Serbia

Results from the Shopping Monitor

According to Shopping Monitor data – the annual survey which GfK Belgrade conducts on a nationally representative sample for Serbia – 60% of the population predominantly uses mini-markets and supermarkets as their main place for shopping. The term "predominant" in this case means the place where most of the food and other basic groceries required are bought or, in other words, it is the place where the majority of spend on food and basic groceries is made.

This year, yet again, hypermarkets have shown a decrease in importance, whilst mini-markets have gained significantly in comparison to last year. Local and traditional shops have also decreased in importance as consumers are going out to do a "big shop" again although they do not do them as often as they used to. The average amount spent on one large shopping expedition remains at a similar level to that of past years – 42 euros. The use of cheques and bank cards is increasing, but cash payments are still the dominant way of paying for a large shop, used for 85% of payments.

The main reason given for the choice of a store by the consumers is the proximity of the shop to the home or place of work. However, about 50% of consumers also say that affordable prices are an important reason, which shows that, as well as the convenience of the proximity to their home, people also care about prices. Assortment range (''what's on the shelf") is also an important factor. Unlike in the previous year, there has been a significant increase in the importance of promotions and bargains together with long opening hours.

More than half the respondents also said that the time needed to wait in line for the check-out is also important. Mini-markets can differ in a positive way from other shop formats not only in their friendly and helpful staff, but also by short waiting times – time is of great value to the modern consumer. The more hectic way of living is contributing to this fact and this trend will continue (furthermore, 99% of respondents say they do not do online shopping so promotion of this can be an advantage).

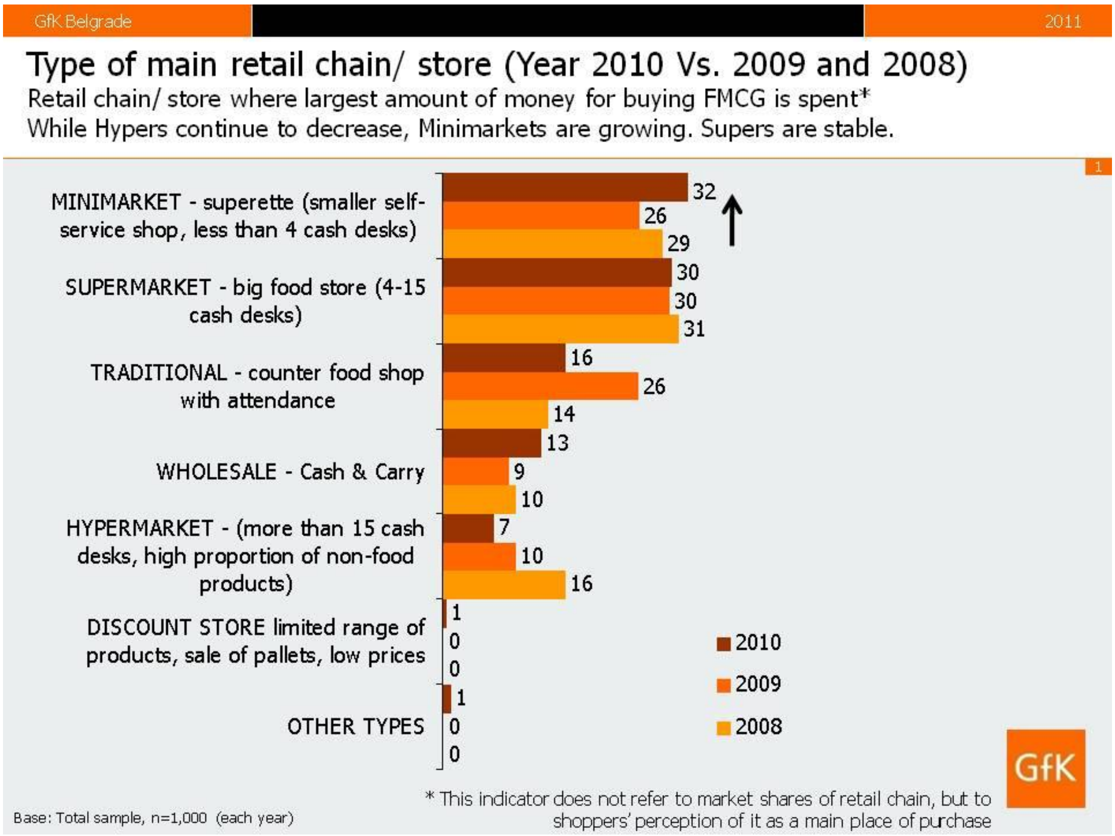
The freshness and quality of the products, the assortment range and price level are still the top three attributes when shopping, but this year they are seen to be even more important than before. The appearance of the shop and habit also have strong influences on the choice of purchase place. Satisfaction with the main place of purchase is at about the same level as last year. Consumers in Western Serbia are still more satisfied than others but, in all regions, more loyalty programs would definitely be highly appreciated. Hypermarkets receive the best marks as the main place for purchases – their buyers are not only the most demanding but they are also the most satisfied ones.

Attributes related to the larger chains of stores (big car park, payment by card, play area for children and various services) are not adequately developed. They are not of greater importance but may be something which will achieve a positive differentiation between one chain and its competitors.

Combining data from the Shopping Monitor and the shopping habits seen, consumers in Serbia can be assigned to groups: the largest group, around 35%, tend to be impulsive, they never make a shopping list and are eager to buy new products. They can be influenced by TV commercials but do not pay much attention to advertising on site. This group does not compare prices in different stores but the assortment range and friendly and helpful staff are very important to them. They do most of their shopping in supermarkets and mini-markets. They go out more often than other consumers to do a "big shop" and pay little attention to promotions and discounts.

In fact, these tend to be all younger shoppers in Serbia who, according to the experiences in developed countries, have yet to cross the road to become "smart shoppers" who care about the prices and compare the offers in different stores.

The rest of the population is divided into a few smaller groups, amongst them the ones who usually have favourite shops where they make their purchases, regardless of price. They cherish the proximity of the store and the pleasant staff more than the range of items stocked. The third group comprises those who are much more sensitive to price, they do not care about brands and they stick to the one they have tried successfully. They plan their shopping and have a shopping list, rarely buying on impulse but they can be sensitive to on site promotions. This group is very close to the ''smart shoppers".



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5 most important factors when buying food products

Price level and assortment breadth in general are the most important factors. No queues, lay out of goods and shopping environment gain in importance.

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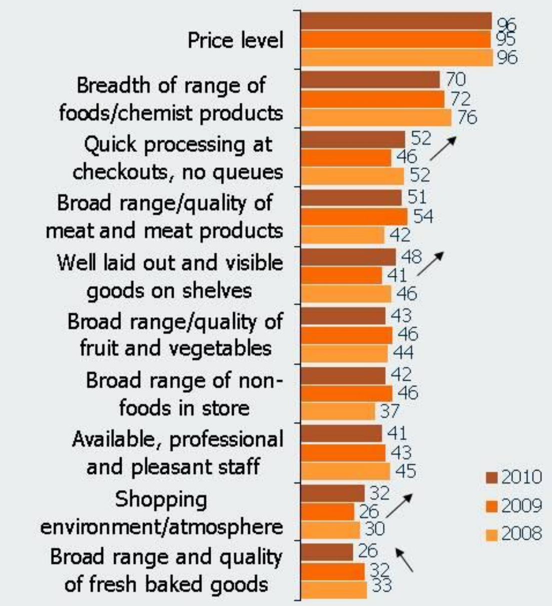

Average rank 2008	2009	2010
1.65	1.65	1.55
2.38	2.36	2.30
3.71	3.69	3.79
3.18	3.35	3.36
3.9	4.01	3.87
3.24	3.27	3.22
3.23	3.39	3.39
3.81	3.61	3.88
3.54	3.39	3.51
3.6	3.54	3.29

Rank:
1 = The most important
5 = The least important

Base: Total sample, n=1,000 (each year)

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Proximity, assortment range and convenient prices are the most important reasons for spending most of their money for FMCG in a particular store. Sales/price deductions are becoming more important.

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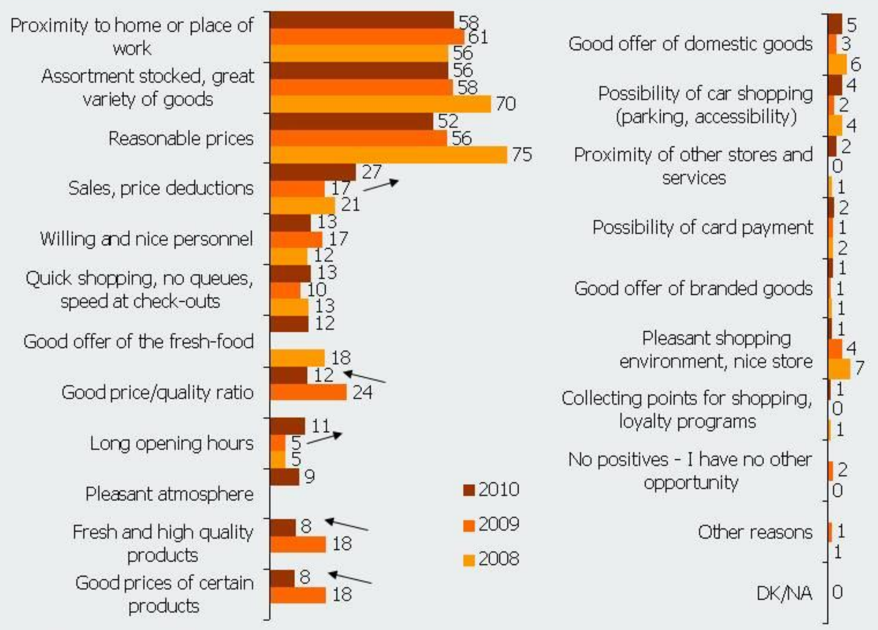

Base: Total sample, n=1,000 (each year)

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