



## Croatia

### How much have we changed?!

If we look at ourselves as buyers and consumers, we can see that we have changed significantly in comparison to 10 years ago or even, for that matter, 5 years ago. If we look at the period of the last two years, i.e. since the beginning of the crisis, we can see that the changes are not so great although new behaviour patterns that have become stronger have changed the previous image of buyers and consumers.

How we have changed:

1. We have more money at our disposal to buy goods and services (purchasing power approximately 4,800 euros a year)
2. We think more about where and what to buy
3. We are more likely to do a small shop
4. We look at the leaflets issued by supermarket chains and shop accordingly
5. We pay attention to promotions and special offers
6. We wait for discounts
7. We go to discount shops more frequently
8. We have become more rational buyers (or, perhaps, smarter)

In 2010, two new trends have also left a mark on the retail market:

1. Companies that mostly sell services at exceptionally attractive prices have appeared on the market (e.g. Kolektiva, Kupime, Grupnjak, etc.). Such companies have recognised this market niche, i.e. that consumers still need to have small pleasures.
2. "Promos for the sake of promos" – points of sale are overwhelmed with off-season sales, so we have various discounts and special offers throughout the year (discount coupons in magazines and leaflets have been introduced to the market, weekend special offers and the like). This creates an absurd situation in which consumers actually feel uncomfortable if they buy something at a "regular" price.

Consumers have profited from this crisis because their money is more valued. To put it simply, there is less money in the market, the competition is fierce and retailers and manufacturers are not given any chance if they make a mistake. If mistakes do happen, consumers can switch over to different brands or go to a different point of sale. Today, we can justly say that the Consumer is King! Each time they go shopping, consumers expect to get a unique shopping experience and full service which results in a high level of satisfaction.

However, if we want to go shopping, we need money. According to the latest information (data GfK December 2010 – Household incomes and expenses), we never have enough money. The average three-member household has an average monthly income of 6,350 HRK whereas, according to their estimates, they would need around 8,700 HRK a month just to satisfy their needs.

In addition to objective indicators, citizens are also affected by the overall socio-economic and political situation. As a result, in this situation 32% of respondents claim that they are barely able to make ends meet (in 2010 this figure was 18%), 53% say that it is harder now than it was before but that they can still live a decent life, while only 14% of citizens say that they are aware of the crisis that has affected the country but that they have not felt it personally. Approximately 56% of citizens are afraid of what the future will bring whilst only 8% of them would be satisfied if the current situation would last a bit longer.

However, only 7% of citizens have confidence in the measures being taken by the government (this includes both those that completely agree with the statement and those who partly agree that they have confidence in government measures).

Who is there who could help us to emerge from the crisis? Unfortunately, as many as 42% of the respondents are not able to identify a person or an institution which could pull us out of this crisis. However, there is felt to be a need for some new, young, fresh and smart people. Maybe this does not refer to a need for a new government but to a need for new names, new and young professionals.

At any rate, the old saying of "The young shall inherit the world." was definitely not created for nothing. It is up to us to ask ourselves what kind of world are we leaving behind for them?

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