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VOLUME TWO: EUROPE

Retail Trade International

Volume Two

Western and Eastern Europe

euromonitor

RETAIL TRADE INTERNATIONAL

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FOREWORD

This report is part of a comprehensive survey of world retail trends, which is published in three volumes:

Volume One	:	United Kingdom
Volume Two	:	Europe
Volume Three	:	The Americas, Africa, Asia, Oceania

The aim of the survey is to collect and present detailed statistical information on retail distribution patterns in countries throughout the world. The statistical data are supported by a written commentary which highlights the main trends and developments.

Process of Research

The 1983 edition of RETAIL TRADE INTERNATIONAL has been compiled through an extensive programme of research spread over the last twelve months. During this time, contact has been made with sources of information in countries throughout the world, either through personal visits or postal enquiries. These sources included:

- statistical offices in all countries;
- all trade assocations concerned either with total retail trade, types of retailing or specific consumer goods;
- banks and government departments publishing broader economic information;
- research companies monitoring retail trends in specific countries;
- leading retailing organisation;
- retail trade journals, newspaper bureaux.

The information has been collected, sifted and analysed by the EUROMONITOR research team in order to compile a series of national retail trade surveys. The extent of each survey is dependent on the size and importance of the country as a market for consumer goods; and the availability of reliable and up-to-date statistical information.

Broadly speaking, the more sophisticated the structure of retail trade, the more statistics are published about retail trends, although the raw statistics are rarely available in a comprehensive form. Further information about specific countries is given in the coverage details below.

One of the principal difficulties in analysing retail trends is to be found in the definitions used, which vary from one country to the next. In a glossary which may be found at the end of this foreword, some of the main retailing terms are broadly explained, but care should be taken in applying these definitions, particularly in terms of inter-country comparisons.

It should be noted, for example, that the definition of retail trade varies from one country to another. As this study is basically concerned with providing internal distribution information to manufacturers and exporters of consumer goods, plus of course, retail organisations themselves, we have adopted the definitions used by each individual country, rather than try to reconcile differences between one country's documentation and another's.

The broad definition of retail trade used by EUROMONITOR covers the distribution of all types of goods through retail channels or service outlets, excluding hotels and catering. It also excludes any discussion about wholesaling, except where wholesalers are selling directly to the public. It does therefore include direct sales and street trade. In some countries, the distinctions between the retailing, wholesaling and catering sectors are not clear, and the total figures may include sales by all three channels; this problem is however largely confined to the developing countries covered in Volume Three.

In some instances, consumer expenditure breakdowns have been used to calculate retail sales where no such figures have been published. In these instances, the retail sales breakdowns would include sales through catering establishments. Again, this problem is largely confined to Volume Three.

A major point of discrepancy relevant to Volume Two and Three is the inclusion or exclusion of sales of automotive products and petrol in the retail trade figures. Wherever possible, these have been excluded from our figures, but these items are included in a number of countries.

All tables are sourced as appropriate, unless the figures have been calculated or estimated by EUROMONITOR. Here, the source is quoted as 'Euromonitor Calculations', or 'Euromonitor Estimates'. Although a large number of tables are quoted from other sources, estimates have been freely used to provide breakdowns which have been hitherto unpublished.

Coverage

The contents and coverage of each volume is outlined below. Each of the Three volumes has been internally standardised, although the format varies depending on the availability of material.

Volume One: RETAIL TRADE IN THE UNITED KINGDOM

The first volume is entirely devoted to an in-depth survey of retail trends in the United Kingdom. The report provides detailed statistics on the development of retail trade between 1977 and 1982 in terms of sales by type of organisation, type of outlet, leading retailers and so forth. It also includes a survey of 2,000 adults identifying place-of-purchase for a wide range of consumer goods.

Contents: Volume One

Volume Two: RETAIL TRADE IN EUROPE

This volume is split into 20 sections, varying in length and format, but generally covering the following areas of study:

- broad trends in retailing
- trends in consumer spending
- breakdowns of consumer spending
- total retail sales
- retail sales by commodity
- number of retail outlets
- retail trade by organisation:
    - department and variety stores
    - mail order
    - multiples
    - co-operatives
    - buying groups, voluntary chains

- retail trade by type of outlet:
  - supermarkets
  - superstores/hypermarkets
  - discount stores
  - all self-service
  - other
- leading retailers
- food distribution
- distribution of non-foods
- outlook and projections

This volume has an introductory section presenting comparative trends in retailing, and useful background information. It features detailed surveys of retail trade in France and West Germany, and substantial sections on all other countries in Western Europe. Yugoslavia is also included, and there is a final section looking at the countries in the Eastern Bloc.

Contents: Volume Two

Volume Three: RETAIL TRADE IN THE AMERICAS, ASIA, AFRICA AND OCEANIA

The final volume charts retail trade developments in countries outside Europe. The report is split regionally and presented in eight sections. As statistical information is difficult to obtain for many of the countries covered, each regional section commences with a broad summary section covering a large number of countries. These introductory sections give information on:

- demography and population statistics;
- socio-economic data;
- consumer expenditure;
- basic data on retail trade – number of outlets, employment;
- value of retail sales – latest official, 1981 estimates/actual;
- retail sales in US dollars;
- contribution of retailing/wholesaling to GDP.

These eight introductory sections cover around 100 countries.

33 countries are covered by individual surveys. The scope and depth of these sections is dependent on the availability of information, which varies considerably between, say, the USA and Nigeria. Coverage of the major countries is comparable with the country surveys in Volume Two.

Contents: Volume Three

A GLOSSARY OF MAIN TERMS

The following is a brief guide to some of the main terms used to describe various types of retail organisations and outlets. Some of these terms are very vague and vary from country to country, so care should be taken in applying them and making inter-country comparisons.

Affiliated Retailers	See Integrated Retailer.
Bazaars	Vague term which may be applied to variety stores or market stalls in developing countries.
Buying Groups	Joint purchasing organisations comprising of a number independent retail establishments who control a centralised buying organisation. The central organisation provides a corporate identity, and by buying in larger volumes can obtain better prices from manufacturers. Buying groups are one type of 'integrated retailing' or 'affiliated retailing' aimed to compete with larger organisations and multiples. Buying groups are predominantly located in non-food areas.
CTN's	Trade term to cover shops selling confectionery, tobacco goods and newspapers.
Cash & Carry	These are wholesale outlets, generally selling to smaller traders. Although 'cash and carry' is a term often applied to certain types of discount stores, this is an incorrect application of the term.
Catalogue Sales	Sales from mail order houses through catalogues. Usually postally acquired, but may be obtained through 'catalogue showroom' which is a retail outlet.
Chain Stores	Broad term covering shops owned by multiples, but strongly identified with food outlets.
Chemists	Druggists or pharmacies, which may be independent or multiple-owned, which sell pharmaceuticals, prescriptions and toiletries. They are state-owned in several countries.
Concessionaires	Arrangement by which a retailer places a department within a larger store such as a department store.
Consumer Markets	These are small superstores, usually with a selling area of 1,000-2,500 square metres, and selling a wide range of goods on a self-service base. They are mainly found in Germany and Austria, where they are known an 'verbrauchermarkts'.
Convenience Stores	General stores offering a wide range of commodities especially foods and basic commodities. They supplement goods sold by the larger stores.

Co-operatives	Co-operatives are societies affiliated to the worldwide federation of co-operative retailing founded in 1895 to promote fair trading. In each country, where co-operatives operate there are a number of societies controlling a series of retail outlets, mainly selling foods and basic commodities. The number of societies has tended to fall over recent years, as the movement has rationalised and there is generally a large central buying organisation which dominates retail trade. Consumer co-operatives are especially important in Europe, notably Scandinavian countries.
Department Stores	A store with a sales area of at least 2,500 square metres, selling mainly non-food merchandise and at least five lines in different departments. They are usually located on several floors, and should be selling women's clothing, and have at least 25 employees.
Direct Response	Purchase of goods as a result of an advertisement or postal leaflet.
Discount Stores	Large retail units often located in warehouses which offer goods direct from manufacturers at heavily discounted prices. Goods are frequently sold in original packing with minimal outlay on staff and overheads. Promotion is mainly through media advertising. The main types of products sold through discount stores are furniture, carpets, and electrical sound goods; also food sold in bulk.
Franchised Outlets	Retail outlet linked to a manufacturer, producer or large retailing organisation, which uses the name of the 'parent' in return for a percentage of turnover. The outlets retain their independent status.
Garden Centres	Out-of-town centres selling garden products, plants and equipment.
General Stores	A vague definition open to various definitions. They may be small, rural-type general stores, or any type of outlet selling a mixed range of goods.
Grocers	Food outlets specialising in packaged groceries.
Hypermarkets	Definitions vary, but the most widely used is that of a store with a sales area of over 2,500 square metres and at least 35% of selling space devoted to non-foods. The stores are self-service, usually offer extended opening hours, and are frequently located on out-of-town sites with parking and service facilities. In some countries, they are known as 'superstores' in which case the term 'hypermarket' is confined to the very large stores with a floor area over 5,000 square metres.
Independents	Generally the sector of retail trade which is not organised, and often comprising of family businesses. Independents usually specialise in specific commodities, unless they are rural general stores. They may be affiliated (or integrated) into voluntary chains or buying groups.

Integrated Retailer	An independent retail establishment, linked to a central buying organisation. Includes voluntary chains, buying groups, and franchised outlets. Also called Affiliated Retailers.
Kiosks	External selling points located in streets and parks. They mainly sell confectionery and tobacco.
Large Stores	This is a misleading term with no exact definition. It may refer to department and variety stores, or supermarkets and hypermarkets, or all of these types of stores.
Mail Order	Purchase of goods through the postal system, either through a direct response to an advertisement or mail item, or through a catalogue. Goods often purchased on credit.
Markets	Temporary sales points usually located in street areas, grouped as a joint facility, and usually offering goods at substantial discount.
Multiples	Private retail companies operating a number of branches, which usually have a degree of specialisation in a particular commodity range. The number of branches required to be termed a multiple varies greatly from country to country. The most widely used definition of five branches, but it may be two or twenty-five.
Off-Licences	Shops selling take-home alcoholic drinks.
Perfumery	Shops specialising in cosmetics.
Self-Service	Covers any type of store selling by self-selection. Usually equipped with cash registers at check-outs.
Shopping Centres	Purpose-built, usually indoor and multi-levelled shopping precincts with car parks and a range of large stores and specialist shops. May be found in city centres, or in suburban areas.
Single-Line Retailers	Retailers who specialise in a particular range of commodities.
Specialists	Any type of shop selling a particular type of merchandise which may be food or non-food.
Superettes	Self-service food outlets with a selling area of 120-400 square metres.
Supermarkets	The most widely used definition is that of a store with a selling area of between 400 and 2,500 square metres, selling at least 70% foodstuffs and everyday commodities.
Superstores	See Hypermarkets.
Variety Stores	Usually located on one floor and offering limited assortment of fast-moving goods on a self-service basis. Normally at least 1,500 square metres in size and giving priority to textile goods.

Voluntary Chains	Wholesaler-owned buying organisations distributing basic commodities especially food to the smaller retail outlets. Affiliation to such a group (also known as 'symbols' permits the small trader such as the local grocery shop to buy at better prices, and benefit from a corporate image and joint advertising. They originated in the Netherlands, and are still largely confined to Europe.

CONTENTS

Austria

Large stores have made a substantial impact on Austria's retail structure, and radically transformed a previously traditional pattern of distribution dominated by small outlets. Now, the organised sectors of retail trade control almost 60% of all retail distribution, and there is considerable competition between multiples and integrated retailing groups including the co-operatives. This competition has intensified as consumer expenditure has levelled off in real terms, although the proportion of consumer spending held by retail sales has ceased to fall.

Consumer Spending

Consumer expenditure in Austria totalled 588 billion schillings in 1981, having grown by an annual average of 7-8% over the previous few years. In real terms, this represented a 1-2% annual growth, but real growth halted in 1981.

Table 1.1 CONSUMER EXPENDITURE – CURRENT/CONSTANT PRICES (1977-1981)

(billion A. schillings)	Current	Constant (1976 = 100)
1977	456.9	433.6
1978	469.6	426.9
1979	509.1	433.0
1980	548.7	449.6
1981	588.0	450.4

Source: Statistical Office, Vienna.

Unlike many European countries, consumer expenditure on foodstuffs has continued to fall as a proportion of total expenditure, down from 27% in 1977 to 24% in 1981. More money has been spent on services at the expense of goods and commodities, with a proportional decline in expenditure on clothing, furnishings and durables.

Table 1.2 AUSTRIA : CONSUMER EXPENDITURE – ANALYSIS BY MAIN CATEGORIES (1977-1981)

(billion schilling)	1977	1978	1979	1980	1981
Food	88.13	89.81	95.90	99.67	103.53
Beverages	22.17	22.60	23.30	24.64	25.57
Tobacco	11.75	11.97	13.00	13.18	14.00
Clothing / Footwear	52.57	53.79	57.43	59.58	62.72

Table 1.2/Continued......

	1977	1978	1979	1980	1981
Rent, fuel, power	66.85	74.47	85.60	93.96	104.13
Furniture, furnishings and household equipment	43.13	40.98	42.26	42.97	41.16
Medical care / health expenses	17.73	19.93	22.76	24.78	28.22
Transport / communication	76.56	72.76	80.73	88.23	92.90
Recreation, entertainment, education and cultural services	30.12	32.14	36.30	40.10	42.33
Misc. goods	73.29	78.68	84.52	84.79	84.08
TOTAL	482.29	497.13	541.80	572.91	598.64
Direct purchases abroad	32.91	34.45	38.90	46.52	53.0
Less direct purchases by non-residents	60.10	69.77	69.80	72.35	74.0
TOTAL	455.09	461.81	510.90	547.08	577.64

Source: Statistical Office, Vienna.

Total Retail Sales

Despite this clear trend away from expenditure on goods, the retail trade has held up well in proportion to total consumer spending, averaging 44% of the total in 1979, 1980 and 1981. It is worth noting, however, that this is a low proportion, and any further decrease would be unlikely.

Retail sales totalled 256.4 billion schillings in 1981, they slumped dramatically in 1977 and 1978, but recovered with equal rapidity in 1979 and stayed at this level in the ensuing years.

Table 1.3 AUSTRIA : TRENDS IN TOTAL RETAIL SALES (1977-1981)

(million A. schillings)	Million A schillings	% of consumer spending
1977	192,967	42.2
1978	187,071	39.8
1979	225,227	44.3
1980	241,365	44.0
1981	256,428	43.6

Source: Statistical Abstract.

Retail Sales by Commodity

Table 1.4 presents a breakdown of retail sales by shops selling specific commodities. Due to changes in classification in 1978, this is only charted over the 1979-1981 period; the breakdown includes car and fuel dealers and itemises department and variety stores and supermarkets separately.

Table 1.4 AUSTRIA : RETAIL SALES : ANALYSIS BY MAIN COMMODITIES SOLD (1979-1981)

(million schillings)	1979	1980	1981
Food and drink	65,063	69,039	74,803
Tobacconists	12,804	13,246	13,834
Clothing / textile stores	23,213	25,332	27,865
Shoe shops	6,679	7,168	7,571
Leather goods shops	805	801	807
Druggists	6,337	6,907	7,392
Chemists	4,315	4,229	4,273
Furnishers	11,163	11,841	12,894
Hardware stores	4,548	4,807	5,022
General household stores	492	501	509
Car dealers	22,339	25,012	23,861
Sewing machines, office equipment	1,769	1,752	1,761
Optical / precision goods	3,281	3,199	3,438
Electrical goods stores	6,884	6,658	6,768
Stationers	1,827	1,864	1,980
Bookshops, newsagents	4,353	4,231	4,679
Jewellers	2,826	2,931	2,997
Toyshops, sports goods, musical instrument shops	3,608	3,992	4,314
Fuel dealers	5,440	6,593	7,008
Service stations	10,810	11,963	13,052
Florists	848	863	941
Department / mail order stores	9,824	10,899	11,697
Supermarkets	12,418	14,064	14,995
Other shops	3,581	3,473	3,967
TOTAL	225,227	241,365	256,428

Source: Statistical Office, Vienna.

Retail Sales by Organisation

Austria has a highly organised retail structure which is dominated by integrated independent retailers. Voluntary chains and buying groups accounted for 47% of total retail trade in 1981, and 72% of all retail sales were through some kind of organised retailer.

Table 1.5 AUSTRIA : RETAIL TRADE BY ORGANISATION

(% value)	1979	1980	1981
Department Store Chains / Mail Order Houses	5%	5%	5%
Co-operatives	10%	11%	11%
Multiples	13%	14%	15%
Voluntary Chains	16%	16%	17%
Buying Groups	12%	12%	11%
Unaffiliated Independents	44%	42%	41%
TOTAL	100%	100%	100%

Source: Euromonitor Calculations.

1. Multiples

Multiple retailers account for 15% of retail sales in Austria. Their market share has been growing slowly, but progress is impeded because affiliated retailing is very strong. Many large food outlets, are owned by multiples, and they account for 30% of food sales but only about 6% of the non-food retail trade, where there is considerable competition from buying groups, department store chains, and the independent specialist outlets.

2. Co-operatives

Co-operative retailing is a strong presence in Austria with an overall market share of 11%. The sector is particularly strong in food distribution, as it operates a sizeable number of supermarkets and more hypermarkets than any other organisation. The co-operative societies are concentrated into two main organisations :

Konsum Verband – the central organisation with 1,100 outlets and the Forum chain of department stores, which has 45 branches.

Konsum Vienna – the capital-based society with 225 retail outlets including several department stores and hypermarkets.

3. Department Stores and Mail Order Houses

Proprietors of department and variety stores are interlinked with mail order houses in Austria as they are in West Germany. The sector has an overall market share of 9%, which is higher than