

Bulgaria

The expansion of modern trade

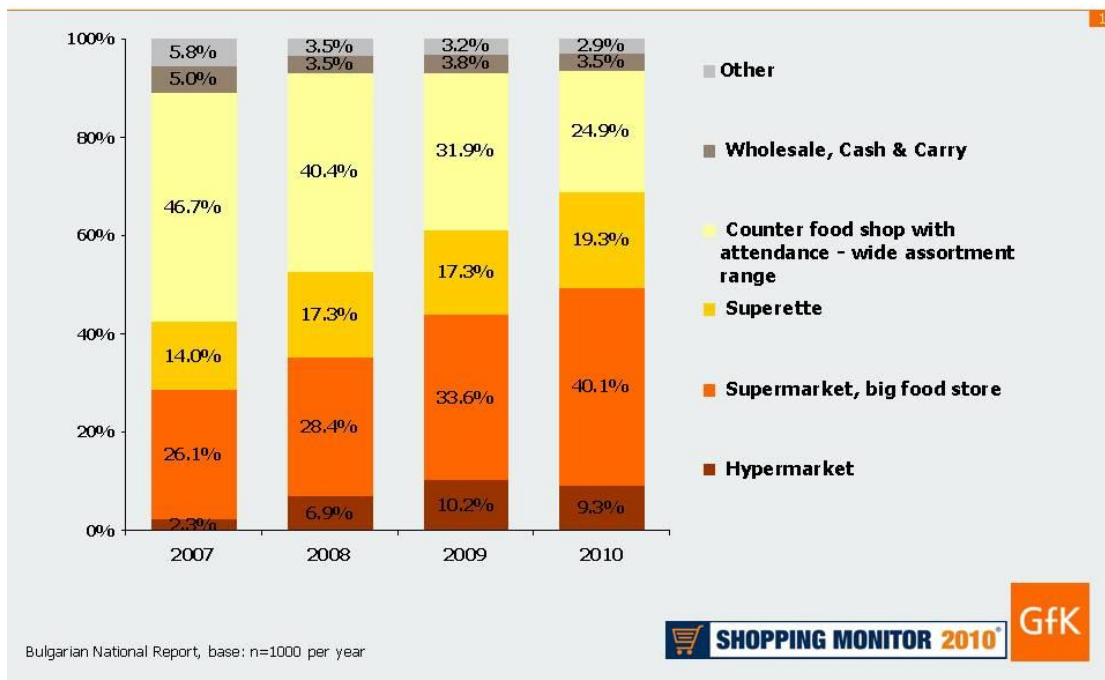
The supermarket predominates as the main shopping place for foodstuffs in Bulgaria.

The trend of an increasing share for modern trade channels (hypermarkets and supermarkets) continues but these channels have become well developed in the capital and regional centres and remain less well developed in the smaller towns and villages across the country.

GfK Bulgaria

2010

Main place for shopping for FMCG products



The dynamics in the retail sector are mainly related to the expansion of the existing key accounts by the opening of new stores nationwide and the penetration of other larger retailers. Amongst the existing retailers, Billa, Kaufland and CBA continued the expansion of their stores.

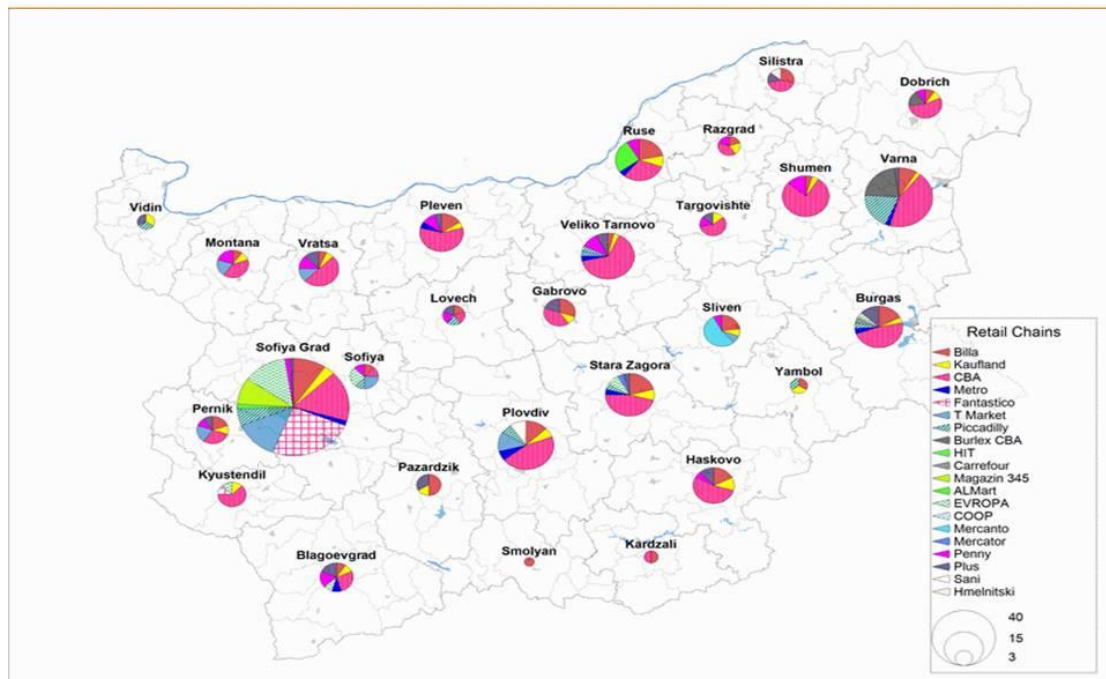
The first hard discounters – Penny Market and Plus – started operating in the Bulgarian market in 2009 and this has contributed to the increase in the discounters' share for the last quarter of 2009. The European leader Carrefour, Slovenian Mercator and German DrogerieMarkt opened their first stores in Bulgaria.

At the start of 2010, Lidl announced its decision to buy the Plus stores business in Bulgaria and is now preparing for the opening of the first stores under the brand name Lidl. The Serbian Tempo chain (part of Delta Maxi) is expected to enter the Bulgarian market at the end of the year.

In 2009, the value of the 10 leading key accounts achieved 26.1% (the share is measured on the basis of household consumption in the FMCG basket). Bulgaria is still very attractive for further expansion of big European retailers and considered, along with its neighbouring countries, as a highly potential market.

Distribution of Retailers in Bulgaria – by Region

Number of Outlets by Retailers (%)



Although the proximity to home or workplace still determines the type of store where customers spend the largest proportion of their spend on food, as the development of the retail structure advances Bulgarian consumers are becoming more demanding with regard to range and price reductions.

The results of the Shopping Monitor 2010 reveal that, recently, more Bulgarians have started to pay attention to promotional leaflets. In the capital and regional centres, where the retail chains have wide coverage, every second respondent receives and reads promotional leaflets.

More respondents (46%) say that they usually do their food shopping at one place even though they visit different stores. The majority of Bulgarian consumers do both large and small shopping trips with the average frequency of small shops being 4 times per week whilst respondents go at least once a week to make a large shopping expedition.

The Shopping Monitor is tracking research focused on shopping behaviour. The survey is representative for the population in Bulgaria aged 15+. The main shoppers in the household are interviewed.

The Retail Report is based on Consumer Tracking data sources and desk research information. It enables not only monitoring but also explanation of the various changes in the market in the context of complex continuously changing consumer behaviour.



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