Chain Stores and Their Positioning on the Market for Fast Moving Consumer Goods

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Summary: The spreading out of foreign chain stores across the Republic of Bulgaria has triggered changes in our commerce. Chain stores influence the structure of trade, the competitive environment and the relationships among the participants in the marketplace, as a result creating new customer requirements and expectations. This article carries out research on the influence of some components of consumer behaviour on the market share of the chain stores in Bulgaria and their positioning on the market for fast moving consumer goods.

In the period between 2005 and 2007 a change was obvious in the positioning of the chain stores on the market for fast moving consumer goods in Bulgaria – a market which can be defined as normal from the point of view of competition and as having a low level of concentration. The composition of the ten leading chain store companies in the country has changed. It was noticed that the bigger market share of small grocery shops was due mostly to the high consumer loyalty as an element of consumer behaviour. There has been a drop in the market share of small grocery shops in contrast to an increase in the share of both super- and hyper-markets and of discount shops as well.

Key words: chain stores, market positioning, fast moving goods, consumer behaviour, decomposition of market share.

JEL: L11, L25, L81.

The dynamically developing processes of trade globalization strengthen the trade chains as successful trade agents at a world and national scale. Trade chains, concentrating considerable material, financial, labour, and information resources, exert their influence on the structure of trade, the competitive environment, and the relationship between the participants in the fast turnover goods market in Bulgaria. They are present on the market with a new product offer and different competitive advantages. Their expansion generates new consumer requirements and attitudes; the habits and lifestyle of people change, as well as their behaviour in the choice of traders and place of purchase. The link between consumer behaviour and strengthening market positions of trade chains is bidirectional. Changes in lifestyle, needs, values, and purchasing power of consumers in the conditions of market economy stimulate the development of market chains.

The purpose of the present paper is to explore the influence of some elements of consumer behaviour on the market share of trade chains in Bulgaria and their position in the fast turnover goods market. Consumer behaviour as a complex economic, social, and psychological phenomenon reflects mainly the motivations and attitudes

of the consumer, which drive him to react to different market situations. The study of consumer behaviour provides traders with the necessary information about consumer preferences and consumer capacity, factors for the purchase, the place of purchase, the stages of making a decision, etc. The most important factor for the increase of the market share, which is a precondition for a stronger market position of trade chains in the fast turnover goods market, is consumer capacity or the answer to the question "How much do consumers buy?" It is directly related to the total potential of the studied market. The total market potential, according to marketing specialists, is the maximum quantity of product sales, which would be realized for a certain period of time, at a certain level of marketing activity in the specific industry branch, and in presence of certain environmental conditions. Usually, the total market potential, being the sum of sale potentials of companies-participants in the studied market, is expressed as [6, p. 304]:

$$Q = n.q.p ,$$

where:
Q – total market potential;
n – number of buyers of a specific product;
q – medium quantity, purchased by a buyer;
p – average price per unit of product.

Consumer capacity is determined by the number of consumers, consumer requirements (necessities, desires, needs), and consumer potential [3, p. 102]. Consumer potential, on the other hand, includes the purchasing capacity (financial resources, which consumers have for the purchase of different products), the readiness, and the right of purchase (Figure 1).

Consumer capacity of performing purchases can be presented as a theoretical conceptual model using the method of decomposition of the market share into consumer behaviour elements, used hereafter in the study (Figure 2).

Needs motivate and guide consumer behaviour on the market, but only needs backed by purchasing power express the real consumer power of households and society. Market demand reflects the part of needs, which is ensured financially and, as a result, can be satisfied and turn into real consumption. The analysis of consumption on the market of fast turnover goods characterizes those needs, which are indeed satisfied and provides an idea of consumer selectivity and the real power of consumers.

The fast turnover goods market covers the mass and everyday goods, which can be classified in the following product groups: dairy

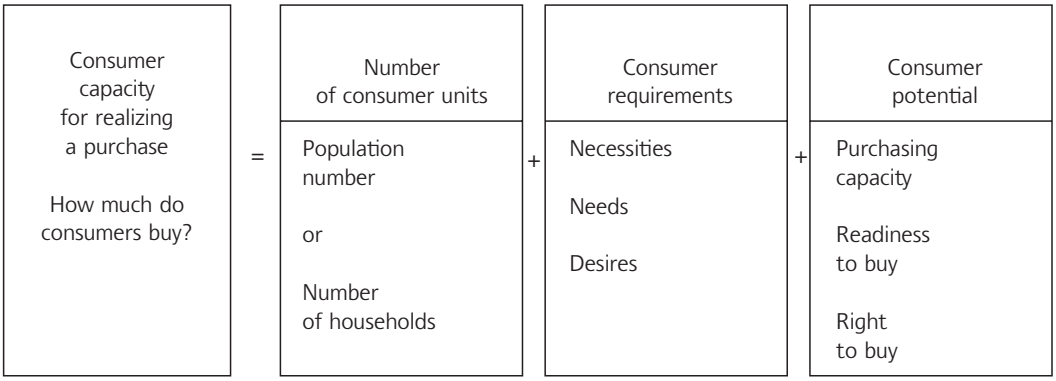

Figure 1. Elements of the consumer capacity of performing purchases

products, packaged foods, alcohol beverages, non-alcohol beverages, personal hygiene and cosmetics products, and products for household maintenance. In 2007, the consumption of fast turnover goods amounted to 2202843 thous. leva, a growth in absolute value by 91310 thous. leva, or a relative growth by 4.3 %, with respect to 2006 [10]. The relative share of the observed fast turnover goods in 2006 is 47.6 % of the total consumption in the country, which amounts to 4439361 thous. leva. In 2007, the consumption of fast turnover goods marks a slight drop to 45.7 % of the total consumption, but there is a growth in absolute value to 4818580 thous. leva. Or, just in one year, there is growth in the consumption of fast turnover goods in absolute value, and an insignificant decrease of its relative share in the total consumption of the country. The observed market of fast turnover goods is almost 50 % of the total consumption in the country, which demonstrates the importance of the present study.

The analysis of the consumption of fast turnover goods by product groups shows that non-alcohol beverages occupy the highest share of the purchased quantities of fast turnover goods, which for the period 2005-2007 is about 40 % (Table 1). The consumption of non-alcohol beverages grows gradually both in quantity and in absolute value. The second place in 2007 is occupied by the consumed quantity of dairy products – 26.6 %, the third and fourth place, respectively, by the consumed quantities of packaged foods – 17.2 %, and alcohol – 9.2 %. The indicated structure of purchased quantities by product groups remains the same for the period 2005-2007 with insignificant deviations from the mentioned relative shares. The conclusion follows that the highest quantities of fast turnover goods are purchased from the groups: non-alcohol beverages, dairy products, packaged foods and alcohol.

The consumption measured by prices has a different structure. The highest share of household expenses is for the purchase of packaged foods, which in 2007 represent 43.3 % of the expenses for fast turnover goods (Table 1). The second place is occupied by dairy products – 25 %. The third and fourth place is occupied by expenses of households for non-alcohol beverages – 10.4 % and for personal hygiene and cosmetics products – 8.5 %. For the period 2005-2007, the structure of the consumption of fast turnover goods by product groups measured in value is like the described above: the highest expenses of households are

Table 1. Structure of the consumption of fast turnover goods in the country – quantity and value for the period 2005-2007

Product groups	Purchased quantity (%)			Expenses (%)		
	2005	2006	2007	2005	2006	2007
Dairy products	27.2	26.9	26.6	24.4	25.1	25.0
Packaged foods	18.8	18.1	17.2	44.2	43.5	43.3
Alcohol	9.2	10.0	10.0	5.5	5.7	6.0
Non-alcohol beverages	38.2	38.4	40.4	9.3	9.3	10.4
Personal hygiene and cosmetics	1.2	1.1	1.1	9.2	8.8	8.5
Home care products	5.3	5.3	4.5	7.4	7.5	6.9

Source: Adapted from Kolev, V., The market in 2007 according to data from GfK Bulgaria, Journal Regal, Special Edition, 2007 , pp. 2-19.

for the purchase of packaged foods, followed by dairy products, non-alcohol beverages, and products of personal hygiene and cosmetics.

The differences between the structure of consumption in quantity and value reflect, in principle, the influence of the change in the prices of the respective products on the levels of their consumption. An example in this respect is provides by the group of dairy products, which for the period 2005-2007 marked an increase in their price consumption from 24.4 % to 25 % and a decrease of their consumption in quantity from 27.2 % to 26.6 %. The structure of consumption in quantity reflects the choice made by consumers and the really satisfied needs of the population in fast turnover goods. Fast turnover goods are everyday goods of mass use and, in their essence, they satisfy mainly physiological needs, which is a precondition for their relatively constant consumption structure in quantity.

Consumer selectivity with respect to fast turnover goods is related mainly to preferences for certain brands and quality of products, affecting to a lower degree the product range. The structure of consumption in value emphasizes, in principle, commodities and product groups, which contribute to the increase in the volume of sales and the market shares of the respective trade companies, and also directly affect their market positions.

As a summary of what has been said above, it is necessary to point out that consumer capacity of performing a purchase of fast turnover goods is limited, as these commodities satisfy the physiologic needs of the population and these needs have their limits. On the other hand, the fast turnover goods market is an attractive market, as at present in our country it holds almost 50 % of the total household consumption in the country. Consumers appreciate fast turnover goods as everyday commodities and, in this respect, the elasticity of their demand with respect to price is relatively low, which allows traders to benefit from this fact and increase prices for higher profit.

The supply on the fast turnover goods market is characterized by the presence of ten leading trade companies in the country, which in 2007 had 19.7 % of the fast turnover goods consumed by the households. These are the trade chains Kaufland, CBA, Billa, Metro, Fantastico, T-Market, Piccadilly, Burlex, Familia, and HIT. In 2005, not all of the listed trade chains had stores in the country and, for this reason, the TOP 10 had only 13.7 % of the total consumption of fast turnover goods. There is a trend towards increase of their relative share in 2006 by 2 percentage points, and in 2007 – by 4 percentage points. The increase is more clearly expressed in the first quarters of 2006, 2007, and 2008; when also a restructuring of the TOP 10 companies is observed.

In 2005, Metro had the highest share – 3.7 %, followed by Billa – 3.3 %, and CBA – 2.9 %. In 2006, Kaufland entered the Bulgarian market and as early as in the first year achieved a relative share in the household consumption of fast turnover goods, amounting to 1.4 %. It should be noted that Metro gave up the first place in 2006, as a consequence of the decrease of its relative share by 0.6 percentage points (from 3.7 % to 3.1 %), and Billa occupies the leadership position with 3.4 %, followed by CBA (3.2 %).

The data in 2007 show that this was the year of Kaufland with a growth by three percentage points of its share compared to 2006 – so that Kaufland reached the first place. Billa and CBA have equal positions with 3.7 %. During this year, Metro was the only loosing part, with its share continuing to decrease and reaching 2.7 %. During the observed period of three years, Fantastico maintained a constant share amounting to 2.3 %.

The conclusions made on the basis of the yearly data are also confirmed by the data for the first quarters of 2006, 2007, and 2008. Three groups are formed within the TOP 10:

- Kaufland, distinguished by high rate of increase of its relative share – from 0.1 in 2006 to 6.2 % in 2008;
- CBA and Billa – their relative share grows at a slower rate, but they still hold the second place;
- Metro with a decreasing share during the three years.

The other participants in TOP 10 are, as a whole, characterized by a comparatively lower relative share which grows during the three years, with slight variations for some of them.

For the period 2005-2007, the market positions of trade chains in the fast turnover goods market change. The restructuring of the TOP 10 companies is a fact. The results from the analysis allow making the conclusion that Kaufland, CBA, and Billa are the leading trade chains at the present moment in our country, as in 2007 and the first quarter of 2008, they reach, respectively, 59 % and 66 % in household consumption of fast turnover goods purchased from the companies making part of TOP 10.

Different trade formats turn out to be successful at different stages of development and for different countries. Their variety is a reflection of consumer demand, bringing about development and increasing the number of channels for realization of goods and services. At the present stage of development, the following more important trade formats are established: supermarkets&hypermarkets, discounters, Cash&Carry, minimarkets; small grocery shops, open market&street vendors, and others. The present study focuses on the structure of trade formats, the size of their market share in the fast turnover goods market for the period 2005-2007, and the dynamics of this structure. In 2007, the market share of the small grocery shops in our country was several times higher (47.7 %) than the share of supermarkets&hypermarkets, occupying the second position (19.2 %). This fact is due to established shopping habits, predetermined to a great degree by the lifestyle in our country. The prevailing small grocery shops in principle demonstrate the insufficient resources and not so favourable business environment for the expansion of trade in our country, but on the other hand, their prevailing share corresponds to the existing market demand. For the period 2005-2007, as a result of foreign trade chains expansion, a decline in the market share of the small grocery shops (from 50.1 % to 47.7 %) is observed on account of the increase of the market share of supermarkets&hypermarkets (from 17.2 % to 19.2 %), and of discount stores (from 1.4 % to 4.4 %) represented by Kaufland. Minimarkets hold a stable market position with a market share varying from 11.9 % to 14.1 %, which indicates that they are positioned in the strict market segments. In the conditions of transition to market economy, the lifestyle, needs and preferences of buyers change. The onset of European trade chains with different formats limits the market presence of local stores and street markets. Strengthening the competition between the participants in the fast turnover goods market is also expected.

The Herfindahl-Hirschman index and the concentration ratio of the 3 and 4 companies with the highest market share – CR3 and CR4 – are used to determine the intensity of competition in the fast turnover goods market.

The Herfindahl-Hirschman index is calculated as an arithmetic mean of relative shares, weighted by the same relative shares [1, p. 133].

$$C_N = \frac{\sum_{i=1}^{k} v_i v_i}{\sum_{i=1}^{k} v_i} = \sum_{i=1}^{k} v_i^2 \; ; \left(\sum_{i=1}^{k} v_i = 1 \right),$$

where v_i are the respective relative shares (%).

The index can assume the value from 0 to 1/k, where k is the number of elements of the studied structure. These are the two extreme states – full steadiness and lack of concentration of all units only in one group, which is an expression of full concentration.

The following limits are used for the interpretation of the index, characterizing the degree of concentration of the relevant market [5, pp. 112-113]:

- $C_N < 1000$ – normally competitive market, low level of concentration;
- $C_N = 1000 \div 1800$ – relatively competitive market with medium level of concentration;
- $C_N > 1800$ – weakly competitive market with high level of concentration.

Comparing the Herfindahl-Hirschman index, calculated for the different years is used to reveal the dynamics in the level of concentration, caused by the influence of different factors.

Another indicator for the evaluation of market concentration is the market share of the 3 (CR3 – *Concentration Ratio*) or 4 trade companies (CR4) with the highest volume of sales [5, 113-114].

$$CR_k = \sum_{i=1}^{k} P_i,$$

where k is the number of the largest participants in the respective market (the participants with the highest market share); P_i is the market share of the ith participant. The CR unlike Herfindahl-Hirschman index is not characteristic of all the relevant market, but only of the position of the largest participants in it. Based on the values of CR3 and CR4, three types of markets can be defined:

- Normal competitive market, with $CR3 < 40$ and $CR4 < 50$;
- Relatively competitive market with medium level of concentration – $CR3 = 40 \div 70$ and $CR4 = 50 \div 85$;
- Weakly competitive market, with high level of concentration – $CR3 > 70$ and $CR > 85$.

For the period 2005-2007, the Herfindahl-Hirschman index calculated for companies-participants in the fast turnover goods market, gradually increases. The values for the respective years are 39.6, 40.1, and 61.8. Despite this growth, the calculated coefficients are far below the lowest limit of the Herfindahl-Hirschman index ($C_N < 1000$). This fact shows that the fast turnover goods market is a normal competitive market with low level of concentration.

This conclusion is also confirmed by the calculated concentration ratios CR3 and CR4. Unlike Herfindahl-Hirschman indexes, they do not characterize all the fast turnover goods market, only the position of the three/four largest participants. For 2005 and 2006, CR3 is calculated based on the market shares of Metro, Billa, and CBA, while in 2007 – on the market shares of Kaufland, CBA, and Billa. The concentration ratio CR3 during the period under exploration takes the values 9.9, 9.7, and 11.8, which allow the fast turnover goods market to be defined again as a normal competitive market with low level of concentration ($CR3 < 40$). The concentration ratio CR4 takes the values 12.3, 12.0, and 14.5, confirming the type of the studied market ($CR4 < 50$).

The trade companies participating at present in the fast turnover goods market do not have a significant market share to strongly influence the

market structure and market conditions including prices of fast turnover goods. The major share of small grocery shops and minimarkets demonstrate the fragmentation of trade in our country. The incoming foreign trade chains contribute, on one hand, to the consolidation of capital in trade, to its higher concentration, as well as to the increasing intensity of competition, but on the other – they take market share and development opportunities away from national traders.

The participants on the market of fast turnover goods are faced with competition for higher market share and changing market positions. The marketing concept considers the customer, his preferences, satisfaction, and behaviour, being the most important for the outcome of this rivalry. In this respect, the market share is explored as a function of the following parameters of consumer behaviour[7, p. 147]: degree of consumer penetration, degree of consumer loyalty, degree of consumer selectivity, and degree of price selectivity (Figure 2).

In the specialized literature, the elements of consumer behaviour in the decomposition of the market share can be interpreted according to the purposes of the different studies. One of the applications of the mentioned decomposition of the market share is in the analysis of consumer satisfaction and, more particularly, studying the link between the attachment of the customer to a certain brand and its market share. In this case, the respective elements of consumer behaviour are understood as [8, p.186]:

- Consumer penetration – the percentage of buyers of a certain brand in all buyers of generic product;
- Consumer loyalty – purchases of a certain brands by "own" buyers as a percentage of their total purchases of a given generic product;
- Consumer selectivity – the average size of purchases of a certain brand as a percentage of the average purchases of a generic product;
- Price selectivity – average price of the brand as a percentage of the average industry branch price.

In the specific case of the applied decomposition of the market share by GfK, the degrees of consumer and price selectivity are presented as a summary by the so called "intensity ratios" (Figure 3).

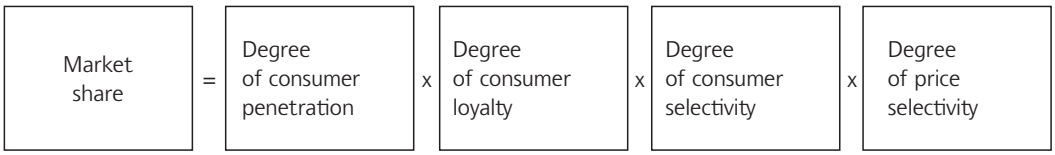

Figure 2. The market share as a function of some parameters of consumer behaviour

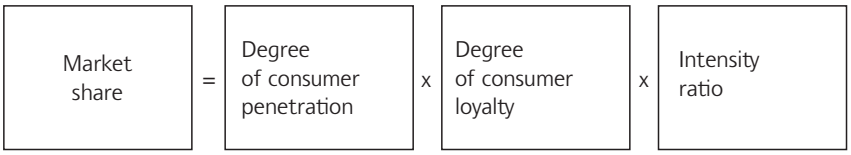

Figure 3. Decomposition of the market share, applied by GfK Bulgaria Consumer Tracking – Bulgarian Retail Report – 2007/2008

It is supposed that one of the arguments for such a general conclusion is the established structure of the fast turnover goods market. It has been found out, using the Herfindahl-Hirschman indexes and the concentration ratios CR3 and CR4, that none of the participants in the fast turnover goods market influences significantly present market conditions, including prices of supplied commodities for mass and daily use. On the other hand, the calculation of consumer selectivity for such a broad range of fast turnover goods requires major efforts and can be the subject of a separate study.

The market share of the respective trade format is an expression of the relation of sales under the respective trade format to total sales of fast turnover goods for all observed trade formats (Figure 3). The link between the indicated elements of the market share is multiplicative. On the basis of an empirical study on the fast turnover goods market, the highest weight is revealed for the element "degree of consumer loyalty". The degree of consumer loyalty is characterized by the relative share of customer expenses made under the chosen trade format compared to their total expenses for purchase of commodities and services [9]. The data in Table 2 show that the highest degree of consumer loyalty in 2007 is demonstrated by customers of the small grocery shops – 52.4 %, followed by customers of supermarkets&hypermarkets with 25 %. The third and fourth place, according to the degree of consumer loyalty, is occupied by customers of minimarkets with 20.8 % and those of discounters with 14.1 %. The small neighbourhood grocery store is distinguished, as a rule, by personal service and convenient location, which explains the higher degree of consumer loyalty.

The element "degree of consumer penetration" is the relative share of the households which have made a purchase under a selected trade format at least once during the period under exploration compared to the number of all households. The preferred trade formats are ordered according to the degree of consumer penetration in the same sequence as according to degree of consumer loyalty (Table 2).

The highest share is the one of households having visited at least once during the year small grocery shops. The ratio, expressing the degree of consumer penetration for small grocery shops, amounts to 0.96, followed by the one of supermarkets&hypermarkets – 0.73. For minimarkets, this ratio is 0.58, and for

Table 2. Decomposition of the market share to trade formats in the fast turnover goods market in 2007

Trade formats	Consumer penetration		Consumer loyalty (%)		Intensity ratio		Market share (%)
Super&Hypermarkets	0.73	x	25.0	x	1.05	=	19.2
Discounters	0.30	x	14.1	x	1.05	=	4.4
Cash&Carry	0.24	x	12.1	x	1.04	=	3.0
Minimarkets	0.58	x	20.8	x	1.034	=	12.5
Small Grocery Shops	0.96	x	52.4	x	0.95	=	47.7
Open Market	0.26	x	3.9	x	1.0	=	1.0
Others	0.95	x	13.2	x	0.97	=	12.1

Source: GfK Consumer Tracking – Bulgarian Retail Report – 2007/2008, p. 59.

discount stores – 0.30. It is interesting to note the fact that in the present conditions of limited purchasing power in the country, the degree of consumer penetration for discount stores, offering commodities at relatively lower prices, is three times lower than the one of small local grocery shops, meaning that three times lower number of households in the country have visited a discount store at least once in 2007. Discount stores as a trade format could definitively be preferred by customers with limited purchasing power, provided there are such functioning stores in close proximity to customers. For the first time in 2006, Kaufland – a market chain of discount stores – entered the Bulgarian market. As it was indicated in the beginning of the study, Kaufland is distinguished by a high growth rate of its market share – from 0.1 in 2006 to 4.4 % in 2007, and to 6.2 % in the first quarter of 2008. The conclusion becomes obvious that a free market niche for discounters as a contemporary distribution channel exists in the country. The statement that the convenient location of the trade unit is an essential factor for the choice of shopping place is confirmed this way.

The third element, "intensity ratio", summarizes the degree of consumer and price selectivity. In essence, the intensity ratio expresses the frequency of occurrence of a certain phenomenon per unit of time. In this specific case, it reflects the ratio of the average expense per customer made in a selected trade format to the average expense for fast turnover goods. The intensity ratio is the lowest for the small grocery shops (0.95) compared to the other trade formats, the latter having indexes of 1.0 and 1.1 (Table 2). We found out that the average expense per customer made in the small grocery shops is lower than the average expense for fast turnover goods as a whole. The small grocery shops offer a limited product range and the customer is not able to find there the necessary variety of commodities for everyday use. The calculated ratio is higher than one for both supermarkets&hypermarkets and for discount stores. These trade formats definitively offer a product range, which is characterized by its width and depth of offered positions. The average expense per customer made in supermarkets&hypermarkets, as well as in discount stores is higher than their average expense for fast turnover goods as a whole. The offered range allows the customer to purchase various commodities, and not only those for everyday use. According to the indicator "intensity ratio", the differences between the trade formats at present are very small and their effect on the size of their the market shares is relatively weak.

Applying the method of chain replacement, we reveal the quantitative influence of the specific elements characterizing the influence of consumer behaviour on changes of the market share in different trade formats. In 2007, the difference between the market share of the small grocery shops in the fast turnover goods market and the market share of supermarkets&hypermarkets was

Table 3. Factor analysis of the market shares of trade formats "small grocery shops" and "supermarkets&hypermarkets" in the fast turnover goods market in 2007

Deviation because of change in consumer penetration	+ 6.04 (25.20 – 19.16)
Deviation because of change in consumer loyalty	+ 27.62 (52.82 – 25.20)
Deviation because of change in intensity ratio	- 5.03 (47.79 – 52.82)
Complex influence of all factors	+ 28.63

The analysis was carried out by the author using data from GfK.

significant, amounting to 28.63 % (47.79 % – 19.16 %), which brings about the question: what is the reason for this difference in market positions (Table 3). The differences between the market shares of these trade formats are due to the mentioned elements characterizing the influence of consumer behaviour:

Market share of supermarkets&hypermarkets:
19.16 % (0.73 x 25.0 x 1.05)

Corrected market share I:
25.20 % (0.96 x 25.0 x 1.05)

Corrected market share II:
52.82 % (0.96 x 52.4 x 1.05)

Market share of the small grocery shops:
47.79 % (0.96 x 52.4 x 0.95)

It becomes clear from the performed analysis that the higher market share of the small grocery shops with respect to supermarkets&hypermarkets is due mainly to the higher consumer loyalty. When consumer loyalty increases twice – from 25.0 % to 52.4 %, their market share grows by 27.62 %. This fact determines the element "degree of consumer loyalty" as the most important in its impact on the market share and with the highest weight for the present analysis.

A second factor with positive influence on the market share of the small grocery shops is the higher degree of consumer penetration. The increase in the number of households having visited the small grocery shops at least once during the period under exploration by 23 % [(0.96-0.73) x 100] results in the increase of their market share by 6.04 %.

The influence of the decreased intensity ratio is unfavourable, resulting in the decrease of the market share of small grocery shops by 5.03 %. It demonstrates the influence of the average size of the purchase and average prices. It is supposed that the lower intensity ratio of the small grocery shops is due to the lower average size of purchase and/or to maintained lower average prices with respect to the other participants in the fast turnover goods market.

The above analysis provides information on the following:

- the criteria of consumers for choice of a trade unit for shopping and
- changes in consumer preferences for the type of trade format – small local stores or supermarkets&hypermarkets, represented by trade chains.

Table 4. Consumers' criteria for the choice of trade unit for shopping

Criteria	% More than one answer	Criteria	% More than one answer
Territorial location	72.9	Trade unit interior	11.3
Product range	50.8	Fresh products supply	6.1
Appropriate price	42.2	Parking place	2.1
Rebates, seasonal sales, promotions	36.6	Supply of regional products	1.4
Service staff	21.1	Loyal customers program	1.4
Speed of servicing	15.6		

Source: Danchev, D., Global and local changes in retail trade, Jubilee international scientific conference "Trade in modern society: theory and practice", Varna, 2008, p.71.

According to the studies of consumer behaviour in our country, it turns out that customers indicate as a main factor in the choice of a trade unit for shopping the proximity to their home or workplace (Table 4). It is necessary to emphasize that the criteria of buyers for choice of a shopping place are also a dynamic variable.

The data in Table 4 shows that other criteria are of high importance for the choice of trade unit for shopping in addition to territorial localization: product range, good quality/price relation, promotions, which are difficult to offer for small local grocery shops unlike for supermarkets&hypermarkets. In big cities, the intense everyday life makes consumers appreciate more and more the richness of product range under one roof, weekly shopping, constant promotions, which also results in a change in the established trend to buy mass and everyday goods in small local grocery shops. This trend is also confirmed by the fact that "for the period 2001 – 2007, for each newly open supermarket, 15 shops for food products occupying 20 square meters, 4 kiosks, 13 mixed shops, 3 non-alcohol beverage shops, and 2 confectioneries are closed" [4, p. 70-78].

Consumer behaviour characterizes the way in which buyers react and behave in different situations of purchase-sale of commodities and services. In its essence, it is a complex and dynamic economic category. Changes in consumers' lifestyle influence their needs, purchasing power, habits, preferences, including the change in the criteria of choosing a trade unit and format. The present study found out that the element "degree of consumer loyalty" is the most influential for the market share of trade formats in the fast turnover goods market in our country. Traders are forced to look for new, modern distribution channels, the use of which would make them most successful in attracting the interest of consumers, in stimulating their market activity, and "binding" them to a higher degree to the trade units. Influencing the frequency of visits and doubling purchases in the units pertaining to the same trade format, traders win consumer loyalty [2, p. 431-436]. It ensures for them an increase in sales and a decrease of variations in their volume, as well as lower sensitivity of buyers to the offers of competitors – also playing a protective role in competition.

Based on the study of trade chains positions in the fast turnover goods market and the influence of some elements of consumer behaviour on the market share of trade formats used by them, the following more important general statements can be made:

- During the period 2005-2007, a change took place in the positions of trade chains in the fast turnover goods market in Bulgaria. In 2006, a new participant entered the fast turnover goods market – the market chain of discount stores Kaufland, occupying the leadership position in 2007. There was a restructuring in the list of the ten leading trade companies in the country, which sold 19.7 % of the fast turnover goods consumed by the households in 2007. The trade chains Billa and CBA occupy the second place, and Metro stays at the third place.
- The Herfindahl-Hirschman index and the concentration ratios of the 3 and 4 companies with the highest market share – CR3 and CR4, characterize the fast turnover goods market in Bulgaria during the period under exploration as a normal competitive market with low level of concentration.
- The higher market share of small grocery shops with respect to supermarkets&hypermarkets is due to higher consumer loyalty. When consumer loyalty goes up twice – from 25.0 % to 52.4 %, the market share of the small grocery shops grows by 27.62 %. This fact shows the degree of consumer loyalty as the consumer behaviour element with most significant impact at present on trade formats market share in the fast turnover goods market.

• For the period 2005-2007, as a result of the arrival of foreign trade chains, the market share of small grocery shops went down (from 50.1 % to 47.7 %). This occurred mainly due to the increase of the market share of supermarkets&hypermarkets (from 17.2 % to 19.2 %), as well as of discount stores (from 1.4 % to 4.4 %), namely Kaufland. The presence of European trade chains of different trade format limits the market presence of local stores and street markets. Stronger competition can be expected between the participants in the fast turnover goods market. In the conditions of market economy, consumers appreciate more and more the competitive advantages of trade chains, which also leads to a change in the established trend of buying mass and everyday goods in small local grocery shops.

Literature

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