



## Retailing in Russia 2013

*Discovering the market*

# RUSSIA 2013: INTRODUCTION

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Russia represents a large middle-income market with growing consumer expenditure. The retail industry in Russia is in a good position as one of the fastest growing industries in terms of value added. It is in the process of consolidation with top national and regional chains generally outperforming internationally experienced entrants in terms of revenue, profits, and the number of stores.

Yet, doing business in Russia is perceived as rather complicated, so the combination of market opportunities, entry barriers, and risks creates a truly strategic puzzle. This report helps understand the trends and peculiarities of the Russian business environment focusing on retail, one of the most competitive, consumer-driven markets.

Rich in exclusively available data from executive surveys and corporate strategies, this report

- presents key retail statistics with comments regarding possible misinterpretations of the publicly available data
- summarises data for top retailers such as revenues, selling space, and a P&L account
- highlights trends in shopping and consumer behaviour that are specific to the Russian market
- describes four distinct winning strategies being implemented by the Russian retailers
- suggests how to reduce exposure to adverse conditions of doing business in Russia whilst enjoying its market opportunities





# KEY QUESTIONS ANSWERED

- What is so special about the business environment in Russia? What business opportunities are behind the average indices?
- What is special about the consumer behavior and shopping habits in Russia?
- Who are the people-21 and why it is important to know them a bit better?
- What is the motivation for doing business in Russia? What are the pillars of success of a foreign entrant?
- What a foreign retailer or a supplier might expect from the Russian market?
- Why a number of large domestic national and regional retailers demonstrate steady profitable growth, some above 40% per annum, while some leading international retailers deter entry, divest or lose the market share?
- What can we learn from the Russian market? What business practices can we borrow from the Russian companies?



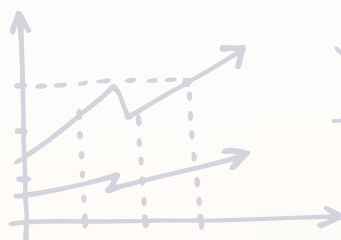
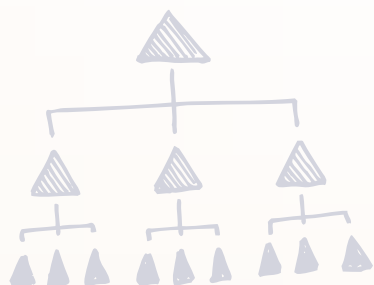
- This report is prepared by practicing business consultants who have extensive experience in developing and implementing strategies for Russian retailers, manufacturers, and brand owners
- The report provides an overview of corporate strategies in retail and represents key market trends and risks from the viewpoint of executives of large as well as regional food and non-food retailers

- Statistics from official sources and trusted research agencies
- Retailers' internal market research data
- Executive surveys
- Consumer surveys



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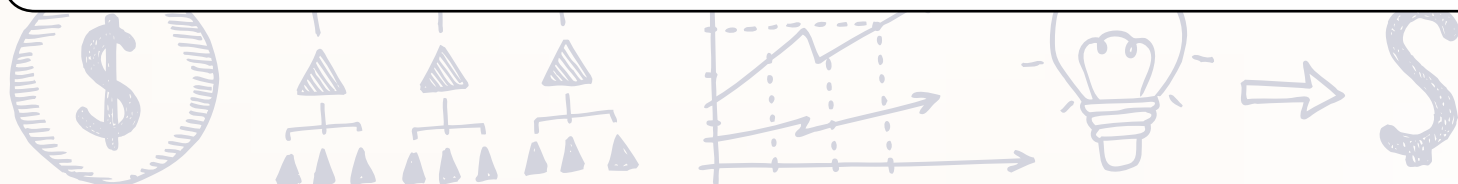
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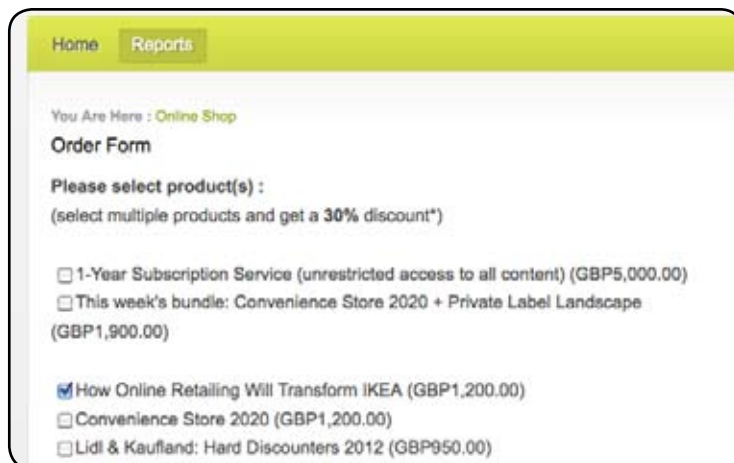
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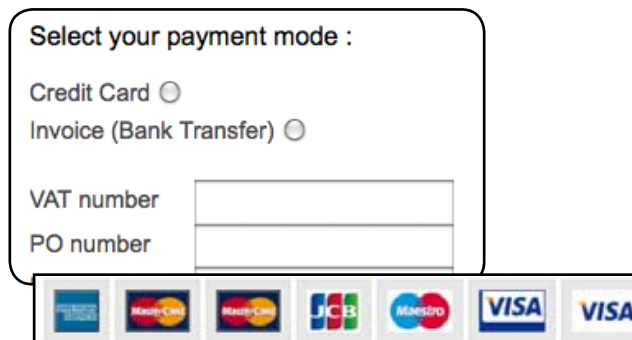
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