significantly higher percentage of those who purchased from this retail format in the past 6 months (15%, compared to the 8% mean). At the opposite end is Oltenia (43% of the respondents decreased visits to discounters), elder respondents (41%) and residents of cities over 250,000 inhabitants.

A QUARTER OF THE CONSUMERS (26%) STATE TO NEVER HAVE VISITED DISCOUNT STORES, MOST OF THEM BEING DOBROGEA (40%) AND OLTENIA (36%) RESIDENTS

But when it comes to modern retail, the amount drops under 100 leis in the case of those with household incomes below 2,000 leis (30%) and increases to over 200 leis in households with incomes over 4,000 leis (42%).

As for discounters, Bucharest residents (30%) are willing to spend more in this type of stores (between 101 and 150 leis). The elders (33%) remain in the more restrained category from the point of view of the amount paid at one single purchase occasion (between 10 and 50 leis)

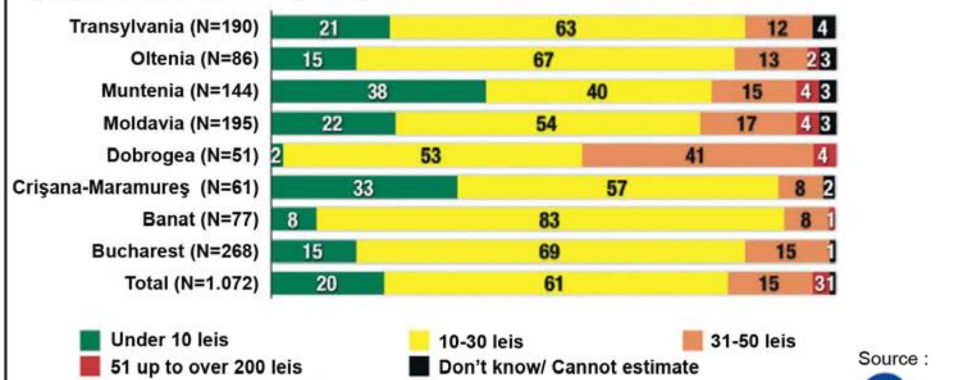
Concerning the names of the traditional stores visited in the past 6 months, more than half of the respondents mention "the store near home/ work/ faculty" without naming it. However, 3% of them make references to ABC stores, and 1% name stores such as: Avicola, Darina, Mic.ro, Palas, Euro Market, Moniladi, Transagape, Iza.

But in the case of modern retail, the top of most visited supermarket/ hypermarket/ cash&carry in the past 6 months is divided between Carrefour, Kaufland and Real, while Plus, Penny Market and Profi occupy the first 3 ranks

THE SATISFACTION WITH THE PERFORMANCES OF MODERN RETAIL IS ABOVE AVERAGE, THIS RETAIL FORMAT OBTAINING SCORES BETWEEN 8.2 AND 9.5 ON A 1-TO-10 SCALE.

AMOUNT SPENT AT ONE SINGLE PURCHASE OCCASION – TRADITIONAL RETAIL

(segmentation on regions)



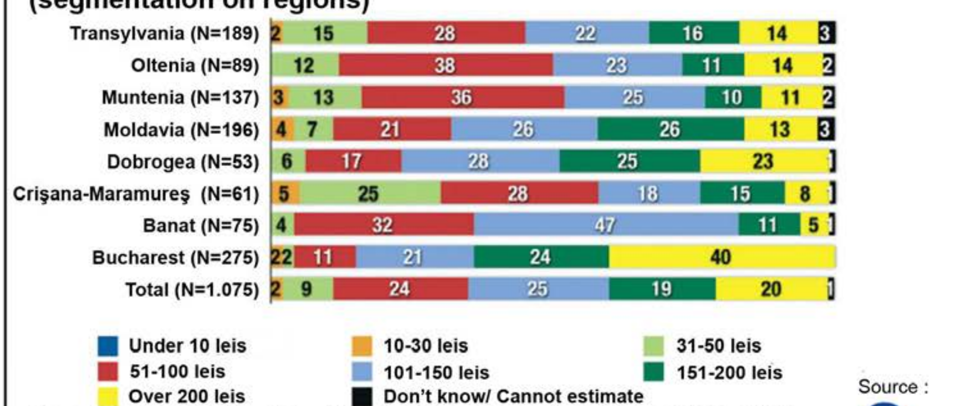
Base: respondents who shop with a certain frequency in traditional retail, N=1.072
(N = number of respondents)

Source : ISRA CENTER

In traditional retail, most respondents spend amounts between 10 and 30 leis. Residents of small cities and young people of up to 30 years old pay more attention to the amount spent in these stores, the mean being under 10 leis (30%, 22% respectively, compared to the 20% mean).

AMOUNT SPENT AT ONE SINGLE PURCHASE OCCASION – SUPER/ HYPERMARKET

(segmentation on regions)



Base: respondents who shop with a certain frequency in modern retail, N=1.075
(N = number of respondents)

Source : ISRA CENTER

In super/ hypermarkets, respondents aged between 30 and 39 spend over 200 leis to a greater extent (29%, vs. 20% mean), whereas the elder respondents are more restrained, most of them spending between 101– 150 leis (29%).

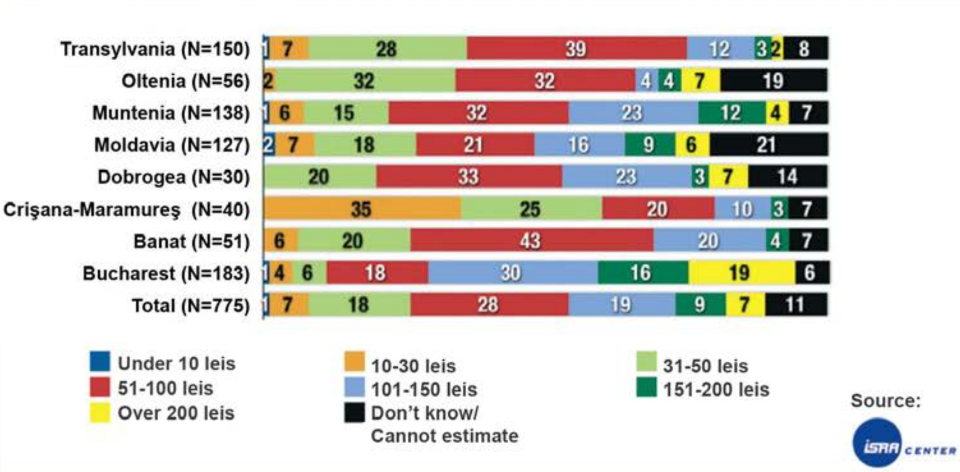
in discounters category.

When various types of retail were evaluated, traditional retail's strong point remained proximity, while the main advantages of modern retail are the products range and products presentation – advantages they share with discounters. The latter are also appealing due to their shopping hours and prices policy. Personnel's politeness is a characteristic disputed by all three types of retail.

Therefore, respondents are less strict in evaluating traditional retail, the lack of promotions and contests is not an obstacle for the customers of these channels of distribution, while proximity to home/ office is a very important attribute.

In the case of modern retail, interviewees tend to be more critical. However, the satisfaction with the performances of modern retail is above average, this retail format obtaining scores between 8.2 and 9.5, on a 1-to-10 scale, for criteria such as: prices, shopping hours, atmosphere in the store, personnel's politeness,

AMOUNT SPENT AT ONE SINGLE PURCHASE OCCASION - DISCOUNT STORE



Bucharest residents are willing to spend more in discount stores (between 101 and 150 leis) than Crişana-Maramureş respondents (between 10 and 30 leis). Smaller amounts (31-50 leis) are also spent by elder persons (24%), people with household incomes under 2,000 leis (23%) and big city residents (26%).

IN TRADITIONAL RETAIL, BUCHAREST AND BANAT RESPONDENTS ALLOT AMOUNTS BETWEEN 10 AND 30 LEIS TO A GREATER EXTENT, WHILE CRIŞANA-MARAMUREŞ AND MUNTENIA RESIDENTS LIMIT THEMSELVES TO SHOPPING UNDER 10 LEIS.

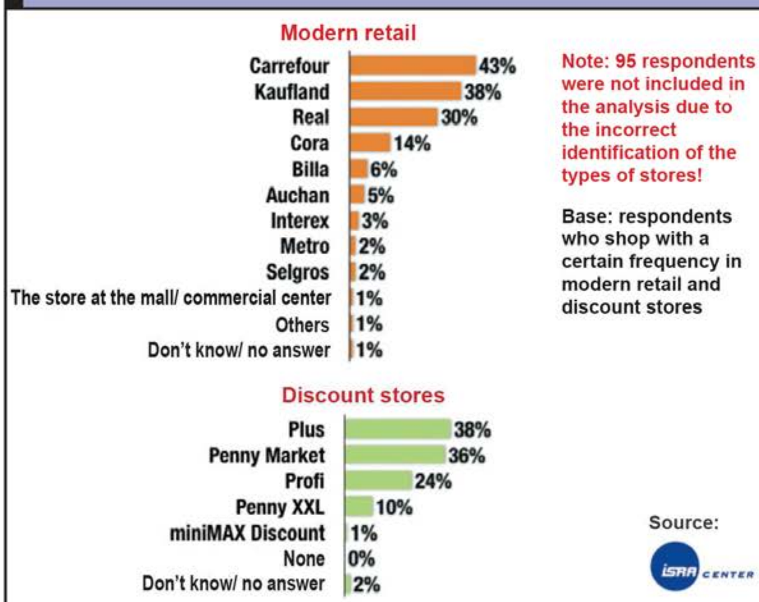
waiting time at cash registers, level of supply, products freshness, existent promotions, etc. Discounters are placed at the junction of the other two types of retail, customer satisfaction being a bit above average (scores between 8 and 9).

TRADITIONAL STORES MENTIONED BY RESPONDENTS

Store near home/ work/ faculty	62%
Universal store	1%
Kiosk/ food products store	1%
Stores for which an address (street) was indicated	1%
ABC (Arad, Cluj, Galați, Timiș, Sălaj)	1%
Darina (Mureș)	1%
Palas (Mureș)	1%
Mic.ro (Bucharest)	1%
Iza (Bihor)	1%
Moviladi (Bihor)	1%
Avicola (Hunedoara)	1%
Others*	1%
No answer	5%

*) In total, 230 stores were mentioned, most of them gathering under 1% of the total number of mentions. But most of the respondents (65%) do not know the name of the proximity store where they've shopped in the past 6 months.

SUPER/ HYPERMARKETS AND DISCOUNT STORES IN WHICH RESPONDENTS DID THEIR SHOPPING IN THE PAST 6 MONTHS



In the case of traditional retail visited in the past 6 months, more than half of the respondents mention the "store near home/ work/ faculty", without naming it. In the top of the most visited hypermarkets, supermarkets, cash&carry, Carrefour, Kaufland and Real hold the first three positions, while Plus, Penny Market and Profi stand out in discounters' ranking.

Grouping made by Maria Vaschi