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информационное агентство | information agency

In 2007 the analytical materials of INFOLine information agency were worthily appraised by the leading European companies. In 2007 the analytical materials of INFOLine information agency were worthily appraised by the leading European companies. INFOLine agency was admitted to ESOMAR, the consolidated association of consulting and marketing agencies of the world. According to the regulations of the association, all materials of INFOLine agency are certified according to Eurostandards; this insures the quality of materials received by our customers and availability of aftersale services through additional consulting on customers' request.

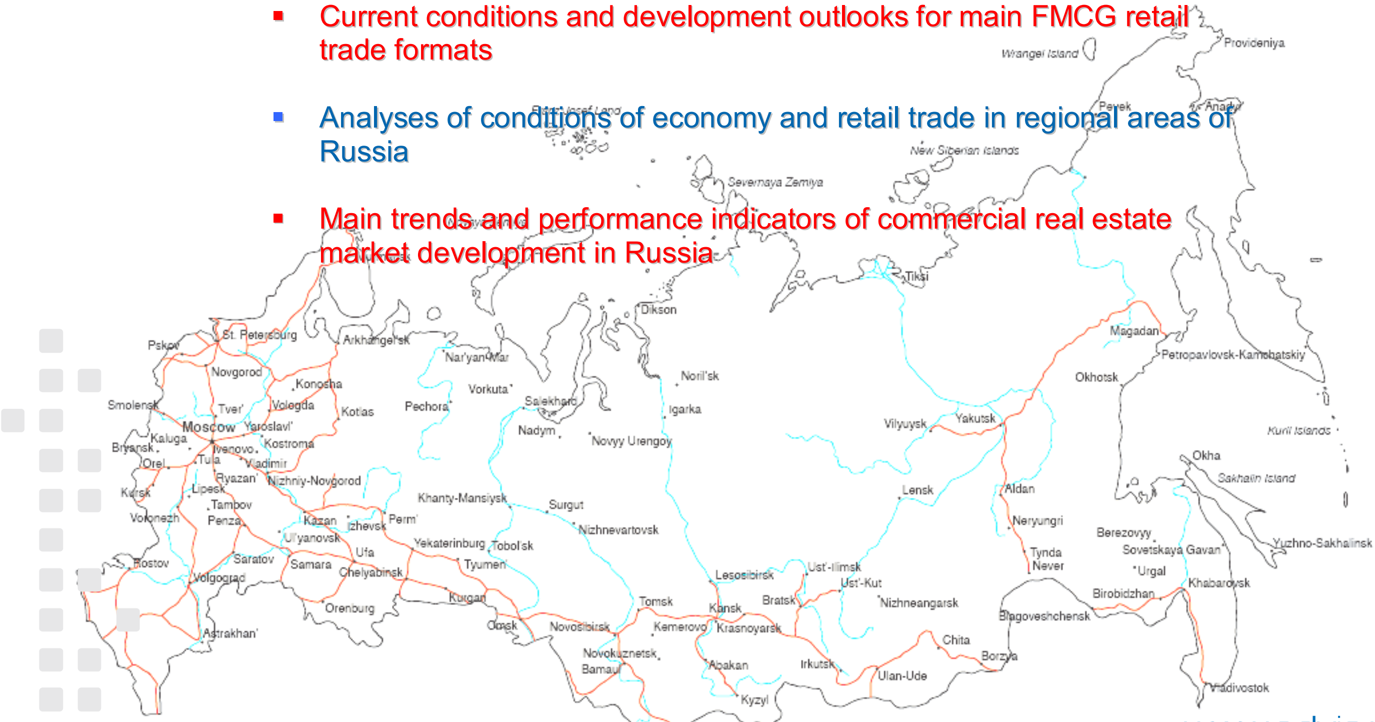
Research

FMCG Retail Trade in Russia

Trends of 2012 Prognosis till 2015

Demo-version

- History of development, current conditions and outlooks for development of retail trade in Russia
- Results of development and rating of FMCG retail chains of Russia in 2011 and I half of 2012
- Current conditions and development outlooks for main FMCG retail trade formats
- Analyses of conditions of economy and retail trade in regional areas of Russia
- Main trends and performance indicators of commercial real estate market development in Russia



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Facts about INFOLine information agency

INFOLine information agency was established in 1999, its aim was to render information and advisory services to commercial organizations. The agency renders permanent information support to more than 1000 companies in Russia and world-wide. INFOLine IA monitors publications in more than 5 000 MSM on daily basis and carries out analytical research related to 80 subjects of RF economy. Since 2003 INFOLine IA has been conducting various desk researches of the markets both on customer's request and on the Agency's own initiative. When working on a market research, the Agency's analysts make extensive use of the unique data support available to them and their years-long experience of operating various data flows.

The research reports and surveys of INFOLine IA are used in their activities by **largest FMCG retailers** (X5 Retail Group, Magnit, Auchan, Metro Cash&Carry, Lenta, O'Key), **producers** (Procter&Gamble, Coca-Cola, Pepsi, SABMiller, Fazer, Philip Morris, Mars), **distributors** (Megapolis GC), **financial** (Uralsib FC, MDM-Bank) and **service** companies (GC Servis-plus, Wincor-Nixdorf).

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About the research of FMCG Retail Trade in Russia, Trends of 2012 and Prognosis till 2015

Together with growing share of retail chains in the sales volume of retail trade in Russia the information products that provide balanced combination of news and analytical surveys, dealing with the development of Russian retail market, as well as databases become more and more of urgent interest. In 2010 the Russian retail market surpassed the market of one of the most developed European countries – Germany, and in 2011 the Russian FMCG retail market became the largest in Europe, outrunning France. During 2002-2012 in the context of expansion of the offered information services range INFOLine IA presented the following information products:

- 2002– **Branch news: Retail chains**
- 2004 – Information portal **www.advis.ru** with traffic of more than 12 thousand visitors a day. The subject of **Retail chains** is one of the most popular at the portal;
- First quarter 2009 – a monthly industry survey **Rating of FMCG retail chains in Russia**, and since 2011 there exists an English version of this product, **Rating of FMCG retailers of Russia** in which the analysts of INFOLine IA monitor and publish in real-time mode the dynamics of main key figures of the industry (sales, number of stores and trading floorspace) for **100** of biggest retailers in Russia
- Forth quarter of 2010 – **550 FMCG Retail Chains of Russia, Ukraine, Kazakhstan and Republic of Belarus database**, which includes the basic results of the research, description and contact information for **550** largest FMCG store chains of Russia with sales volumes over **2300** billion roubles in 2009 (all in all these chains include over **69** thousand outlets with total trading floor space of **17** million square meters, including **600** hypermarkets, over **3600** supermarkets and **65** thousand convenience stores)
- Third quarter of 2011 – **Private Labels of FMCG chains in Russia, Trends of 2011, Prognosis till 2015 Research**, which systematizes the data on types of PLs, their development directions and strategies, evolution stages of approaches to creation of PLs at world and Russian markets, presents a full classification of PLs by a vast list of criteria, contains analysis of the economic crisis influence on the world consumer goods market, describes the latest trends of PL market development in Russia and the world, analyses changes in consumption of FMCG by product groups and lines, formulates prognosis for 2012-2015 It also contains an estimation of PL segments development potential at the Russian FMCG market
- First quarter of 2012 – **INFOLine Developer Russia TOP-100 Research**, which gives description of the commercial real estate market situation in Russia in 32 cities and regional areas of Russia, contains comparative analysis of shopping centers market of 32 cities and regional areas of Russia, presents a prognosis of shopping centers market development till 201, as well as the Rating of 100 largest owners of shopping centers of Russia – INFOLine Developer Russia TOP-100. At the same time specialists of INFOLine IA ranked the cities of Russia by aggregate volume of total and rentable floorspace in shopping centers, as well as by the per capita level of saturation with total floorspace in shopping centers. The unique database of shopping centers of Russia, operating and being constructed, which includes over 2300 facilities, became the information basis for the Research.
- First quarter of 2012 – **DIY Retail Trade in Russia, Results of 2011 and Prognosis till 2015 Research**, with description of the current condition and development outlooks for DIY and Household retail trade in Russia, description of main trends and key operational indicators of DIY and household goods retail chains development, rating of the largest DIY and Household chains, business-references on TOP-20 of the largest DIY and Household retailers of Russia, as well as a data base of 170 DIY and household goods retailers of Russia.
- Fourth quarter of 2012 – **INFOLine Retailer Russia TOP-100 Research**, which contains dynamics of the key performance indicators of retail trade in RF, dynamics of key indicators for TOP-100 in general, market surveys of FMCG, home appliances and electronics, DIY and Houseware, mobile devices, perfumery and cosmetics, fashion and children's products. The research also contains structured information about the development pr retail chains, M&A deals and investment plans

FMCG Retail Trade in Russia, Trends of 2012 and Prognosis till 2015 contains analysis and prognosis for macroeconomic indicators of RF, description of current conditions and development prognosis of retail trade in RF, characteristics of the main trends and key operational performance indicators of FMCG retail chains development, description of the retail trade and commercial real estate market condition in 27 regional areas, analysis of interaction between FMCG suppliers and retailers. On the basis of the results of this Research the specialists of INFOLine IA have developed recommendations for improvement of FMCG retailers operational efficiency and streamlining of the interaction between suppliers and retailers.

Main sections of **FMCG Retail Trade in Russia, Trends of 2012 and Prognosis till 2015**

No.	Section's Title	Section's description
	About this Research	Aims, objectives and methods of the Research, main prerequisites of its realization, experience of INFOLine IA in the field of retail trade.
1	Macroeconomical indicators of RF	Dynamics of main macroeconomic indicators, analysis of results of 2011 and the first half of 2012, mid-term prognosis (2012-2015)

No.	Section's Title	Section's description
2	History of development, the current conditions and development outlooks for retail trade in RF.	Dynamics of main macroeconomic indicators of retail trade in Russia, analysis of development tendencies of the trade under economic crisis conditions and a mid-term prognosis (2012-2015), private labels of FMCG chains (current condition, problems and outlooks). Comparative analysis of development of 110 largest FMCG retailers of Russia, net revenue rating, rating by number of stores, total trading floorspace and so on, as well as dynamics of these indicators.
3	Development trends and ratings of FMCG chains by operational and financial performance indicators	Rating of FMCG chains by number of stores, total trading floorspace, net revenue, efficiency indicators, number of employees, advertisement expenses, rating of PLs and distribution centers.
4	Interaction of FMCG chains with financial markets	Description of bonded loans floatation, floatation of shares (IPO, SPO) by Russian FMCG chains in 2005-2012, as well as credit financing of FMCG chains by Russian and foreign banks.
5	The M&A market environment in FMCG retail trade in Russia in 2004-2011	Main key figures and trends of M&A market in 2004-2012
6	Current condition and development outlooks for FMCG retail trade formats in RF	Development history and main parameters of the hypermarket, supermarket, discounter and convenience store formats, indicators of the key retailers operating in these formats, results of 2011 and development prognosis for the formats for 2012-2015. Food commodities online stores of FMCG chains in Russia (problems and outlooks for development)
7	Condition of economics and retail trade in regional areas of Russia	Comparative analysis of economics and retail trade condition in 27 regional areas of Russia, dynamics of the main macroeconomic indicators (GRD, industrial production, inflation, population earnings, budget receipts and expenditures, inflation) and indicators of retail trade by regional areas food and non-food commodities(retail trade), as well as structure of FMCG chain retail trade by formats and retailers
8	Shopping centers market in regional areas of Russia	Main trends and indicators of the commercial real estate market development in Russia, as well as dynamics of commissioning volume and floorspace saturation level at shopping centers in major cities of Russia.

While preparing the **FMCG Retail Trade in Russia, Trends of 2012 and Prognoses till 2015** Research the specialists INFOLine IA made use of the following sources of information:

- Expert polling and interviews with representatives of store chains in order to specify their competitive positions at the markets of regional areas and outlooks for development
- Information materials of trading chains and supplying companies (press-releases, online content, yearly and quarterly statements, trade literature regarding the securities issue and investment memorandums)
- Financial statements of the chains according to international standards (audited and managerial)
- Data from Federal State Statistics Service, Federal Antimonopoly Service, Ministry of Economy Development as well as information from regional authorities (Ministry of Economy, departments of consumer market development)
- The service of **Branch news: Retail chains** and the archive materials accumulated since 2001 on the subject of Retail chains, materials from international and Russian MSM (printed press, electronic MSM, information agencies)

FMCG Retail Trade in Russia, Trends of 2012 and Prognoses till 2015 Research makes it possible for a consumer of this information product to solve quite a number of problems, which would take to much time to solve using internal resources (a private label department of a trading chain or a sales department of a production company or a retailer) or very costly (if the research materials were purchased):

- evaluation of competition level and development outlooks for chains retail trade across Russia in general and in the largest cities
- analysis of development tendencies in chain FMCG retail trade in different formats and estimation of consumer preferences' variations;
- comparative analysis of macroeconomics situation, development of unorganized trade and commercial real estate market in the most economically developed cities of Russia, which provides for evaluation of prospectiveness of the regional area from the point of view of entering its market and developing there
- development of the contact database of potential partners or competitors (the majority of trade chains in the region with have three or more outlets)

The possible users of **FMCG Retail Trade in Russia, Trends of 2012 and Prognoses till 2015** Research, prepared by the specialists INFOLine IA, may include:

- marketing and sales departments, as well as management of FMCG supplying companies
- marketing departments and management of FMCG retail chains
- sales departments of companies that produce goods for retail trade businesses or offer services to various retail chains
- management, strategic planning departments and customer service departments at banks and factoring companies
- private and institutional investors, which own or are planning to acquire assets in Russian retail chain trade

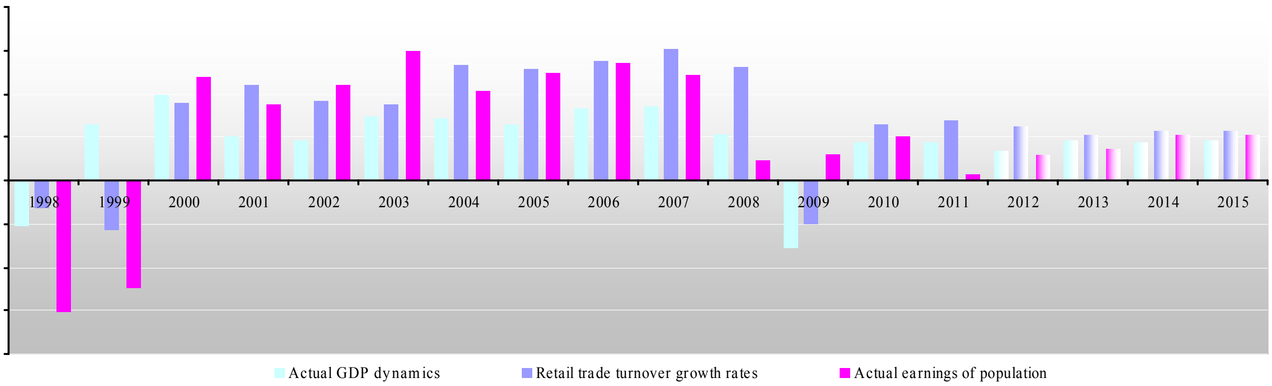
Section I. Macroeconomical indicators of RF

Macroeconomical indicators of retail trade

The retail trade represented one of the most dynamically growing segments of the Russian economy, which is evidenced by the fact that during 2003-2008 it preserved growth rates of the sales turnover in terms of the mass of commodities at the level that almost two times exceeded the growth rates of GDP. <…>

According to expectations of the Ministry of Economic Development, if the moderately-optimistic scenario of economic development is actualized, which implies energetic governmental policy aimed at improvement of the investment climate, growth of competitiveness and efficiency of business, stimulation of economic growth and modernization, as well as improvement of budget's expenditures efficiency, in 2013-2015 annual average growth rates of GDP and retail trade turnover will come up to *% and *% correspondingly. <…>

Dynamics of actual GDP, retail turnover and actual earnings of population in 1998-2011 and prognosis for 2012-2015, %



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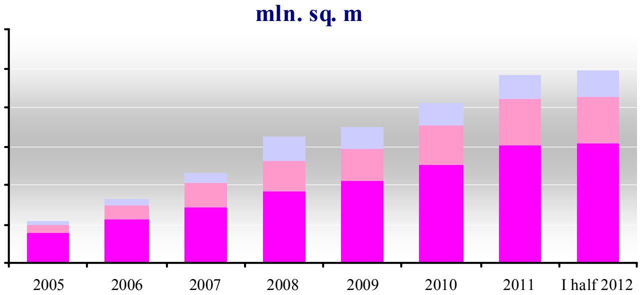
Full text contains dynamics of the main macroeconomic indicators of RF (GDP, production, retail trade turnover), analysis of the economic crisis reasons in Russia, analysis of banking system condition and inflationary processes, description of state budget condition, as well as prognosis of economic development for 2012-2015 and analysis of consequences of Russia's entry to WTO for retail trade

Section II. History of development, the current conditions and development outlooks for retail trade in Russia.

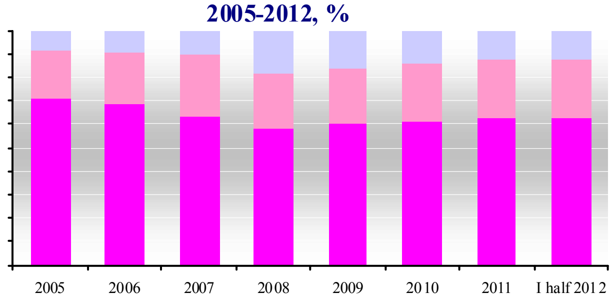
The main macroeconomical figures of the retail trade in Russia and performance indicators of the largest chains

As of 01 July 2012 the total trading floorspace of TOP-110 FMCG retailers in Russia exceeded * million square meters. Meanwhile the floorspace concentration level among TOP-110 FMCG chains in 2005-2012 increased insignificantly: for instance, if in 2009 the floorspace share of TOP-10 retailers[1] was *% of total floorspace, then in 2011 – *%, and as of 01 July 2012 – *%. The floorspace share of retailers at positions from 11 to 50 declined from 25.1% (in 2010) to *% (results of 2011) and *% (results of 1st half of 2012), and of those at positions from 51 to 110 – declined from *% (in 2010) to *% (in 2011) and *% (results of 1st half of 2012). As of 01 July 2012 the floorspace share of TOP-10 retailers increased by * pp against 2011. The structure of trading floorspace growth in 2005-2012 is described below.

Floorspace of TOP FMCG retailers in 2005-2012, mln. sq. m



Floorspace structure of TOP FMCG retailers in 2005-2012, %



Demo-version

Full text of the section contains: description of the main trends and development indicators of retail trade, description of the main development stages of retail in Russia (including quantitative indicators of traditional and modern retail trade in Russia); comparative analysis of the Russian retail market and markets in other countries; dynamics and prognosis of the Russian retail market main indicators

[1] We have in mind those retailers, which occupy positions from 1 to 10 according to results of 2011 in terms of revenue (full rating is presented in the next section).

Section III. Development trends and ratings of FMCG chains by operational and financial performance indicators

Ratings of FMCG chains in Russia by operational, financial and efficiency indicators

Rating of FMCG chains by number of stores

Information about the number of stores among the largest FMCG retailers in Russia (with sales over 3 billion roubles during 2011) in 2005-2011 and 1st half of 2012 is presented in the table.

Number of stores of the largest FMCG chains during 2005-2012 as of the end of the period, (outlets)

No.	Legal name	Brand	Chain type	Main formats	2005	2006	2007	2008	2009	2010	2011	I half of 2010 2012
1	X5 Retail Group N.V.	Pyaterochka	federal chain	D	326	451	674	848	1039	1392	1918	*
		Perekrestok	federal chain	S	120	168	194	207	275	301	321	*
		Karusel	federal chain	H	6	19	22	46	58	71	77	*
		Perekrestok -Express, CityMag	federal chain	C	0	0	0	0	0	45	70	*
		Kopeika, Kopeika Super	federal chain	C, S	118	328	438	517	587	657	616	*
…	…	…	…	…	…	…	…	…	…	…	…	…

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Rating of FMCG chains by net revenue

Rating of the largest FMCG retailers of Russia according to net revenue in 2007-2011, billion roubles without VAT

Legal name	Brand	Main formats	Data	2007	2008	2009	2010	2011
X5 Retail Group N.V. (TD Perekrestok, CJSC)	Pyaterochka, Perekrestok, Kopeika, Karusel, Perekrestok-Express	C, D, S, H	IFRS	136.1	207.2	275.2	341.6	452.5
	Kopeika, Kopeika Super	D, S	IFRS	34.9	51.6	56.5	61.2	53.5
Magnit JSC	Magnit	D, H	IFRS	94.0	132.9	169.9	236.2	335.7
Auchan Group (Auchan LLC and Atac-Russia LLC)	Auchan, Auchan-City, Raduga, Atac	H, S	RAS, estimation	*	*	*	*	*
Metro Group (Metro Cash&Carry LLC and Real-Hypermarket LLC)	Metro C&C, Real	H	IFRS	99.4	125.9	133.6	142.3	169.5
Diksi Group JSC	Megamart, Minimart, Diksi	C, S, H	IFRS	36.7	48.3	54.2	64.8	102.2
…	…	…	…	…	…	…	…	…

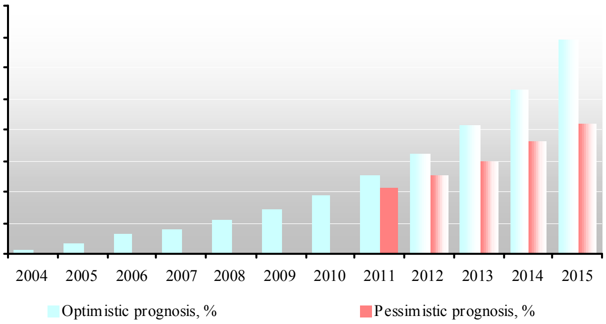
Demo-version

Full text contains ratings of FMCG chains by number of stores, trading floorspace, revenue, efficiency indicators and number of employees

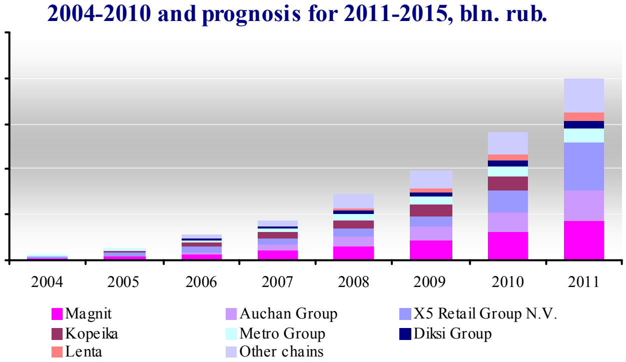
Rating of private label among FMCG trading chains of Russia

In Russia the share of PL in the product mix of retailers is more than by an order lower than in the majority of countries world-wide, which results from comparatively short time of PL development (from 2001), high level of brands loyalty among Russian consumers, as well as a number of miscalculations made by Russian retailers when introducing PL into product mix. <…>

PL share in FMCG turnover in Russia in 2004-2010 and prognosis for 2011-2015



PL sales at FMCG chains in Russia России in 2004-2010 and prognosis for 2011-2015, bln. rub.



Demo-version

Full text contains analysis of the main trends, problems and outlooks for development of PL among FMCG retailers in Russia

Rating of distribution centers among FMCG trading chains of Russia

Organization of a FMCG retail chain logistics system has a significant effect on the chain's operation in general, and, for purposes of reduction of handling costs, efficient response to expanding demands of consumers, online stores operations support, it is essential to arrange and streamline the logistics processes. According to results of Russian retailers interviewing, conducted by INFOLine IA in 2012[2], just *% of chains have a logistics components such as a full-featured distribution center (DC), as well as large-size storehouse facilities. It should be noted that X5 Retail Group is the leading retailer in terms of number and floorspace of logistics centers. <…>

Description of distribution centers of FMCG retail chains in Russia (with sales over 6 billion roubles) as of 01 September 2012

Legal person	Chain brand	Quantity, units	Trading floorspace, square meters	Regional representativeness	Plans for development of DCs
X5 Retail Group N.V.	Pyaterochka, Perekrestok, Karusel, Perekrestok-Express	28	522.9	Voronezh-1; Novosaratovka (Leningrad reg.)	*
Magnit JSC	Magnit hypermarket, Magnit-Semeiniy, Magnit, Magnit-Cosmetic	16	396.3	*	*
…	…	…	…	…	…

Demo-version

Full text contains information on distribution centers of the largest (with revenue over 6 billion roubles) FMCG retail chains, analysis of supply centralization dynamics

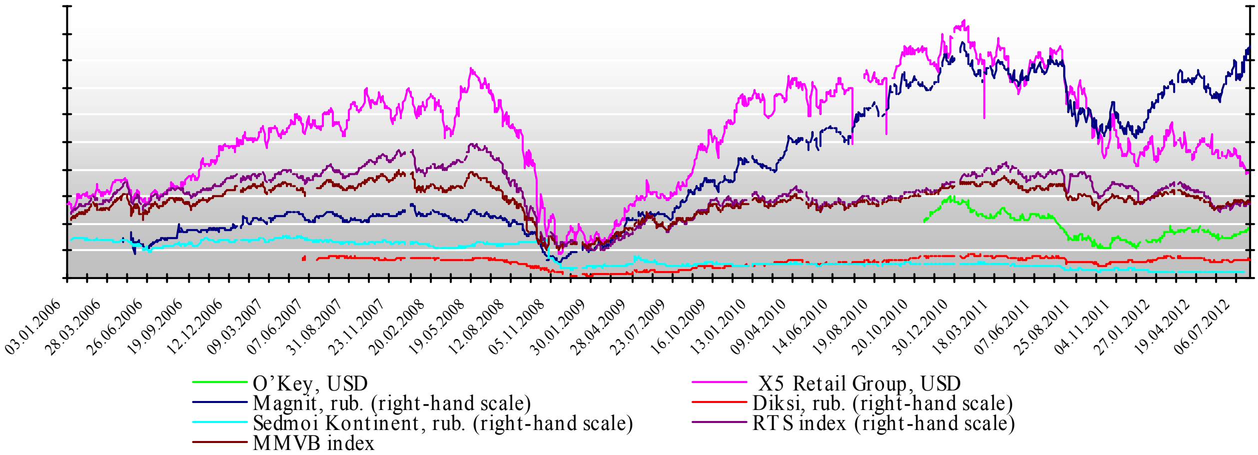
2 All in all there were interviewed 530 Russian federal and regional FMCG retailers (including 120 largest chains).

Section IV. Interaction of FMCG chains with financial markets

During 2003-2012 FMCG retail chains used different methods to attract financial resources. Depending on the financial condition of the company, time term and aims of financing, as well as macroeconomic indicators of retail trade in RF and market conditions, FMCG retail chains made use of different tools to raise funds. <…>

Dynamics of public Russian FMCG retailers stock price from the moment of the offering to August 2012 are presented at the diagram.

Dynamics of public Russian FMCG retailers stock in Jan. 2006 – Aug. 2012



Demo-version

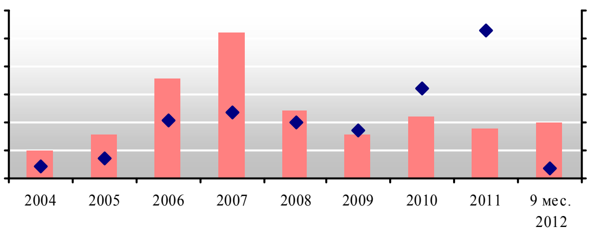
Full text contains analysis of tools used by FMCG retail chains in 2005-2012 for raising funds (bonded loans, equities offering, credit financing by Russian and foreign banks).

Section V. M&A market conditions in FMCG retail trade in Russia

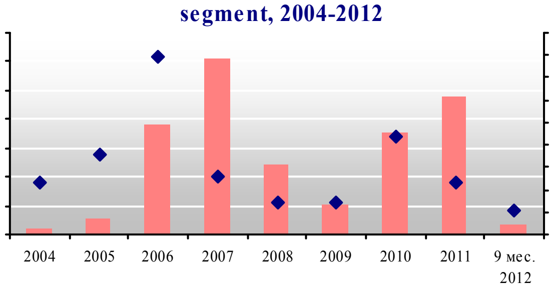
Main indicators and trends of M&A market

M&A transactions are an important tool of Russian retailers business growth and this is confirmed by the leading positions occupied at the Russian market by X5 Retail Group (a succession of M&A transactions between Pyaterochka, Perekrestok and Karusel chains), Holiday GC (a succession of M&A transactions between Holiday, Sibiriada, Kora chains and others) and Sistema RegionMart (a succession of M&A transactions between Bonus, Polyana, Chibis chains). <…>

Number of M&A deals and their average volume in FMCG retail segment, 2004-2012



Dynamics of M&A deals in FMCG retail segment, 2004-2012



Demo-version

Full text contains analysis of M&A deals development among FMCG retail of Russia (dynamics of number and volume of transactions beginning from 2004, detailed description of M&A deals in FMCG retail of Russia in 2006-2012)

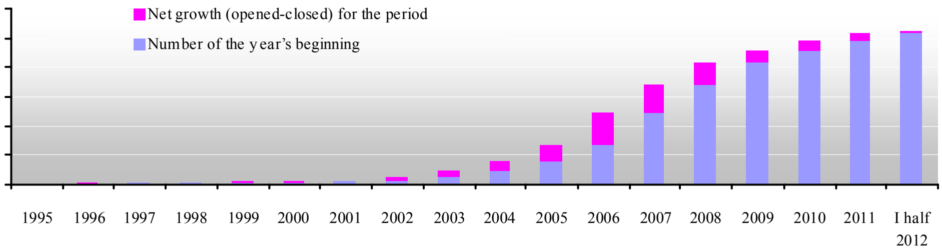
Section VI. Current condition and outlooks for development of FMCG retail trade formats in RF

Development history and key features of the hypermarket format

Main parameters of the hypermarket format

The hypermarket format is the most high-tech and efficient one among modern formats of FMCG retail trade. In judgment of INFOLine IA specialists, the main qualitative features of the hypermarket format in Russia are as follows: <…>

Hypermarkets number dynamics in Russia in 1995-2012 as of the period's end



Main characteristics of hypermarkets in Russia

Number, trading floorspace and regional representativeness of hypermarkets of the largest retailers

Retailer	Brand	Chain type	Number of outlets, 01. Jul. 2012	Total trading floorspace, as of 01. Jul. 2012	Number of RF subjects where outlets are located	Regional representativeness
X5 Retail Group	Karusel	federal	71	371,29	21	*

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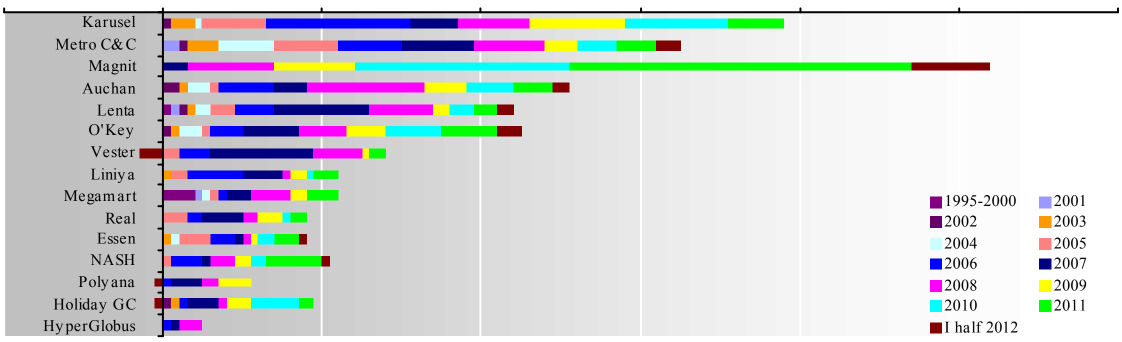
Characteristic features of hypermarkets of the largest retailers in Russia

Retailer	Brand	Logo	Chain type	Year of appearance	Product mix, items	Food share, % of total SKU number	Average trading floorspace, ths. sq. m	Range of trading floorspace, sq. m.
X5 Retail Group	Karusel	КАРУСЕЛЬ гипермаркет	federal	2004	20000-50000	79	*	*

Rating of companies by hypermarkets number and total trading floorspace

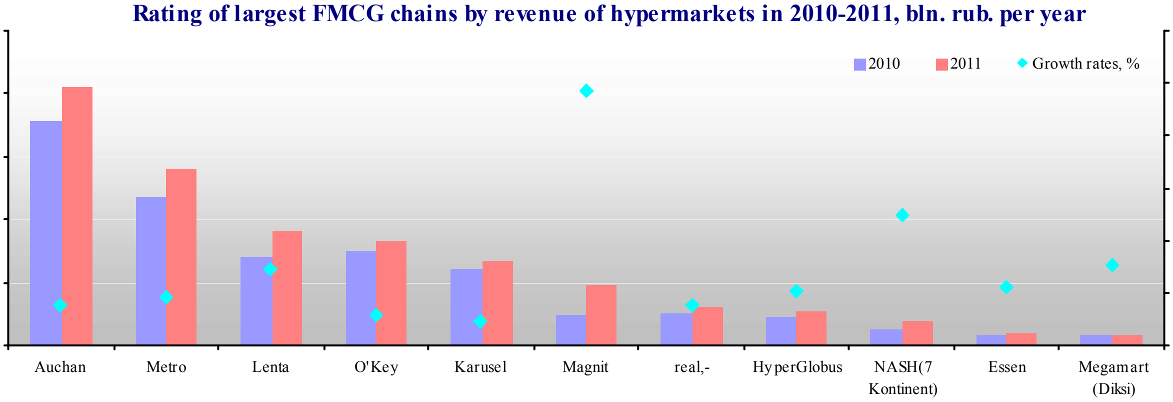
When tracing dynamics of hypermarkets commissioned by the largest trading FMCG chains of Russia, it is important to note that the highest peak of commissioning falls on 2007 and 2008. As for 2009-2011 and the first half of 2012, the largest number of newly opened outlets belongs to Karusel, Magnit, Auchan and O'Key retail chains.

Dynamics of hypermarkets commissioning by TOP largest FMCG retail chain1995-2012 гг., шт



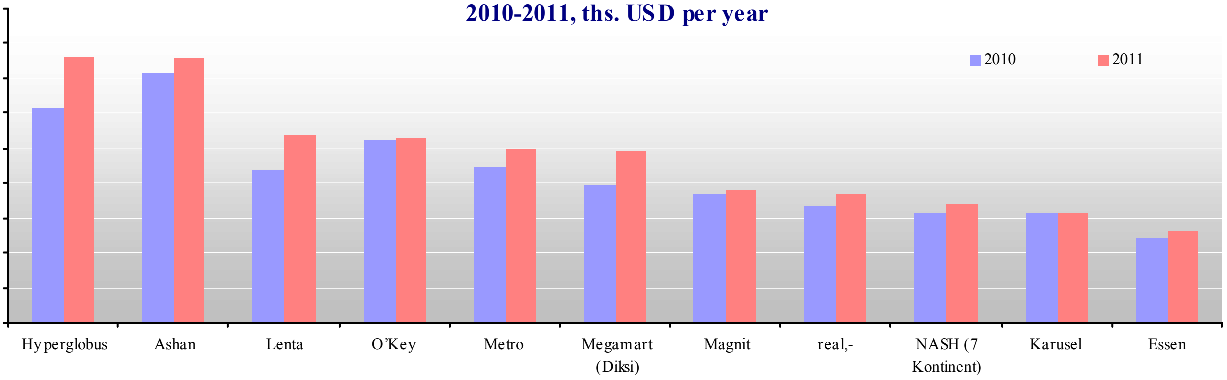
Expectations for development of hypermarket format

Rating of largest FMCG chains by revenue of hypermarkets in 2010-2011, bln. rub. per year



The best operational efficiency results in the hypermarket format in 2011 were demonstrated by Hyperglobus …

Revenue per one square meter of hypermarkets trading floorspace at FMCG chains in RF in 2010-2011, ths. USD per year



Expectations for development of hypermarket format

In 2011 TOP-10 FMCG retailers announced plans for opening of about 80-100 hypermarkets, among them <…>

Hypermarkets commissioning plans of FMCG chains in Russia for 2012

Company	Chain brand	Estimated volumes of commissioning	Commissioning volume (I half) 2012)	Commissioning plan for 2012			
				I quarter	2nd quarter	3d quarter	4th quarter
Magnit JSC	Magnit	50-55	10	3	7	*	*

Key specifics of online stores format among FMCG chains in Russia

List of online stores selling food commodities, as well as facilities for collection of goods ordered online among Russian FMCG retailers is presented in the tables.

Online stores of Russian FMCG retailers

Brands	Format	Online store	Legal name	Online address	Region of presence	Online resource area
…	…	…	…	…	…	…

Demo-version

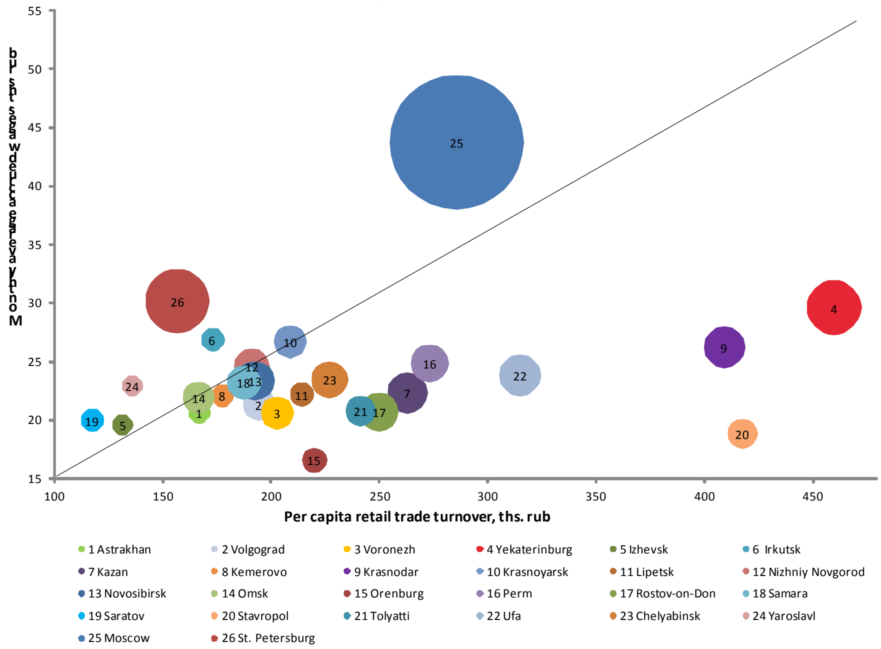
For each format (hypermarket, supermarket, convenience store (discounter)) the full text contains description of development history, main characteristics, company's rating by number of stores and trading floorspace, prognosis for the format's development. There is also description of development history, key specific features and outlooks for development of online-stores by FMCG chains in Russia.

Section VII. Comparative analyses of economics and retail trade conditions by regional areas of Russia

Analysis of retail trade indicators in cities and regional areas of Russia

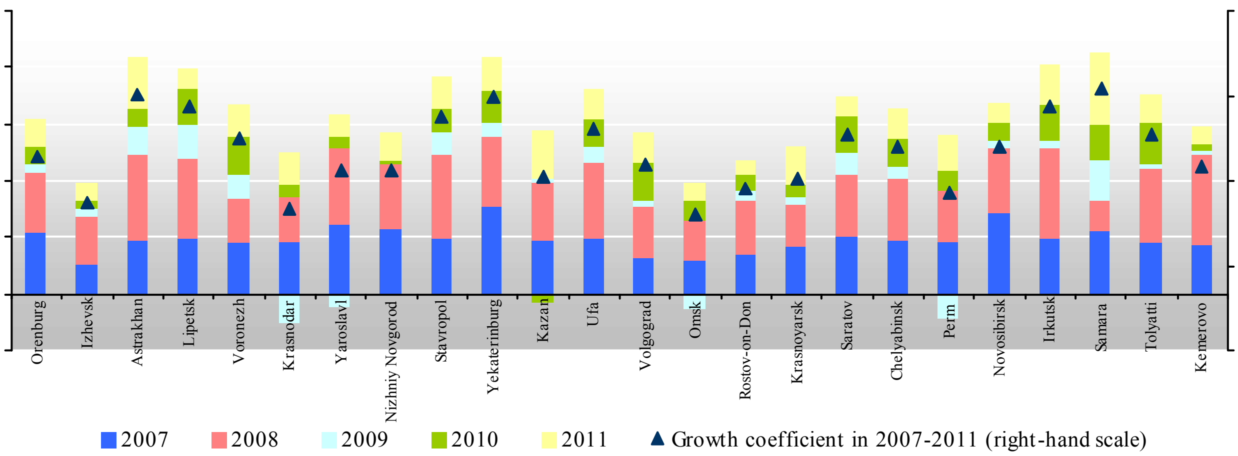
The diagram presents ratio of annual accrued wages to per capita retail turnover in cities of the Research in 2011. The median line corresponds to the ratio of annual accrued wages to per capita retail turnover as 1.2 to 1.

Ratio of annual average population wages to per capita retail turnover (area size is determined by retail turnover, bln. rub.)



Per capita retail turnover growth in major cities of Russia during 2007-2011 is presented at the diagram.

Per capita retail turnover growth in major cities of Russia in 2007-2011 in money terms by years, %



Demo-version

Full texts contain comparative analysis of the following macroeconomic indicators in 27 regional areas of the Research (and their capitals), which were responsible for about 71% of retail turnover in Russia in 2011: dynamics and structure of retail sales turnover (including per capita figures); dynamics of retail food commodities sales turnover; detailed and enlarged structure of the gross regional product; dynamics of industrial production; dynamics of regional budget deficit/surplus etc.

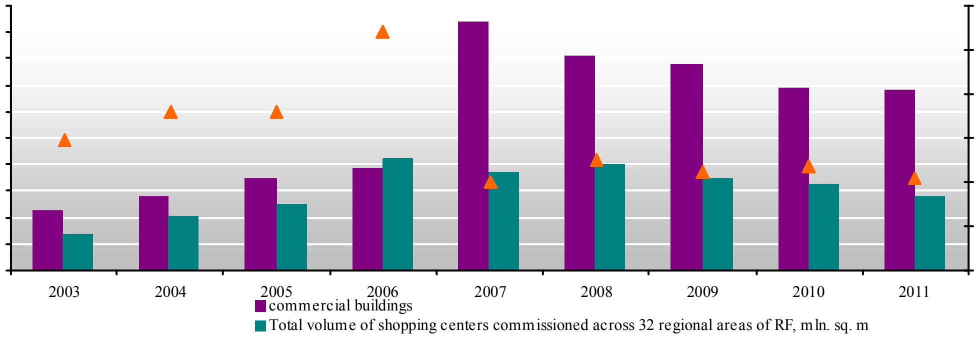
Section VIII. Shopping centers market in regional areas of Russia

Conditions of shopping centers market in Russia

The commercial real estate market is one of the largest in Europe. In 2011 the rates of new shopping centers commissioning in Europe turned out to be practically identical to indicators of 2010. <…>

According to results of 2011 the share of shopping centers in 32 cities and regional areas of the Research in the aggregate volume of commercial real estate commissioning in RF comes up to 42%. Dynamics of commercial real estate commissioning volume in RF and commissioning of shopping centers in cities of this Research in 2004-2011 are presented at the diagram.

Dynamics of commercial real estate and shopping centers commissioning in RF in 2004-2011



Demo-version

Full text contains description of the overall situation at the commercial real estate market in Russia, a comparative analysis of saturation with shopping centers floorspace per one thousand people and one square kilometer of city development, analysis of floorspace commissioning dynamics across Russia, Russian shopping centers market trends and outlooks.