

Austria

Target On: Discounters in Austria

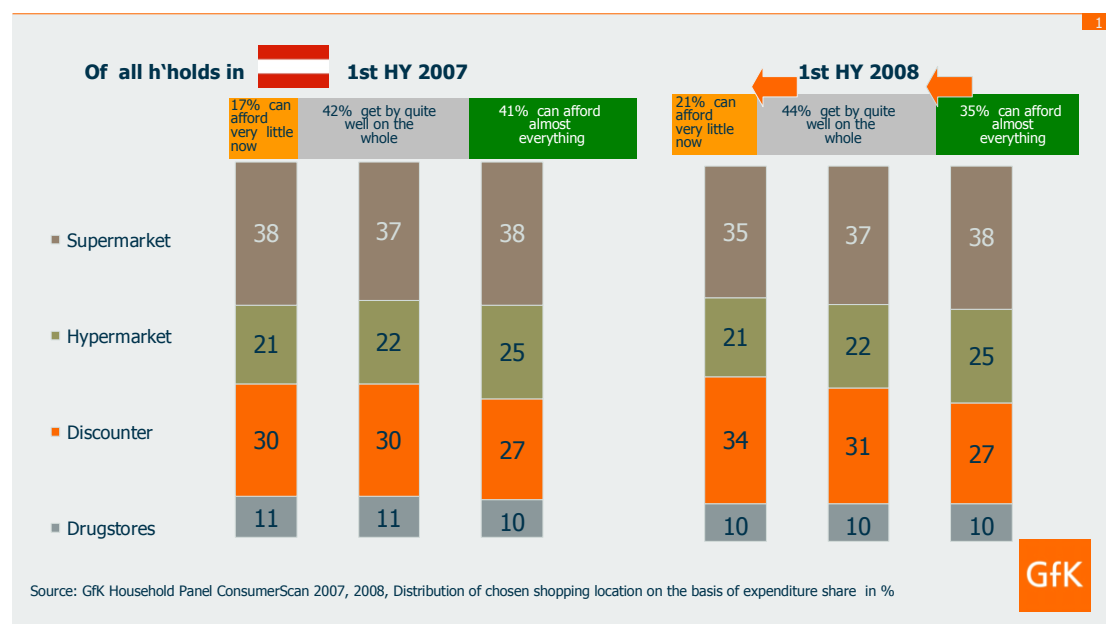
In response to ongoing discussions about the possible impact on consumer behaviour of increasing food prices, the financial crisis and a possible recession, GfK Austria decided to take a detailed look at the changing preferences for store types within the grocery trade. This multi-client study carried out in 2008 - based on data from the GfK household panel - shows that discounters are the store format that profits most from the precarious income situation of a growing number of Austrian households. Discounters will therefore remain a hot topic among both competitive retailers and brand manufacturers in 2009.

Over the last 9 years the market share of discounters has grown steadily from 21.6 % in 2000 to 30.2 % in 2008 (1st HY). In the same period, supermarkets lost 20 % of their market share. In the first half of 2008, discounters again showed the highest turnover growth rates (+11.6%). More important to note is the fact that discounters were the only store format that was also growing in real terms. The turnover of hyper-/supermarkets and drug discounters was driven by price alone.

94 % of all Austrian households shop at least once a year at a discount store. 55 % of these households visit discounters at least once a week and can therefore be considered to be regular discounter shoppers.

The two fastest growing discounters over the past few years have been Hofer (Aldi) and Lidl. The shoppers at Hofer, certainly the most important discounter in Austria in terms of turnover and number of outlets, are the most loyal ones among all retailers. However in the first half of 2008 Lidl managed to grow even faster than its main competitor despite having had a similar increase in the number of outlets in 2008 (+3%). The sales development of private labels and national brands shows that Lidl is mainly profiting by listing national brands.

Assessment of the financial situation influences choice of shopping location



When asked about their financial situation in 2008, most Austrian households gave an increasingly negative forecast for the next 12 months. In 2007 17% of all Austrian households claimed that they can hardly afford anything. In the first half of 2008 this share had increased significantly to 21%. Further analysis of the FMCG spending and store preferences for this group of shoppers made the impact of this development evident: besides generally reducing their FMCG expenditure, this growing number of households had also shifted its store loyalty towards discounters. Consequently, the share of the discounter format within their spend portfolio had increased to 34% in 2008 compared to 30% in 2007. The pessimistic view someone holds about their financial situation can therefore be considered one of the driving factors behind the growth of discounters in 2008.

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