

## Serbia

### Insights on Serbian shoppers

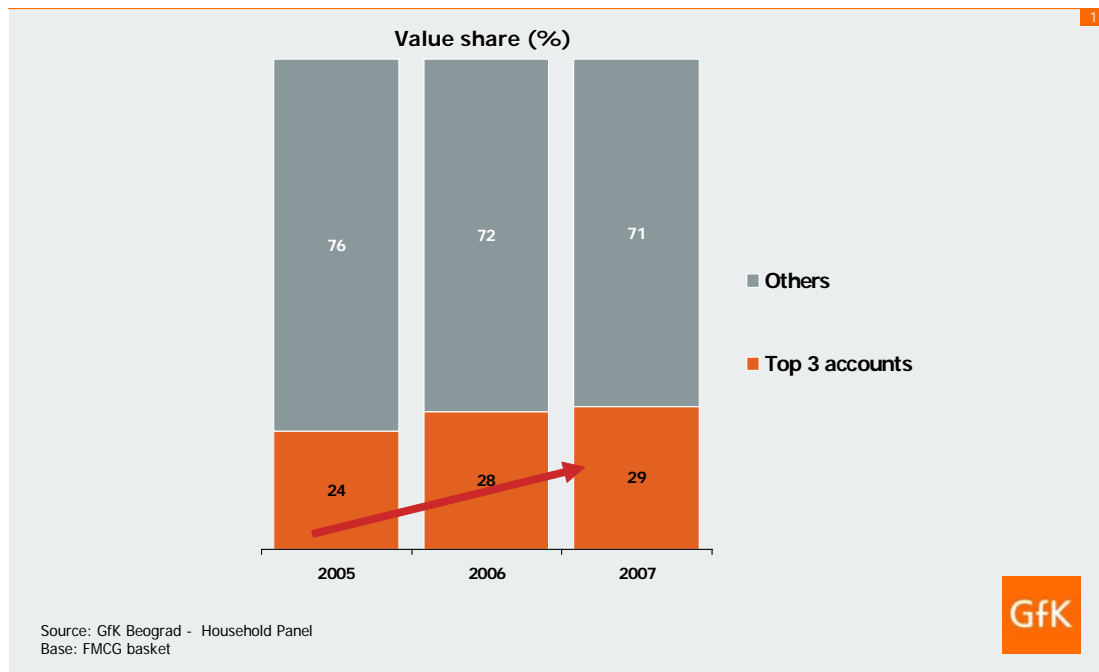
The retail sector in Serbia is following the same developmental trends that have been observed over past years, becoming more concentrated. The market share of the top 10 accounts in Serbia is increasing continuously, reaching almost 30% in 2007. The concentration pattern, leading to the suppression of small retail formats (e.g. local stores – superettes and counter shops) and growing competition among the leading ones, is common for other CEE countries as well.

GfK Belgrade

Shopper Insights

### Share of Top 10 accounts in Serbia

Serbia without Kosovo

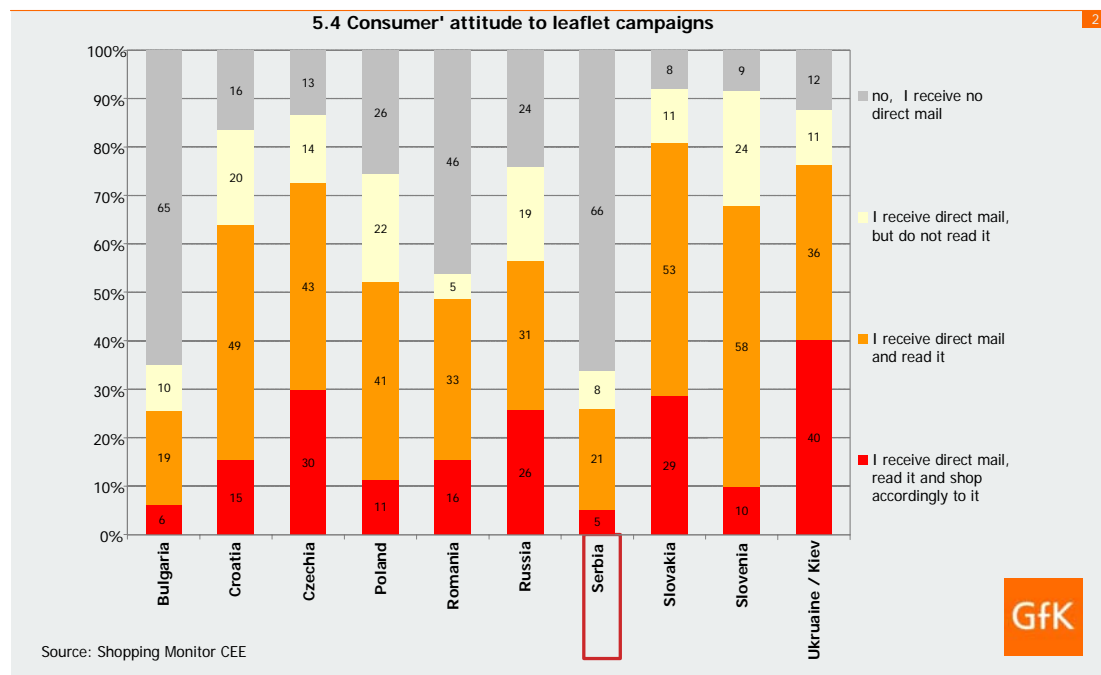


Favorable prices, assortment range and proximity to home or workplace are the top three decision factors among Serbian shoppers for choosing the main shopping place. While price still remains the most important choice factor, demonstrating a stable trend over the years, a growth in the importance of the range and variety of offer is noticeable each year. On the other hand, there is a continual decline in the importance of the store proximity, in line with the growing level of car penetration in Serbia (in 2007, 59% of households had a car compared with 67% of households in 2008) and the consequent increasing mobility of the shopper population.

## Leaflet usage

Despite paying a high level of attention to price level and assortment range, only one-fifth of shoppers in Serbia read the leaflets they find in their mail-boxes and only 5% of them use the information from the leaflets when going shopping.

## Customers' attitude towards promotional leaflet campaigns



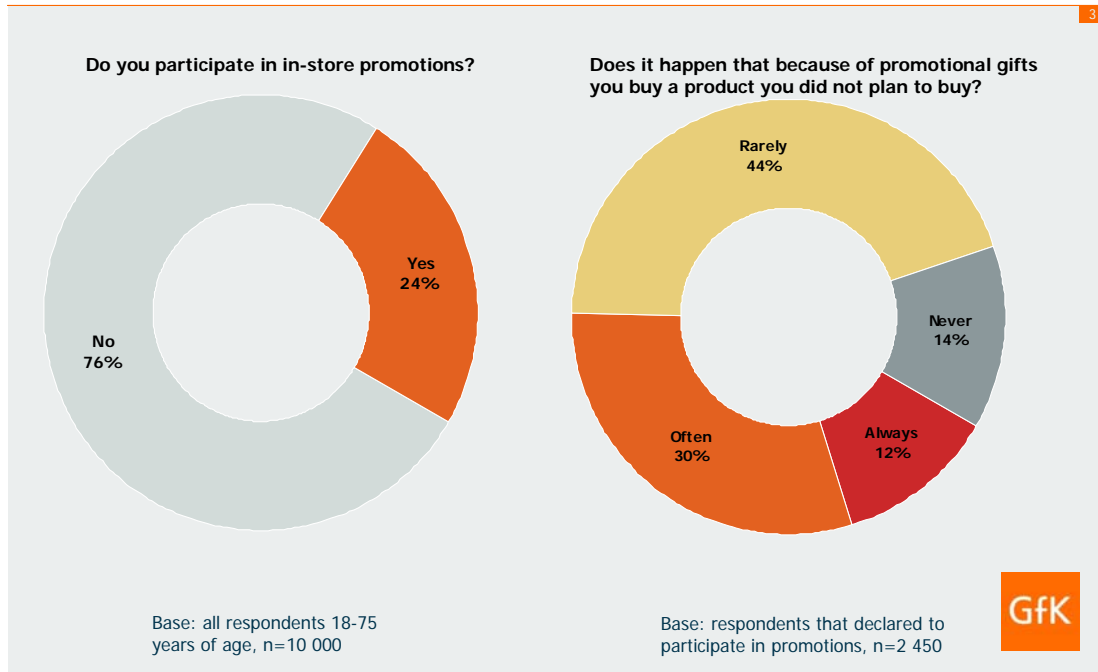
Shoppers' reactions to this type of merchants' promotional activity differ greatly across CEE countries – the best shoppers reaction to them is found in the countries where the leaflet distribution rate is the highest.

It is obvious that the distribution rate for commercial leaflets is very low in Serbia, especially when compared to other CEE countries – currently, still less than half of Serbian consumers receive leaflets at their home address. This fact is not difficult to explain bearing in mind the concentration of the big retail chains in some of the cities in contrast to a relatively undeveloped network across the rest of Serbia.

### In – store promotions

One quarter of Serbia's residents take part in in-store promotions and when they do so, a large majority of the participants (approximately 85%) buy products whose purchase was not initially planned. Four out of ten participants decide to take part in the promotion because of the gifts they will receive.

## Participation in in-store promotions



During 2007, GfK Belgrade carried out several AST (Accompanied Shopper Trips) projects, aimed at the perception and evaluation of field promotions.

Some of the findings cast more light on the potential and roles of the promoters during a promotion action. One of their important roles is that of information. It is expected that promoters will present the brand in comparison to other similar products in a clear and concise manner and point out its unique aspects. Promoters can also have a decisive influence on the consumer's shopping intentions.

As has already been mentioned, shopping intention is also affected greatly by the gift. An adequate gift has a great influence on brand image, especially from the aspect of consumer care. However, not every gift is experienced in the same way and achieves the same effect on brand perception. For example, the managers of Serbian households prefer useful and practical gifts.

A promotional mechanism can be conceived in various ways. Will shoppers readily participate in any promotion or are there big differences with respect to demographic factors and lifestyle? Analysis has shown that the promotions employing a mechanism that implies active participation of shoppers (they have to do something – perform a task, e.g. sing or recount something, take part in a quiz, hit a basket, etc.) are preferred more by the younger target groups and men.



There is a multitude of ways in which sales and POS materials can be improved and one of which common use is made is the poster. However, it has been shown that posters as informative elements are not easily noticed by shoppers, especially if placed at the entrance of a store.

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