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The average shopping basket value decreased in the first semester

by Romina Ardelean (romina.ardelean@cmgromania.ro)

Despite the much talked about economic revival, the numbers related to trade evolution for the first half of the year show quite the opposite. The first signal comes from the National Institute of Statistics, which reports a decline of the en-detail trade with 6.2% in January – June 2011 compared to the same period last year, based on sales decrease with 9.7% for food, drinks and tobacco.
The most recent survey conducted by the market research company ISRA Center, exclusively for "Magazinul Progresiv", also shows a decrease of the shopping basket. Thus, Romanians living in urban area claim to be spending less for current expenditures.

That decreasing trend took shape through a decrease of the average amounts spent on each type of store (May compared to February): 5% for supermarkets and 16% for discount stores.
Data were collected in 2 waves, in February and May 2011, by face-to-face interviews based on questionnaire, on a sample of 1,108 respondents. The results are representative for the urban population (cities over 50,000 inhabitants), aged between 20 and 60 years old. The maximum sampling error is ±2.9% at a 95% confidence level.
The survey objectives were identifying the buying behavior of urban population, with a special focus on traditional stores, measuring the awareness and usage of private labels and exploring the buying behavior regarding products on promotion.

The frequency of visits decreases too

In May, compared to February 2011, Romanians declare to have spent less on current expenditure. Looking at the average amount per visit for each distribution channel, the ISRA Center research shows a decline from 26 to 23 lei in traditional stores and from 173 to 158 lei for hypermarkets. The decreases were slightly lower in supermarkets (5%), where the average amount spent per visit went from 113 to 107 lei. At the other end, the average budget spent at discount stores decreased with 16%, from 102 to 86 lei.

In line with that trend, there is a decrease of visits in traditional stores, from 5 visits per week in February to 4 visits per week in May. That situation occurs because of a visible decrease of people entering the traditional stores (from 48% in February to 40% in May), but also because there are more who visit those type of stores just 2-3 times per week. Specialists from ISRA Center declared it is possible that part of those who used to visit the traditional stores shifted o to discount stores (the only channel that registered a slight increase of visit frequency due to recent widening network of these stores).
Regarding the food categories bought, in the last 6 months there are no visible changes. Bread or breading products, fresh fruits, personal care products, dairy products and fresh vegetables remain the main 5 product categories purchased. Especially in traditional stores, as the warm weather made way, the consumption of beverages increased. On the other hand, the impact of price increases for standard categories (oil, our, sugar, dairy products) is more visible, respondents claiming to be buying less groceries and dairy products from traditional stores in May compared to February.

Also, in spring-summer the purchase of fresh fruits moves from nearby stores to traditional markets, while the cold cuts consumption is usually decreasing, thus generating less sales. However, the purchase of must quickly consume products such as: bread, non-alcoholic drinks, co ee or co ee based products increases. Same as in February, the purchase of new categories or brands is low, 88% out of respondents saying that they didn't buy new products or brands in the last month.

Aro, top of mind for private labels

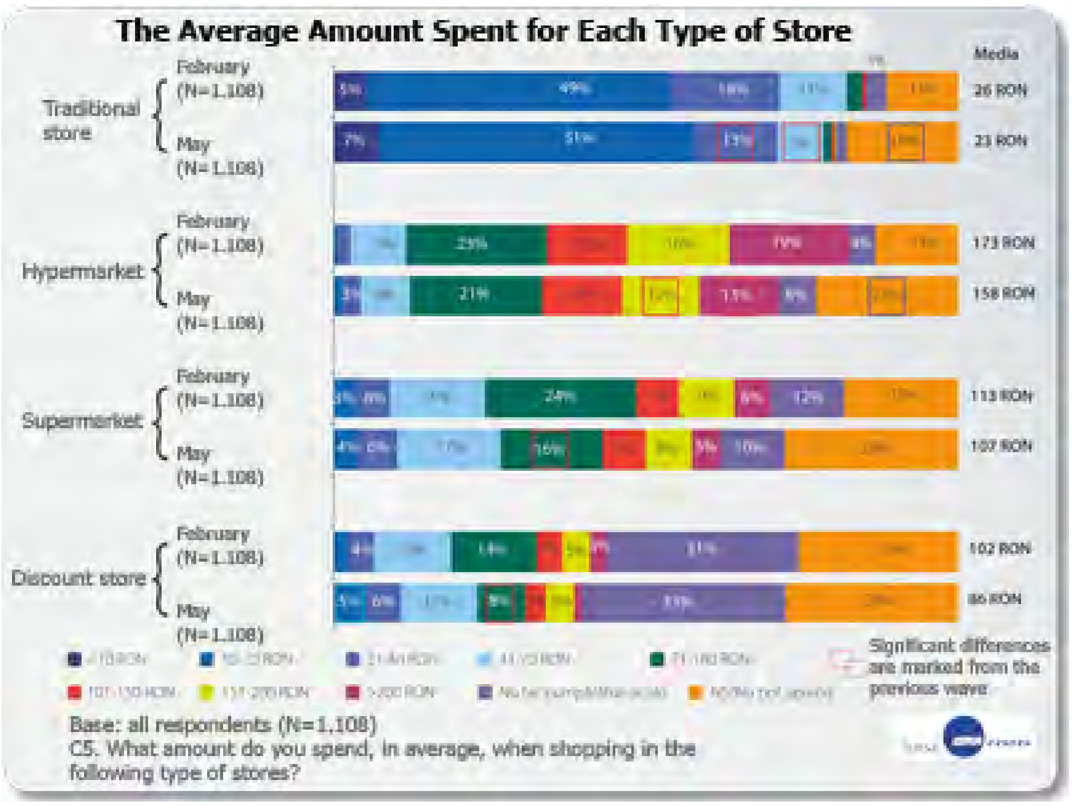
In May 2011 compared to February 2011 there were no major changes regarding private labels purchase behavior.

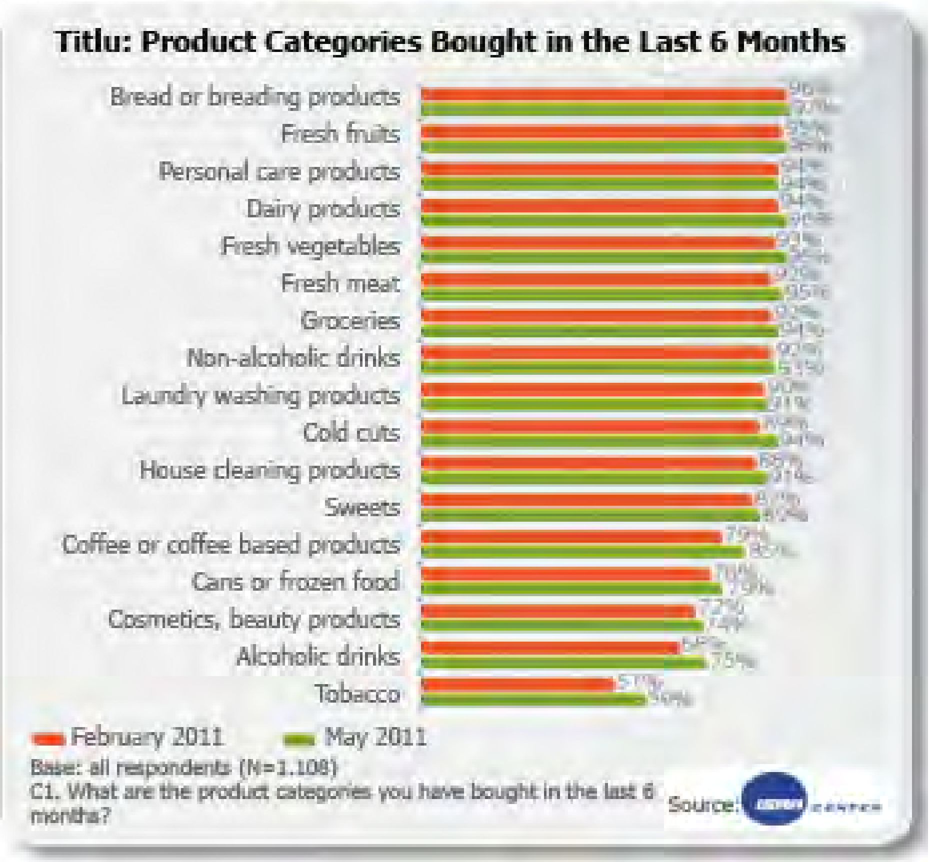
Thus, 2 in 10 respondents didn't hear about private labels, while 1/3 buy them occasionally and 19% regularly. The main reasons for rejecting private labels are related to the perception of low quality and lack of trust in such products.

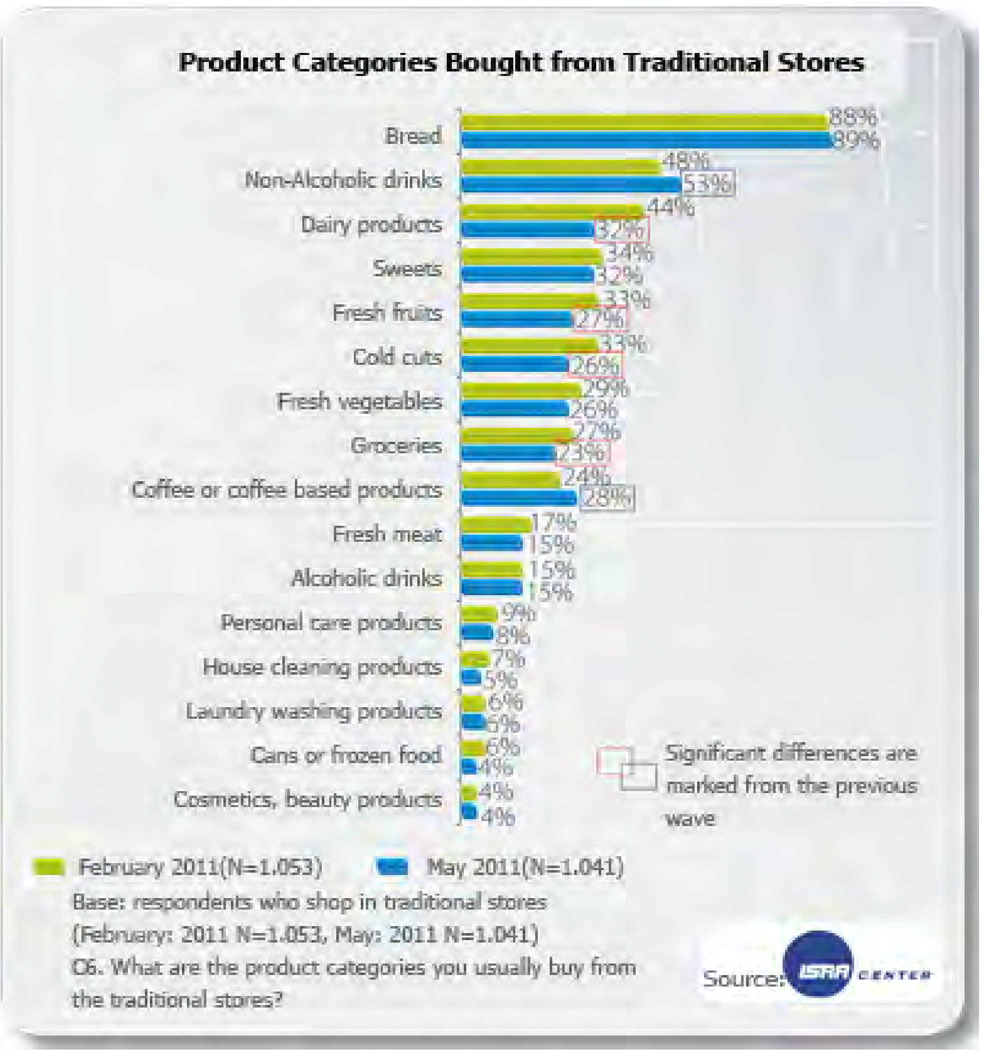
Based on Billa's wider network and the introduction of new private labels by Real hypermarket, the spontaneous awareness of Clever and the spontaneous awareness and usage (trial and occasional purchase) of Tip increased. Aro and Carrefour private labels were the private labels most a ected by these changes, thus registering sales decrease. Besides those labels, Marca No. 1 and Cora are retailers' brands that in February-May 2011 had problems with their ability to attract new customers. However, Aro remains top of mind and most known private label.

Product categories of most consumed private labels include groceries, home cleaning products, dairy products, non-alcoholic drinks, cans and frozen food, cold cuts or laundry washing products. Compared to the February wave, in May 2011 there is a visible decrease of private labels consumption for categories such as sweets, fresh meet, fruits and vegetables.

Promotional packages lose their attractiveness







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