



# Retailing

January 2012

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# RETAILING IN ITALY - INDUSTRY OVERVIEW

## EXECUTIVE SUMMARY

### Retail Sales Recover Slightly in 2010 and 2011

The Italian economy has been slow to recover and remains volatile, with unemployment continuing to rise and consumers still holding back on discretionary spending. Nevertheless, retail sales saw slight growth in current value terms in 2010 and 2011. Retailers such as discounters, which provide value with discounted lines and private label goods, performed better than mid-price retailers, while sales of luxury and premium branded retailers were also resilient, an evident signal of polarisation in consumption habits.

### M-commerce Increasing in Importance in Italy

Companies which already operate through the web are becoming more aware of the importance of purchasing made through mobile devices, particularly mobile phones. 13 million Italians own a smartphone, representing a big target for companies. In 2010 and 2011, internet retailing posted double-digit growth rates, although as a percentage of total retailing sales, the category remains underdeveloped in Italy compared with some of its European neighbours. The bestselling categories are digital content, consumer electronics products, books and apparel.

### Italians Habits Shift Towards Day-to-day Shopping

Because of increasing promotional activities, both in grocery and non-grocery, increasing private label penetration and an increase in the number of convenience stores, the retailing scenario in Italy is seeing a shift towards more frequent shopping. Due to low consumer confidence and increasing hectic lifestyles, Italians want more control over their expenditure and to reduce their shopping baskets, and are opting for convenience stores and small supermarkets for grocery shopping, and seeking out products offering the best quality-price ratio in non-grocery shopping, which is often available in modern chains rather than traditional retailers. The hardest hit areas have been apparel specialist retailers, variety stores, department stores, media products, furniture and furnishings retailers, stationers/office supply and jewellers. Conversely, electronics and appliances retailers have returned to a positive trend, beauty specialist retailers are stable, with perfumeries coming back on track after a negative 2010, while pet shops and superstores are performing well, as pets are increasingly popular in Italy despite external economic conditions.

### Coop and Conad Lead in A Highly Fragmented Landscape

The grocery domestic retailers Coop and CONAD continued to fight for leadership in retail sales in 2011, with Coop slightly ahead of CONAD. Coop's most important brand is still Super Coop supermarkets, followed by Ipercoop hypermarkets. Coop's other brands include Coop convenience stores, Dico discounters, the La Spesa che non Pesa e-commerce site and Librerie.coop internet media stores. CONAD supermarkets, Margherita convenience stores, E Leclerc hypermarkets and Todis discounters comprise CONAD's portfolio. However, both Coop and CONAD hold only small value shares in retailing as a whole. The market continues to be dominated by independent retailers, with the leading retailers seeking to improve their positions in retailing through acquisitions.

## Chains To Expand Despite Poor Economic Outlook

### KEY TRENDS AND DEVELOPMENTS

#### the Economic Outlook Remains Poor

##### Current impact

##### Outlook

##### Future impact

Internet Retailing

Current impact

Outlook

Government Regulation of Retailing Gradually Being Relaxed

---

Current impact

Outlook

Future impact

Private Label Misses Opportunities

Current impact

Outlook

Future impact

Franchising and Other Types of Association

Current Impact

Outlook

Future Impact

## Cash Is Still the Most Important Mean of Payment

### Current Impact

### Future Impact

Table 1 Employment in Retailing 2006-2011

	2006	2007	2008	2009	2010	2011
Total employment ('000 people)						
Employment in retailing ('000 people)						
Employment in retailing (%) (% of total employment)						

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews

## MARKET DATA

Table 2 Sales in Retailing by Category: Value 2006-2011

EUR million

	2006	2007	2008	2009	2010	2011
Store-based Retailing						
Non-Store Retailing						
Retailing						

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

Table 3 Sales in Retailing by Category: % Value Growth 2006-2011

% current value growth

	2010/11	2006-11 CAGR	2006/11 Total
Store-based Retailing			
Non-Store Retailing			
Retailing			

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

Table 4 Sales in Retailing by Grocery vs Non-Grocery 2006-2011

% retail value rsp excl sales tax

	2006	2007	2008	2009	2010	2011
Grocery						
Non-Grocery						
Total						

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

Table 5 Sales in Store-Based Retailing by Category: Value 2006-2011

EUR million

	2006	2007	2008	2009	2010	2011
Grocery Retailers						
Non-Grocery Retailers						
Store-based Retailing						

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

Table 6 Sales in Store-Based Retailing by Category: % Value Growth 2006-2011

% current value growth

	2010/11	2006-11 CAGR	2006/11 Total

Grocery Retailers  
Non-Grocery Retailers  
Store-based Retailing

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 7 Sales in Non-Grocery Retailers by Category: Value 2006-2011**

EUR million

	2006	2007	2008	2009	2010	2011
Apparel Specialist Retailers						
Electronics and Appliance Specialist Retailers						
Health and Beauty Specialist Retailers						
Home and Garden Specialist Retailers						
Leisure and Personal Goods Specialist Retailers						
Mixed Retailers						
Other Non-Grocery Retailers						
Non-Grocery Retailers						

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 8 Sales in Non-Grocery Retailers by Category: % Value Growth 2006-2011**

% current value growth

	2010/11	2006-11 CAGR	2006/11 Total
Apparel Specialist Retailers			
Electronics and Appliance Specialist Retailers			
Health and Beauty Specialist Retailers			
Home and Garden Specialist Retailers			
Leisure and Personal Goods Specialist Retailers			
Mixed Retailers			
Other Non-Grocery Retailers			
Non-Grocery Retailers			

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 9 Sales in Non-store Retailing by Category: Value 2006-2011**

EUR million

	2006	2007	2008	2009	2010	2011
Direct Selling						
Homeshopping						



Internet Retailing  
Vending  
Non-Store Retailing

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 10 Sales in Non-store Retailing by Category: % Value Growth 2006-2011**

% current value growth

2010/11 2006-11 CAGR 2006/11 Total

Direct Selling  
Homeshopping  
Internet Retailing  
Vending  
Non-Store Retailing

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 11 Retailing Company Shares: % Value 2007-2011**

% retail value rsp excl sales tax  
Company

2007 2008 2009 2010 2011

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

Table 12      Retailing Brand Shares: % Value 2008-2011

% retail value rsp excl sales tax

Brand	Company	2008	2009	2010	2011
-------	---------	------	------	------	------



Total		100.0	100.0	100.0	100.0
-------	--	-------	-------	-------	-------

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

Store-Based Retailing Company Shares: % Value 2007-2011

% retail value rsp excl sales tax

Company	2007	2008	2009	2010	2011
---------	------	------	------	------	------





Total 100.0 100.0 100.0 100.0 100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

#### Store-Based Retailing Brand Shares: % Value 2008-2011

% retail value rsp excl sales tax

Brand	Company	2008	2009	2010	2011
-------	---------	------	------	------	------





Total 100.0 100.0 100.0 100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

#### Non-Grocery Retailers Company Shares: % Value 2007-2011

% retail value rsp excl sales tax  
Company

2007 2008 2009 2010 2011



Total 100.0 100.0 100.0 100.0 100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

#### Non-Grocery Retailers Brand Shares: % Value 2008-2011

% retail value rsp excl sales tax  
Brand

Company 2008 2009 2010 2011





Total 100.0 100.0 100.0 100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

#### Non-store Retailing Company Shares: % Value 2007-2011

% retail value rsp excl sales tax  
Company

2007 2008 2009 2010 2011





Total 100.0 100.0 100.0 100.0 100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

#### Non-store Retailing Brand Shares: % Value 2008-2011

% retail value rsp excl sales tax

Brand Company 2008 2009 2010 2011



Total 100.0 100.0 100.0 100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

#### Forecast Sales in Retailing by Category: Value 2011-2016

EUR million

2011 2012 2013 2014 2015 2016

Store-based Retailing  
Non-Store Retailing  
Retailing



Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Table 20

#### Forecast Sales in Retailing by Category: % Value Growth 2011-2016

% constant value growth

2011-16 CAGR

2011/16 TOTAL

Store-based Retailing  
Non-Store Retailing  
Retailing

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

**Table 21** Forecast Sales in Store-Based Retailing by Category: Value 2011-2016

EUR million

Grocery Retailers  
Non-Grocery Retailers  
Store-based Retailing

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

**Table 22** Forecast Sales in Store-Based Retailing by Category: % Value Growth 2011-2016

% constant value growth

2011-16 CAGR

2011/16 TOTAL

Grocery Retailers  
Non-Grocery Retailers  
Store-based Retailing

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

**Table 23** Forecast Sales in Non-Grocery Retailers by Category: Value 2011-2016

EUR million

2011 2012 2013 2014 2015 2016

Apparel Specialist  
Retailers  
Electronics and  
Appliance Specialist  
Retailers  
Health and Beauty  
Specialist Retailers  
Home and Garden  
Specialist Retailers  
Leisure and Personal  
Goods Specialist  
Retailers  
Mixed Retailers  
Other Non-Grocery  
Retailers  
Non-Grocery Retailers

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 24** Forecast Sales in Non-Grocery Retailers by Category: % Value Growth 2011-2016

% constant value growth

	2011-16 CAGR	2011/16 TOTAL
Apparel Specialist Retailers		
Electronics and Appliance Specialist Retailers		
Health and Beauty Specialist Retailers		
Home and Garden Specialist Retailers		
Leisure and Personal Goods Specialist Retailers		
Mixed Retailers		
Other Non-Grocery Retailers		
Non-Grocery Retailers		

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 25** Forecast Sales in Non-store Retailing by Category: Value 2011-2016

EUR million

	2011	2012	2013	2014	2015	2016
Direct Selling						
Homeshopping						
Internet Retailing						
Vending						
Non-Store Retailing						

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

**Table 26** Forecast Sales in Non-store Retailing by Category: % Value Growth 2011-2016

% constant value growth

	2011-16 CAGR	2011/16 TOTAL
Direct Selling		
Homeshopping		
Internet Retailing		
Vending		
Non-Store Retailing		

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

## APPENDIX

### Operating Environment

#### Foreign Direct Investment in Retail

- No specific law governing foreign direct investment which might impact the retailing market has been introduced in Italy. However, attitudes towards international retailers with major





#### Informal Retailing



#### Opening Hours



#### Retail Landscape





Cash and Carry





Table 27 Cash and Carry: Sales Value 2010

€ Million, current prices

Cash and carry  
% growth

Source: Official statistics, Federdistribuzione, trade press, company research, trade interviews, Euromonitor International estimates

Note: Sales value excludes VAT, sales tax

Table 28 Cash and Carry: Sales by National Brand Owner: Sales Value 2010

% value



TOTAL

100

Source: Federdistribuzione, trade press, company research, trade interviews, Euromonitor International estimates

Note: Sales value excludes VAT, sales tax

## DEFINITIONS

This report analyses the market for Retailing in Italy. For the purposes of the study, the market has been defined as follows:

Store-based retailing

- Grocery retailers
- Modern grocery retailers
- Hypermarkets
- Supermarkets
- Discounters
- Convenience stores
- Forecourt retailers

- Chained forecourt retailers
- Independent forecourt retailers
- Traditional grocery retailers
- Independent small grocers
- Food/drink/tobacco specialists
- Other grocery retailers
- Non-grocery retailers
- Mixed retailers
  - Department stores
  - Variety stores
  - Mass merchandisers
  - Warehouse clubs
- Health and beauty specialist retailers
  - Chemists/pharmacies
  - Parapharmacies/drugstores
  - Beauty specialist retailers
  - Other healthcare specialist retailers
- Apparel specialist retailers
- Home and garden specialist retailers
  - Furniture and furnishings stores
  - DIY, home improvement and garden centres
- Electronics and appliance specialist retailers
- Leisure and personal goods specialist retailers
  - Media product stores
  - Stationers/office supply stores
  - Traditional toys and games stores
  - Sports goods stores
  - Pet shops and superstores
  - Jewellers
  - Other leisure and personal goods specialist retailers
- Other non-grocery retailers
- Non-store retailing
- Vending
- Homeshopping
- Internet retailing
- Direct selling

Explanations of words and/or terminology used in this report are as follows:

- Grande Distribuzione Organizzata (GDO) is an umbrella term covering all types of large format retailer belonging to the modern retailing channel.

Other terminology:

- GBO refers to global brand owner, which is the ultimate owner of a brand.
- NBO refers to national brand owner, which is the company licensed to distribute a brand on behalf of a GBO. The NBO may be a subsidiary of a GBO or it may be a completely separate company. Share tables at both GBO and at NBO level are provided in the report. Reference to shares in the report analysis is at NBO level.

Sources used during research include the following:

برای دریافت اطلاعات بیشتر با شماره  
تلفن : ۸۸۳۴۹۱۱۲ تماس حاصل فرمایید.

Summary 1 Research Sources

Official Sources

AEI

Camera di Commercio

Fededistribuzione

Istituto Nazionale di Statistica (ISTAT)

Ministero Attivita' Produttive

Ministero Sviluppo Economico

Trade Associations

Adoc

AIRES

Aitech Assinfo

ANCD - Associazione Nazionale Cooperative  
Dettaglianti

Anifa

ANVED

Associazione Editori Italiani

Associazione Italiana Distribuzione  
Automatica (Confida)

Associazione Vendile Dirette (AVEDISCO)

Assofranchising

Confcommercio

Confida

Cosmofarma

Direzione Nazionale Confesercenti

Farmaindustria

FEDERAZIONE ITALIANA ORAFI E  
GIOIELLIERI

Federazione Italiana Tabaccai

FEDERAZIONE NAZIONALE CARTOLAI

Federazione Ottici Italiana

Federcartolai

Federdistribuzione

Federorafi

IFPI

Isae

Politecnico di Milano

Unione Nazionale delle Industrie di  
Profumeria, Cosmesi, Saponi da Toilett e  
Affini (Unipro)

Beverage  
Beverood  
Food  
GOO Week  
Il Sole 24 Ore  
Il Sole240re  
Imprese&Oistribuzione 2010  
Italia Oggi  
Italian American Business Magazine online  
K kiLab  
Largo Consumo  
LSA  
MarkUp  
Mercato e disribuzione  
Mercato Italia  
Non Food  
Nuova distribuzione  
Pianeta Oistribuzione  
psicologia-markeling-turismo blogspot

# RETAILING IN ITALY - COMPANY PROFILES

## AVON COSMETICS SPA IN RETAILING (ITALY)

### strategic Direction

~ The company will aim to widen its network of representatives in Italy over the forecast period and continue to invest in their training, with the aim of improving customer service skills. At the same time, the company will invest to widen its product mix, especially in premium fragrances and anti-ageing products.

### Key Facts

#### Summary 2 Avon Cosmetics SpA: Key Facts

Full name of company:	Avon Cosmetics SpA
Address:	Via XXV Aprile, 15, 22077 Olgiate Comasco, Como, Italy
Tel:	+39031998111
Fax:	+39031 984 3543
www:	www.avon.it
Channels of operation:	Direct selling
Retailing brands:	Avon
Source:	Euromonitor International from company reports

#### Summary 3 Avon Cosmetics SpA: Operational Indicators

	2010	2011
Year end December		
Net sales (~ million)	194	206
Operating profit (~ million)	n/a	n/a
Outlets		
Selling space ('000 SQ. m)		
Sales of grocery (%)	0.0	0.0
Source:	Company research	

### Internet Strategy

~ The company operates in Italy in the direct selling category, and does not operate through the internet retailing channel. The company regards its website mainly as a support service to its sales team, as it is used to convey details of sales personnel, located by region.

- Considering the growing competition posed by internet retailing to direct selling, as well as the fact that the company already operates through e-commerce websites in other European countries (eg the UK), during the forecast period Avon might well decide to launch an internet platform for on-line shopping in Italy as well.

## Company Background

- Avon Cosmetics SpA is the Italian arm of US-owned Avon Products Inc. In Italy, the company was established in 1966, with a head office in Olgiate Comasco (CO). As the world's largest direct seller, Avon markets to women in more than 100 countries, through 5.4 million independent Avon Sales Representatives.
- Avon's product line includes beauty products, fashion jewellery and apparel. It features such well-recognised brand names as Avon Color, Anew, Skin-So-Soft, Advance Techniques, Avon Naturals and Mark.
- The company has national coverage in Italy by way of its "ladies", as well as telephone and postal sales.
- In 2009, Avon continued its expansion in the premium segment, with a range of products aimed at combating the ageing process. Anew Reversalist Illuminating Eye System is claimed to be the first eye cream to reverse the appearance of wrinkles around the eye. The cream works in two parts and is said to show results after just four weeks.
- In 2010, Avon launched Eternal Magic, a premium fragrance. To support the launch, the company signed actress Zoe Saldana to be the exclusive spokeswoman for the new fragrance. In addition to supporting Eternal Magic, Saldana was also featured in the company's brochure as a face of Avon's colour cosmetics category for part of 2010.
- In 2010, Avon acquired the Liz Earle Beauty Company. Avon plans to make Liz Earle an international household skin care name, including in Italy and the acquisition will also add to Avon's present skin care product range.

## Private Label

- Avon manufactures its own products, sourcing ingredients and components from third parties. The company no longer manufactures in Italy, with operations having been moved to Poland.
- Avon Cosmetics SpA does not manufacture brands for third parties.

## Competitive Positioning

- Avon is one of the leading direct selling companies in Italy, and focuses on cosmetics and toiletries. In 2011, Avon ranked second in the Italian direct selling category, after Vorwerk. The company was able to gradually increase its value share in direct selling over the review period. Its strong position is due to its good quality, upper-mass products, which are offered at affordable prices for customers, as well as it's having one of the widest networks of representatives in Italy.
- Avon's product portfolio is wide, covering 10 categories in the beauty and personal care market. Its ranges traditionally target the low- to mid-price segments, although the launch of a number of anti-ageing products is set to see it shift towards the affordable premium segment.
- Avon is typically a follower in terms of its product line, although it was a pioneer in the direct selling channel.



#### Summary 4 Avon Cosmetics SpA Competitive Position 2011

Channel	Value share	Rank
Non-store retailing	3.0%	3
Direct selling	9.9%	2

Source: Euromonitor International from company reports

## BENNET SPA IN RETAILING (ITALY)

### Strategic Direction

### Key Facts

#### Summary 5 Bennet SpA Key Facts

Full name of company:	Bennet SpA
Address:	Via Enzo Ratti 2, Montano Lucino (CO), 22070, Italy
Tel:	+39031 475 1'11
Fax:	+39 031 471 1'10
www:	www.bennetcom
Channels of operation:	Hypermarkets, electronics and appliance specialist retailers
Retailing brands:	Bennet, Bennet Universe

Source: Euromonitor International from company reports

#### Summary 6 Bennet SpA Operational Indicators

	2010	2011
Year end December		
Net sales (~ million)	Removed	Removed
Operating profit (~ million)	Removed	Removed
Outlets	Removed	Removed
Selling space ('000 sq. m)	Removed	Removed
Sales of grocery (%)	Removed	Removed

Source: Company research



#### Summary 7 Bennet SpA: Private Label Portfolio

Private Label Brand	Sector(s)	Notes
Bennet	Removed	Removed
Filiera	Removed	Removed
Award, Delinea, Home Collection	Removed	Removed
KevlerPlus	Removed	Removed
Incontro	Removed	Removed

Source: Euromonitor International from company reports

### Competitive Positioning

~ Bennet's main strength is in the categories of hypermarket where it ranked fifth in 2011.

#### Summary 8 Bennet SpA: Competitive Position 2011

Retailing	Value share	Rank
Grocery retailers	Removed	Removed
Hypermarkets	Removed	Removed
	Removed	Removed
Store-based retailing	Removed	Removed
Electronics and appliance specialist retailers	Removed	Removed

Source: Euromonitor International from company reports

### CARREFOUR ITALIA COMMERCIALE SRL IN RETAILING (ITALY)

#### strategic Direction

## Key Facts

### Summary 9 Carrefour Italia Commerciale Srl: Key Facts

Address:	Via Caldera 21, Milano (MI), 20153, Italy
Tel:	+39 02 4825 2350
Fax:	n/a
www:	www.carrefouritalia.it
Retailing channels of operation:	Hypermarkets, supermarkets, convenience stores
Retailing brands:	Iperstore Carrefour (hypermarkets), GS (supermarkets), DuperDi (convenience stores)
Source:	Euromonitor International from company reports

### Summary 10 Carrefour Italia Commerciale Srl: Operational Indicators

	2010	2011
Year-end December		
Net sales (~ million)	Removed	Removed
Operating profit (~ million)	Removed	Removed
Outlets	Removed	Removed
Selling space ('000 sq. m)	Removed	Removed
Sales of grocery (%)	Removed	Removed
Source:	Company research	

## Internet strategy

## Company Background

- Carrefour Italia is part of the French Carrefour SA, which was created in 1959 by the Fournier and Defforey families. In 1993, the company entered the Italian market, opening its first hypermarket in Marcon, near Venice. During the same year, Carrefour acquired the company Al Gran Sole and its four hypermarket outlets.



Chart 1

Carrefour Italia Commerciale Srl: Carrefour in Ancona



Source: Euromonitor International

#### Private Label



Summary 11	Carrefour Italia Commerciale Sri: Private Label Portfolio
Private Label Brand	Sector(s)
Numero 1	Removed
Terre d'italia	Removed
Scelgo Bio	Removed
Prodotti Carrefour	Removed
Preparati Carrefour	Removed
Filiera Qualita Carrefour	Removed
Tex	Removed
FirstLine	Removed
BlueSky	Removed
Top Bike	Removed
Carrefour No Gluten	Removed

Source: Euromonitor International from company reports

## Competitive Positioning

Summary 12	Carrefour Italia Commerciale Sri: Competitive Position 2011
Channel	Value share
Retailing	Removed
Grocery retailers	Removed
Hypermarkets	Removed
Supermarkets	Removed
Convenience stores	Removed

Source: Euromonitor International from company reports

## COIN SPA, GRUPPO IN RETAILING (ITALY)

### Strategic Direction

### Key Facts

#### Summary 13 Coin SpA, Gruppo: Key Facts

Full name of company:	Coin SpA, Gruppo
Address:	Via Terraglio 17, Mestre (VE), 30174, Italy
Tel:	+39041 2398000
Fax:	+39041 982722
www:	www.gruppocoin.it
Retailing channels of operation:	Mixed retailers
Retailing brands:	OVS Industry, Coin, Upim
Source:	Euromonitor International from company reports

#### Summary 14 Coin SpA, Gruppo: Operational Indicators

	2010	2011
Year-end December		
Net sales (~ million)	Removed	Removed
Operating profit (~ million)	Removed	Removed
Outlets	Removed	Removed
Selling space ('000 SQ. m)	Removed	Removed
Sales of grocery (%)	Removed	Removed
Source:	Company research	

### Internet Strategy



## Company Background

- Gruppo Coin can trace its origins back to 1916. Founded by the Coin brothers, it has been one of the major players on the Italian retail scene for decades. The company is one of the largest non-food retailers in Italy, and offers one of the widest product ranges.

Chart 2

Coin SpA, Gruppo: Coin in Padova



Source: Euromonitor International

### Private Label



#### Summary 15 Coin SpA, Gruppo: Private Label Portfolio

Private Label Brand	Sector(s)	Notes
OVS Industry	Removed	Removed
Koan, Jct, Luca D'Alfieri	Removed	Removed
Coincasadesign	Removed	Removed

Source: Euromonitor International from company reports

### Competitive Positioning

#### Summary 16 Coin SpA, Gruppo: Competitive Position 2011

Channel	Value share	Rank
Retailing	Removed	Removed
Non-grocery retailers	Removed	Removed
Mixed retailers	Removed	Removed
Department stores	Removed	Removed
Variety stores	Removed	Removed
Apparel Specialist Retailer	Removed	Removed

Source: Euromonitor International from company reports

### CONAD - CONSORZIO NAZIONALE DETIAGLIANTI SCRL IN RETAILING (ITALY)

### Strategic Direction

## Key Facts

Summary 17	CONAD - Consorzio Nazionale Dettaglianti Srl: Key Facts
Address:	Via Michelino 59, Bologna (BO), 40127, Italy
Tel:	+39051 508 111
Fax:	+39051 508414/+39051 508333
www:	www.conad.it
Retailing channels of operation:	Hypermarkets, supermarkets, discounters, convenience stores
Retailing brands:	E Leclerc-Conad, Conad, Margherita, Todis, Shop24
Source:	Euromonitor International from company reports, trade press

Summary 18	CONAD - Consorzio Nazionale Dettaglianti Srl: Operational Indicators	
	2010	2011

Year-end December		
Net sales (~ million)	Removed	Removed
Operating profit (~ million)	Removed	Removed
Outlets	Removed	Removed
Selling space ('000 SQ. m)	Removed	Removed
Sales of grocery (%)	RemoveQ	Removed

Source: Company research

## Internet Strategy

## Company Background

~ Consorzio Nazionale Dettaglianti (CONAD), translating as "national consortium of retailers", was founded in 1962 in Bologna, by a group of consumer cooperative managers who wanted to develop cooperation among commercial entrepreneurs, and to innovate in and develop the retail category.



Chart 3

CONAD: CONAD in Padova

Source: Euromonitor International

## Private Label

Summary19	CONAD- ConsorzioNazionaleDettagliantiScrl: Private Label Portfolio	
PrivateLabelBrand	Sector(s)	Notes
Conad	Removed	Removed
ConadPercorsodi Qualita	Removed	Removed

Sapori & Dintomi	Removed	Removed
Conad il Biologica	Removed	Removed
Conad Kids	Removed	Removed

Source: Euromonitor International from company reports

## Competitive Positioning

Summary 20 CONAD - Consorzio Nazionale Dettaglianti Srl: Competitive Position 2011

Channel	Value share	Rank
Retailing	Removed	Removed
Grocery retailers	Removed	Removed
Hypermarkets	Removed	Removed
Supermarkets	Removed	Removed
Discounters	Removed	Removed
Convenience stores	Removed	Removed

Source: Euromonitor International from trade press (GOOWeek, largo Consumo), company reports, trade interviews

## COOP ITALIA SCARL IN RETAILING (ITALY)

### strategic Direction

### Key Facts

Summary 21 Coop Italia scarl: Key Facts

Address:	Via Bruschi 126, Sesto Fiorentino (FI), 50019, Italy
Tel:	+3905542131
Fax:	n/a

www: www.e-coop.it

Retailing channels of operation: Hypermarkets, supermarkets, discounters, convenience stores

Retailing brands: Ipercoop, Super Coop, Dico, Coop

Source: Euromonitor International from company reports

Summary 22 Coop Italia searl: Operational Indicators

	2010	2011
Year-end December		
Net sales (~ million)	Removed	Removed
Operating profit (~ million)	Removed	Removed
Outlets	Removed	Removed
Selling space ('ODD sq m)	Removed	Removed
Sales of grocery (%)	Removed	Removed
Source: Company research		

Internet Strategy

Company Background





Private Label



Summary 23	Coop Italia Scarl: Private Label Portfolio	
Private Label Brand	Sector(s)	Notes
Coop	Removed	Removed
Viviverde	Removed	Removed
Fior Fiore	Removed	Removed
Crescendo	Removed	Removed
Solidal	Removed	Removed
Essere	Removed	Removed
Club 4-10	Removed	Removed
Senza Glutine	Removed	Removed
Benessere	Removed	Removed

Source: Euromonitor International from company reports, trade press

## Competitive Positioning

Summary 24	coop Italia Scarl: Competitive Position 2011	
Channel	Value share	Rank
Retailing	Removed	Removed
Grocery retailers	Removed	Removed
Hypermarkets	Removed	Removed
Supermarkets	Removed	Removed
Discounters	Removed	Removed
Convenience stores	Removed	Removed
Leisure and personal goods retailers	Removed	Removed
Media products stores	Removed	Removed

Source: Euromonitor International from trade press (GOOWeek, Largo Consumo), company reports, trade interviews

## CRAI SCARL IN RETAILING (ITALY)

### strategic Direction

## Key Facts

### Summary 25 CRAI scarl: Key Facts

Address:	Via F.lli Cervi Segrate, Milano (MI) 20090, Italy
Tel:	+390221089'1
Fax:	+3902210804
www:	www.crai-supermercati.it
Retailing channels of operation:	Hypermarkets, supermarkets, convenience stores, parapharmacies/drugstores, beauty specialists
Retailing brands:	Crai Ipermercato, Crai, Supermercato Crai, Mercatino Crai, Negozi Simpatia, CAD Centro Specializzato Bellezza e Igiene, Ipersoap, Beauty Star, Linea Bellezza

Source: Euromonitor International from company reports

### Summary 26 CRAI scarl: Operational Indicators

	2010	2011
Year-end December		
Net sales (~ million)	Removed	Removed
Operating profit (~ million)	Removed	Removed
Outlets	Removed	Removed
Selling space ('000 sq. m)	Removed	Removed
Sales of grocery (%)	Removed	Removed

Source: Company research

## Internet Strategy

## Company Background

- CRAI was created in 1973, by a group of retailers in Desenzano Del Garda, under the name Commissionarie Riunite Alta Italia (CRAI). At that stage, CRAI comprised only retailers in northern Italy.



## Private Label



#### Summary 27 CRAI scarl: Private Label Portfolio

Private Label Brand	Sector(s)	Notes
Crai Fair trade	Removed	Removed
Crai Filiera Garantita	Removed	Removed
Crai Bio	Removed	Removed
I Piaceri Italiani	Removed	Removed
Crai Filiera Ortofrutta	Removed	Removed

Source: Euromonitor International from company reports

### Competitive Positioning

#### Summary 28 CRAI searl Competitive Position 2011

Channel	Value share	Rank
Retailing	Removed	Removed
Grocery retailers	Removed	Removed
Hypermarkets	Removed	Removed
Supermarkets	Removed	Removed
Convenience stores	Removed	Removed

Source: Euromonitor International from company reports

### DESPAR ITALIA SPA IN RETAILING (ITALY)

#### strategic Direction

#### Key Facts

#### Summary 29 Despar Italia: Key Facts

Address:	Via Cristofori 82, Casalecchio di Reno (BO), 40033, Italy
Tel:	+39051 611 8020
Fax:	+39051 611 8040
www:	www.desparitalia.it
Retailing channels of operation:	Hypermarkets, supermarkets, convenience stores
Retailing brands:	Interspar, DeSpar/Eurospar, Spar Express
Source:	Euromonitor International from company reports

#### Summary 30 Despar Italia: Operational Indicators

	2010	2011
Year-end December		
Net sales (~ million)	Removed	Removed
Operating profit (~ million)	Removed	Removed
Outlets	Removed	Removed
Selling space ('000 sq. m)	Removed	Removed
Sales of grocery (%)	Removed	Removed
Source:	Company research	

### Internet Strategy

### Company Background

~ Despar was created in 1932 in the Netherlands, as a cooperative for wholesale suppliers and retailers. By 2005, the parent company was called Internationale Spar Centrale BV, and had more than 17,500 outlets in 28 countries over five continents.



Chart 4

Despar Italia: Interspar in Padova



Source: Euromonitor International

Chart 5

Despar Italia: Interspar in Padova

Source: Euromonitor International

## Private Label

### Summary31 DesparItalia: PrivateLabel Portfolio

PrivateLabelBrand	Sector(s)	Notes
Despar	Removed	Removed
Era Ora	Removed	Removed
Kaiserhof	Removed	Removed
Bio, Logico	Removed	Removed
C&C Dolce	Removed	Removed



Beauty Kiss	Removed	Removed
Splendid	Removed	Removed
Molly & Scotty	Removed	Removed
Sun Kiss	Removed	Removed
Vital	Removed	Removed

Source: Euromonitor International from company reports

## Competitive Positioning

### Summary 32 Despar Italia: Competitive Position 2011

Channel	Value share	Rank
Retailing	Removed	Removed
Grocery retailers	Removed	Removed
Hypermarkets	Removed	Removed
Supermarkets	Removed	Removed
Convenience stores	Removed	Removed

Source: Euromonitor International from trade press (GOOWeek, largo Consumo). company reports. trade interviews

## ESSELUNGA SPA - SUPERMERCATI ITALIANI IN RETAILING (ITALY)

### strategic Direction

### Key Facts

#### Summary 33 Esselunga SpA- Supermercati Italiani: Key Facts

Address: Via Giambologna 1, Umito di Pioltello, Milano (MI) 20096, Italy

Tel: +39 02 923 67\*1  
 Fax: +39 02 926 7202  
 www: www.esselunga.it  
 Retailing channels of operation: Supermarkets  
 Retailing brands: Esselunga, Esselunga Bio and Naturama  
 Source: Euromonitor International from company reports

Summary 34 Esselunga SpA - Supermercati Italiani: Operational Indicators

	2010	2011
Year-end December		
Net sales (~ million)	Removed	Removed
Operating profit (~ million)	Removed	Removed
Outlets	Removed	Removed
Selling space ('000 sq. m)	Removed	Removed
Sales of grocery (%)	Removed	Removed
Source: Company research		

## Internet Strategy

Table 29 Esselunga SpA: Share of Sales Generated by Internet Retailing

	2008	2009	2010	2011
Net Sales: Retailing (EUR mn)	Removed	Removed	Removed	Removed
Net Sales: Internet Retailing (EUR mn)	Removed	Removed	Removed	Removed
% Share accounted by Internet Retailing	Removed	Removed	Removed	Removed

Source: Euromonitor International from company reports, company research

Note: 2011 data is estimated according to the company's performance during the first half of 2011

## Company Background

- Esselunga SpA was founded in 1957. Its outlets are mainly located in northern Italy, in particular in Lombardy, Piedmont, Veneto, Emilia-Romagna and Tuscany. The company is privately owned and it comprises only a supermarket fascia, along with a small presence in beauty specialist retailers, with the Olimpia Beauté fascia.



## Private Label



#### Summary 35 Esselunga SpA - Supermercati Italiani: Private Label Portfolio

Private Label Brand	Sector(s)	Notes
Esselunga	Removed	Removed
Esselunga Top	Removed	Removed
Esselunga Bio	Removed	Removed
Esselunga Ecolabel	Removed	Removed
Esselunga Naturama	Removed	Removed

Source: Euromonitor International from company reports

#### Competitive Positioning

consider this choice a winning strategy taken in consideration that its supermarkets operate almost exclusively in the north of Italy which is still the wealthiest part of Italy.

#### Summary 36 Esselunga SpA- Supermercati Italiani: Competitive Position 2011

Channel	Value share	Rank
Retailing	Removed	Removed
Grocery retailers Supermarkets	Removed	Removed
Beauty specialist retailers	Removed	Removed
	Removed	Removed

Source: Euromonitor International from trade press (GOO Week, Largo Consumo), company reports, trade interviews

## EURONICS ITALIA SPA IN RETAILING (ITALY)

### Strategic Direction

### Key Facts

#### Summary 37 Euronics Italia: Key Facts

Full name of company:	Euronics Italia
Address:	Via Montefeltro 6, Milano (MI), 20156, Italy
Tel:	+39023070171
Fax:	+39023399186
www:	www.euronics.it
Retailing channels of operation:	Electronics and appliance specialist retailers
Retailing brands:	Euronics, Euronics Point
Source:	Euromonitor International from company reports

#### Summary 38 Euronics Italia SpA: Operational Indicators

	2010	20'11
Year-end December		
Net sales (~ million)	Removed	Removed
Operating profit (~ million)	Removed	Removed
Outlets	Removed	Removed
Selling space ('O~~sq m)	Removed	Removed
Sales of grocery (%)	Removed	Removed

Source: Company research

### Internet Strategy



## Company Background

- Euronics Italia was created in 1999, as one stage in the evolution of GET, a group formed in 1972 by individual entrepreneurs in electronics and appliance specialist retailing. In 1999, GET became part of Euronics International, a leading retailer in Europe, with 8,700 outlets in 2006.



## Private Label



## Competitive Positioning



#### Summary 39 Euronics Italia: Competitive Position 2010

Channel	Value share	Rank
Retailing	Removed	Removed
Non-grocery retailers	Removed	Removed
Electronics and appliance specialist retailers	Removed	Removed

Source: Euromonitor International from company reports, trade interviews

### EUROSPIN ITALIA SPA IN RETAILING (ITALY)

#### strategic Direction

#### Key Facts

##### Summary 40 Eurospin Italia SpA: Key Facts

Address:	Localita Albarello SS 11, Palazzolo di Sona (VR), 37010, Italy
Tel:	+390456094611
Fax:	+390456094699
www:	www.eurospin.it
Retailing channels of operation:	Discounters
Retailing brands:	Eurospfn

Source: Euromonitor International from company reports

##### Summary 41 Eurospin Italia SpA: Operational Indicators

	2010	2011
Year-end December		
Net sales (~ million)	Removed	Removed
Operating profit (~ million)	Removed	Removed
Outlets	Removed	Removed
Selling space ('000 sq. m)	Removed	Removed
Sales of grocery (%)	Removed	Removed

Source: Company research

#### Internet Strategy

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#### Company Background

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#### Private Label

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Summary 42 Eurospin Italia SpA: Private Label Portfolio

Private Label Brand	Sector(s)	Notes
-22	Removed	Removed
Blues	Removed	Removed
Bottega del Gusto	Removed	Removed
Le Delizie del Sole	Removed	Removed
Dolciando & Dolciando	Removed	Removed
Don Jerez Caffè	Removed	Removed
Duca Moscati	Removed	Removed
Land	Removed	Removed
Mambo Kids	Removed	Removed
Ondina	Removed	Removed
Prime Pappe	Removed	Removed
Puertosol	Removed	Removed
Radames	Removed	Removed
Tre Mulini	Removed	Removed
Varia Gusto	Removed	Removed
Near	Removed	Removed
New Way	Removed	Removed
Fior di Magnolia	Removed	Removed
Nisshe	Removed	Removed
Hello Baby	Removed	Removed
Keiros	Removed	Removed
Dexal	Removed	Removed
Sistema Casa	Removed	Removed
Soft Dream	Removed	Removed

Source: Euromonitor International from company reports

## Competitive Positioning

Summary 43 Eurospin Italia SpA: Competitive Position 2011

Channel	Value share	Rank
Retailing	Removed	Removed
Grocery retailers	Removed	Removed

Discounters

Removed

Removed

Source: Euromonitor International from company reports

## FINIPER SPA IN RETAILING (ITALY)

strategic Direction

### Key Facts

#### Summary 44 Finiper SpA: Key Facts

Address: Via Mameli 15, Montebello della Battaglia (PV), 27054, Italy

Tel: +39 0383 894 511

Fax: n/a

www: wwwiper.it

Retailing channels of operation: Hypermarkets, supermarkets

Retailing brands:

Source: Euromonitor International from company reports

#### Summary 45 Finiper SpA: Operational Indicators

	2010	2011
Yearcend December		
Net sales (~ million)	Removed	Removed
Operating profit (~ million)	Removed	Removed
Outlets	Removed	Removed
Selling space ('000 sq. m)	Removed	Removed
Sales of grocery (%)	Removed	Removed
Source: Company research		

Internet strategy

Company Background

Private Label

www.bizreport.ir

#### Summary 46 Finiper SpA: Private Label Portfolio

Private Label Brand	Seetor(s)	Notes
Patto ouauta and Produttore selzionato Iper (top label)	Removed	Removed
Terre d'italia (top label)	Removed	Removed
Amarsi e Piaeersi (top label)	Removed	Removed
Grandi Vigne (top label)	Removed	Removed
Alpina care	Removed	Removed
Buongiorno Fresehezza	Removed	Removed
Iper Qualita e Prezzo	Removed	Removed
Valis premium	Removed	Removed
Iper Kids	Removed	Removed
Ca	Removed	Removed
Iper Worktime Brieo & Garden	Removed	Removed
Teeno THome	Removed	Removed

Source: Euromonitor International from company reports

#### Competitive Positioning

#### Summary 47 Finiper SpA: Competitive Position 2011

Channel	Value share	Rank
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Retailing	Removed	Removed
Grocery retailers	Removed	Removed
Hypermarkets	Removed	Removed

Source: Euromonitor International from trade press (Food, GOO Week, Largo Consumo), company reports, trade interviews

## IKEA ITALIA SPA IN RETAILING (ITALY)

### Strategic Direction

### Key Facts

#### Summary 48 IKEA Italia SpA: Key Facts

Full name of company:	IKEA Italia SpA
Address:	Strada Provinciale 208, 320026'1 Carugate, Milan, Italy
Tel:	+3902929271
Fax:	+390292927280
www:	www.kea.com
Channels of operation:	Furniture and furnishings stores
Retailing brands:	IKEA
Source:	Euromonitor International from company reports

#### Summary 49 IKEA Italia SpA: Operational Indicators

	2010	2011
Year-end August		
Net sales (~ million)	Removed	Removed
Operating profit (~ million)	Removed	Removed
Outlets	Removed	Removed
Selling space ('000 sq m)	Removed	Removed
Sales of grocery (%)	Removed	Removed

Source: Company research

### Internet Strategy

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### Company Background

- IKEA is a leading retailer of both home furnishings and housewares. Its headquarters are in Helsingborg, Sweden, and it is owned by the charitable foundation Stichting Ingka, based in the Netherlands. The company operates around 150 large-scale stores in over 30 countries.

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### Private Label

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Summary 50	IKEA Italia SpA: Private Label Portfolio	
Private Label Brand	Removed	Removed
IKEA Food	Removed	Removed
IKEA Stockholm	Removed	Removed
IKEA PS	Removed	Removed

Source: Euromonitor International from company reports

## Competitive Positioning

Summary 51	IKEA Italia SpA: Competitive Position 2011	
Channel	Value share	Rank
Retailing	Removed	Removed
Furniture and furnishings stores	Removed	Removed

Source: Euromonitor International from company reports

## INTERDIS S CONS SPA IN RETAILING (ITALY)

### Strategic Direction

## Key Facts

### Summary 52 Interdis S Cons SpA: Key Facts

Address:	Via Lomellina 10, Milan (MI), 20133, Italy
Tel:	+39 02 752 96'1
Fax:	+390275296504
www:	www.interdis.it
Retailing channels of operation:	Hypermarkets, supermarkets, discounters, convenience stores
Retailing brands:	Ipersidis, Maxisidis, Sosty, Sidis
Source:	Euromonitor International from company reports, trade press

### Summary 53 Interdis S Cons SpA: Operational Indicators

	2010	2011
Year-end December		
Net sales (~ million)	Removed	Removed
Operating profit (~ million)	Removed	Removed
Outlets	Removed	Removed
Selling space (000 sq m)	Removed	Removed
Sales of grocery (%)	Removed	Removed
Source:	Trade press, company research	

## Internet Strategy

## Company Background



## Private Label

Summary54	InterdisS ConsSpA:PrivateLabelPortfolio
PrivateLabelBrand	Sector(s)
Sidis	Removed
Mondo	Removed
Dimeglio	Removed

Source: Euromonitor International from company reports

## Competitive Positioning

#### Summary 55 Interdis S Cons SpA: Competitive Position 2011

Channel	Value share	Rank
Retailing	Removed	Removed
Grocery retailers	Removed	Removed
Hypermarkets	Removed	Removed
Supermarkets	Removed	Removed
Discounters	Removed	Removed
Convenience stores	Removed	Removed

Source: EuromonitorInternationalfrom trade press (Food, Largo Consumo, GOOWeek), company reports, trade interviews

## PAM SPA, GRUPPO IN RETAILING (ITALY)

### strategic Direction

### Key Facts

#### Summary 56 Pam SpA, Gruppo: Key Facts

Address:	Via delle Industrie 8, Spinea (VE), 30038, Italy
Tel:	+39041595111
Fax:	+3904'1 999393
www:	www.gruppopam.it
Retailing channels of operation:	Hypermarkets, supermarkets, discounters, convenience stores
Retailing brands:	Panorama, Pam, Meta, In's, Ildi
Source:	EuromonitorInternationalfrom companyreports

#### Summary 57 Pam SpA, Gruppo: Operational Indicators

	2010	2011
Year-end December		
Net sales (~ million)	Removed	Removed
Operating profit (~ million)	Removed	Removed
Outlets	Removed	Removed
Selling space ('000 sq. m)	Removed	Removed

Sales of grocery (%)

Removed

Removed

Source: Company research

## Internet Strategy

## Company Background

~ Gruppo Pam, established in 1958, is an important player in Italian retailing. Its outlets, located in central and northern Italy, are run under five different banners: Pam and Superal supermarkets, Panorama hypermarkets, Meta neighbourhood stores (small franchised stores) and In's hard discount stores. The company also owns the Brek restaurant chain.

Chart 6

Pam SpA, Gruppo: In's in Padova



Source: Euromonitor International

Chart 7 Pam SpA, Gruppo: In's in Padova

Source: Euromonitor International

## Private Label

Summary58	Pam SpA, Gruppo: PrivateLabel Portfolio		
PrivateLabel Brand	Sector(s)	Notes	
Pam Panorama	Removed	Removed	
Vita Well	Removed	Removed	
In's	Removed	Removed	

Source: Euromonitor International from company reports

## Competitive Positioning

### Summary 59 Pam SpA, Gruppo: Competitive Position 2011

Channel	Value share	Rank
Retailing	Removed	Removed
Grocery retailers	Removed	Removed
Hypermarkets	Removed	Removed
Supermarkets	Removed	Removed
Discounters	Removed	Removed
Convenience stores	Removed	Removed

Source: Euromonitor International from trade press (GOO Week, largo consume, Food), company reports, trade interviews

## REWE ITALIA IN RETAILING (ITALY)

### Strategic Direction

### Key Facts

#### Summary 60 Rewe Italia: Key Facts

Address:	Via dei Missaglia 97JA1, Milano (MI), 20'142, Italy
Tel:	+39 02 8933 9777
Fax:	+39 02 8933 9679
www:	www.rewe-group.it
Retailing channels of operation:	Hypermarkets, supermarkets, discounters
Retailing brands:	Iperstanda, Standa, Billa, Penny

Source: Euromonitor International from company reports

#### Summary 61 Rewe Italia: Operational Indicators

	2010	2011
Year-end December		
Net sales (~ million)	Removed	Removed
Operating profit (~ million)	Removed	Removed
Outlets	Removed	Removed
Selling space ('000 sq. m)	Removed	Removed
Sales of grocery (%)	Removed	Removed

Source: Company research

## Internet Strategy

## Company Background

Chart 8

Rewe Italia Billa

Source: Euromonitor International

## Private Label

Summary62	Rewe Italia: PrivateLabel Portfolio	Notes
PrivateLabel Brand	Sector(s)	Removed
Fiordi Spesa	Removed	Removed



Quality Line	Removed	Removed
I Portici	Removed	Removed
Chef Menu	Removed	Removed
Sit Naturalmente	Removed	Removed
Penny Markt	Removed	Removed
Clever	Removed	Removed

Source: Euromonitor International from company reports

## Competitive Positioning

~ The most important format for the company is its discount stores, with a value share of 9% in 2011, and ranked fourth. Rewe Italia aims to introduce within its product range many private labels in order to benefit from consumers' need to save money. Given the current economic conditions in Italy, the company is expected to be successful with this strategy.

### Summary 63 Rewe Italia: Competitive Position 2011

Channel	Value share	Rank
Retailing	Removed	Removed
Grocery retailers	Removed	Removed
Hypermarkets	Removed	Removed
Supermarkets Discounters	Removed	Removed
Parapharmacies/drugstores	Removed	Removed
	Removed	Removed

Source: Euromonitor International from company reports

## SELEX GRUPPO COMMERCIALE SRL IN RETAILING (ITALY)

### strategic Direction

### Key Facts

#### Summary 64 Selex Gruppo Commerciale Sri: Key Facts

Address: Viale Cristoforo Colombo 51, Trezzano sui

Naviglio (MI) 20090, Italy  
 Tel: +39 02 484 571  
 Fax: +39024845700  
 www: www.selexgc.it  
 Retailing channels of operation: Hypermarkets, supermarkets, discounters, convenience stores, parapharmacies/drugstores  
 Retailing brands: Iper Familia, Miniper Familia, Familia, Super A&O, DiPiu', Minimercati Selex, Superette Selex  
 Source: Euromonitor International from company reports

#### Summary 65 Selex Gruppo Commerciale Sri: Operational Indicators

	2010	2011
Year-end December		
Net sales (~million)	Removed	Removed
Operating profit (~ million)	Removed	Removed
Outlets	Removed	Removed
Selling space ('000 sq. m)	Removed	Removed
Sales of grocery (%)	Removed	Removed

Source: Company research

#### Internet Strategy

~ Selex does not distribute its products through the internet. The company mainly uses its website to advertise its business.

#### Company Background



Chart 9 Selex Gruppo Commerciale Srl: DPiù in Padova



Source: Euromonitor International

Private Label



#### Summary 66 Selex Gruppo Commerciale Sri: Private Label Portfolio

Private Label Brand	Sector(s)	N.otes
Selex piu'	Removed	Removed
Selex	Removed	Removed
Vale	Removed	Removed
I Prodotti Della Natura	Removed	Removed
Primo Prezzo	Removed	Removed
Bio Selex	Removed	Removed

Source: EuromonitorInternationalfrom companyreports

### Competitive Positioning

#### Summary 67 Selex Gruppo Commerciale Sri: Competitive Position 2011

Channel	Value share	Rank
Retailing	Removed	Removed
Grocery retailers	Removed	Removed
Hypermarkets	Removed	Removed
Supermarkets	Removed	Removed
Discounters	Removed	Removed
Convenience stores	Removed	Removed

Source: EuromonitorInternationalfrom trade press (Food, Largo Consumo, GOOWeek). companyreports.trade interviews

### SISA - SOCIETA ITALIANA SUPERMERCATI ASSOCIATI SCARL IN RETAILING (ITALY)

#### strategic Direction

## Key Facts

Summary 68	SISA - Societe Italiana Supermereati Associati searl: Key Facts	
Address:	BL 16 Gall 6 CenterGross 186/196, Funo di Argelato (60),40050, Italy	
Tel:	+39 051 6635511	
Fax.:	+39 051 664 6334	
www:	www.sisaspa.com	
Retailing channels of operation:	Hypermarkets, supermarkets, convenience stores	
Retailing brands:	Ipersisa, Sisa Superstore, Issimo, Sisa, Negozio Italia	
Source:	Euromonitor International from company reports	

Summary 69	SISA - Societe Italiana Supermereati Associati scarl: Operational Indicators	
	2010	2011
Year-end December		
Net sales (~ million)	Removed	Removed
Operating profit (~ million)	Removed	Removed
Outlets	Removed	Removed
Selling space ('000 sq. m)	Removed	Removed
Sales of grocery (%)	Removed	Removed
Source:	Company research	

## Internet Strategy

## Company Background

~ SISA was created in 1975, as a partnership between a group of businessmen who had previously converted their independent retailing businesses into convenience stores or supermarkets, with the aim of optimising their purchasing and benefiting from lower prices from suppliers.

## Private Label

Summary 70 SISA - Societe Italiana Supermercati Associati searl: Private Label Portfolio

Private Label Brand	Sector(s)	Notes
Sisa	Removed	Removed
Antiche Bonta di Sardegna	Removed	Removed
Primo	Removed	Removed
Gusto e Passione	Removed	Removed

Source: Euromonitor International from company reports

## Competitive Positioning

Content removed from sample

Summary 71 SISA - Societe Italiana Supermereati Associati searl: Competitive Position 2011

Channel	Value share	Rank
Retailing	Removed	Removed
Grocery retailers	Removed	Removed
Hypermarkets	Removed	Removed
Supermarkets	Removed	Removed
Convenience stores	Removed	Removed

Source: Euromonitor International from trade press (Food, GOO Week, largo Consumo), company reports, trade interviews

## SOCIETA ITALIANA DISTRIBUZIONE MODERNA SPA IN RETAILING (ITALY)

strategiC Direction

### Key Facts

#### Summary 72 Societe Italiana Distribuzione Moderna SpA: Key Facts

Address:	Via Roma 55, Rozzano (MI) 20089, Italy
Tel:	+390341 368316
Fax:	+390341 271700
www:	www.auchan.it
Retailing channels of operation:	Hypermarkets, supermarkets, discounters, convenience stores
Retailing brands:	Auchan, Punto Sma, Sma, Simply Market, Cityper

Source: Euromonitor International from company reports

#### Summary 73 Societe Italiana Distribuzione Moderna SpA: Operational Indicators

	2010	2011
Year-end December		
Net sales (~million)	Removed	Removed

Operating profit (~ million)	Removed	Removed
Outlets	Removed	Removed
Selling space ('000 sq. m)	Removed	Removed
Sales of grocery (%)	Removed	Removed

Source: Company research

### Internet Strategy

~ The company does not operate in the internet retailing channel.

### Company Background

### Private Label



~ Auchan's private label lines include Auchan Bio, I Saponi delle Regioni, Mmm! and Auchan Fairtrade.

#### Summary 74 Societe Italiana Distribuzione Moderna SpA: Private Label Portfolio

Private label brand	Sector(s)	Notes
Bimbobel	Removed	Removed
F1lieraControllata	Removed	Removed
Ecologico Sma	Removed	Removed
I Saponi delle Regioni	Removed	Removed
Rik&Rok	Removed	Removed
Vita&Gioia Sma	Removed	Removed
Equosolidale Sma	Removed	Removed
Auchan Bio	Removed	Removed
Mmm!	Removed	Removed
Auchan Fairtrade	Removed	Removed

Source: EuromonitorInternationalfrom companyreports

### Competitive Positioning

#### Summary 75 Societe Italiana Distribuzione Modema SpA: Competitive Position 2011

Channel	Value share	Rank
Retailing	Removed	Removed
Grocery retailers	Removed	Removed
Hypermarkets	Removed	Removed
Supermarkets	Removed	Removed
Convenience stores	Removed	Removed

Source: EuromonitorInternationalfrom trade press (GOOWeek, Largo Consumo),companyreports,trade interviews

## UNIEURO SPA IN RETAILING (ITALY)

### strategic Direction

### Key Facts

#### Summary 76 Unieuro SpA: Key Facts

Full name of company::	Unieuro SpA
Address:	SS 231 Zona Industriale, 2,12066 Monticello d'Alba, Italy
Tel:	+3905236942'10
Fax:	+390523694210
www:	www.unieuro.it
Channels of operation:	Electronics and appliance specialist retailers and internet retailing
Retailing brands:	Advent
Source:	Euromonitor International from company reports

#### Summary 77 Unieuro SpA: Operational Indicators

	2010	2011
Year-end December		
Net sales (~ million)	Removed	Removed
Operating profit (~ million)	Removed	Removed
Outlets	Removed	Removed
Selling space ('000 sq. m)	Removed	Removed
Sales of grocery (%)	Removed	Removed
Source:	Company research	

### Internet Strategy

## Company Background

## Private Label

Summary 78 Unieuro SpA: Private Label Portfolio

Private Label Brand

Sector(s)

Notes

Advent

Removed

Removed

Source: Euromonitor International from company reports

## Competitive Positioning

Summary 79

Unieuro SpA: Competitive Position 2010

Channel	Value share	Rank
Retailing	Removed	Removed
Electronics and appliance specialist retailers	Removed	Removed

Source: Euromonitor International from company reports

www.bizreport.ir

# GROCERY RETAILERS IN ITALY - CATEGORY ANALYSIS

## HEADLINES

- Grocery retailers see sales increase by 1% to €122 billion in 2011
- Economic difficulties negatively affect sales of traditional retailers more than those of modern ones
- Grocery retailing specialists see a slight increase in outlet numbers during 2011
- Coop Italia still leads the fragmented grocery retailing category, with a 10% value share in 2011
- Grocery retailing stores sales are expected to decline slightly over the forecast period

## TRENDS

- In 2011, the Italian grocery category continued to witness a relatively poor performance in value sales, with Italian consumers increasingly moving away from expensive discretionary spending, rationalising their food and non-food shopping increasingly, and looking for value-for-money and discounted prices. Overall, monthly grocery shopping trips among Italian consumers increased in 2011, as in 2010, while spending per trip declined, meaning that customers are losing the habit of doing big shopping trips and are leaning more towards impulse shopping when items are needed. At the same time, consumers have been shopping in more stores, looking for deals. Retailers' focus on store brands, targeted offers and price cuts helped keep spending levels in check by driving more value for shoppers.
- Supermarkets remained the largest channel in sales terms, accounting for around 35% of total grocery sales in 2011. The channel counted 9,828 outlets in 2011, up from 9,707 in 2010. Due to increased competition, supermarket retailers have launched and gradually widened their own private label ranges. At the same time, the channel has witnessed a gradual improvement in retailers' customer service offer. Moreover, with the liberalisation of OTC products, supermarkets have started expanding their ranges of vitamins and OTC products. In 2010, for example, Esselunga introduced a corner pharmacy in its distribution network, directly managed by Essere Benessere, a company that manages pharmacies and parapharmacies. The pharmacies have an independent entrance and independent opening hours. As of June 2011, Coop had 102 Coop Salute corners, with an average selling price 27% lower than the industry average. Coop has also opened its first retail branded restaurant, in Parma, inside the Cius Tour. Coop also offers the FiorFiore range, a premium line of regional products.
- In 2011, as in 2010, chained forecourt retailers saw the largest increase in value sales within grocery, although not a double digit rate as in earlier years. The strong performance was mainly due to this still being a very underdeveloped channel in Italy, which has shown great profitability potential and is expanding rapidly. Chained forecourt retailers in Italy can be found mainly along large highways, while it is unusual to find them in urban areas. They have long opening hours and, being located in relatively restricted places, such as highways, their sales per square metre are quite high. As these outlets have proved so profitable, they are developing strongly. Among the companies that have developed chains, Esso is by far the

strongest in terms of sales per outlet, while the one with highest penetration is Total SpA, with the Rapid Stop & Snack banner.

- With an increase in value sales of 2% in 2011, hypermarkets improved their performance compared to 2010 and previous years. Nevertheless, the channel suffered a decline in sales per selling space in 2011 compared to 2010. Whilst consumers appreciated large selling spaces during the last decade, along with a wide assortment of food and non-food products, in 2011, hypermarkets, in particular those with a selling space of less than 4,500 sq. metres, appeared to struggle to remain attractive, mainly because there was a migration of customers towards large supermarkets – those bigger than 1,200 sq. metres – which are often placed in more reachable and convenient areas than hypermarkets. Furthermore, the fact that petrol prices saw significant rises in 2010 and 2011 led to consumers shifting towards closer shopping locations.
- The rise in cut-price promotions, as well as in consumers' interest in private label, promoted supermarkets' value sales growth in 2011. The channel also benefited from the opening of new outlets, especially by players like SISA, Sigma, Interdis, Despar, as well as from the ongoing good performance of leading players like Coop, CONAD and Esselunga, thanks to their strategy of private label and low prices.
- The share of non-food products saw an increase within hypermarkets in 2011. The non-food products that are growing include health, beauty and personal care products, and house cleaning products. While there has been a decrease within supermarkets as in this type of outlets is concentrated the daily shopping which is made mainly of food purchasing.



## TRADITIONAL VS MODERN

- Modern grocery retailers lead the Italian grocery market, accounting for over 70% of retail value sales. Within modern grocery retailers, supermarkets represent by far the largest channel, accounting for almost half of value sales, although they account for only around 30% of outlets, while convenience stores make up more than half of the total network.



## CHANNEL FORMATS

Chart 1 Modern Grocery Retailing: Billa in Padova



Source: Euromonitor International

Chart 2 Modern Grocery Retailing: Punto Sma in Padova





Source: Euromonitor International

Chart 3 Modern Grocery Retailing: Agip in Padova



Source: Euromonitor International

Chart 4 Traditional Grocery Retailing: Independent Food/Drink/Tobacco Specialist in shopping Mall in Ancona



Source: Euromonitor International

## COMPETITIVE LANDSCAPE

- The Italian grocery retailing category is dominated by strong domestic players, notably Coop and CONAD. The five leading companies increased their value shares in 2011, as they benefit from wide distribution networks, a broad range of private label products and good reputations. Other important domestic companies are Esselunga, SISA and Interdis S Cons SpA, while among the important international players are Auchan Group SA (Auchan, Iper Simply, Punto Sma and Simply Market), Carrefour SA (Carrefour hypermarkets, Carrefour Express and Carrefour Market) and the Rewe Group (Billa, Penny Markt/Mondo, Billa Superstore, Uni), which is moving its core business mainly towards discounters.



## PROSPECTS

- Italy's persistent high unemployment rate might make economic recovery slower than previously thought. Even though economic conditions should improve over 2011-2016, consumers are likely to remain focused on value and guaranteed quality, and will look to channels and retailers which can provide them with high quality and low-cost products in grocery and household essentials. The important distinction will no longer be between private labels and manufacturers' brands, but between top class and secondary brands. Overall, convenience stores, hypermarkets and supermarkets will face increased competition from discounters. Cut-price promotions are expected to rise, as well as private label's popularity. At the same time, the grocery channel might experience an increasing segmentation between low-cost grocery outlets and premium speciality food stores, enabling independent grocery retailers in traditional grocery to continue to flourish if the correct strategies are applied.
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- 
- 
-



## CHANNEL DATA

Table 1 Sales in Grocery Retailers by Category: Value 2006-2011

EUR million	2006	2007	2008	2009	2010	2011
Modern Grocery Retailers						
- Convenience Stores						
- Discounters						
- Forecourt Retailers						
- Hypermarkets						
- Supermarkets						
Traditional Grocery Retailers						
- Food/Drink/Tobacco Specialists						
- Independent Small Grocers						
- Other Grocery Retailers						
Grocery Retailers						

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

Table 2 Sales in Grocery Retailers by Category: % Value Growth 2006-2011

% current value growth	2010/11	2006-11 CAGR	2006/11 Total
------------------------	---------	--------------	---------------

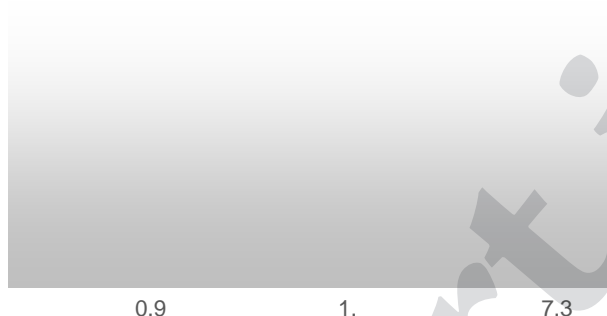
Modern Grocery Retailers

- Convenience Stores
- Discounters
- Forecourt Retailers
- Hypermarkets
- Supermarkets

Traditional Grocery Retailers

- Food/Drink/Tobacco Specialists
- Independent Small Grocers
- Other Grocery

Retailers Grocery  
Retailers



Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

Grocery Retailers Company Shares: % Value 2007-2011

% retail value rsp excl sales tax  
Company

2007 2008 2009 2010 2011



Total 100.0 100.0 100.0 100.0 100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

Grocery Retailers Brand Shares: % Value 2008-2011

% retail value rsp excl sales tax

Brand

Company

2008

2009

2010

2011



Total

100.0

100.0

100.0

100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

#### Forecast Sales in Grocery Retailers by Category: Value 2011-2016

EUR million

2011

2012

2013

2014

2015

2016

Modern Grocery Retailers

- Convenience Stores

- Discounters

- Forecourt Retailers

- Hypermarkets

- Supermarkets

Traditional Grocery

Retailers

- Food/Drink/Tobacco





Specialists  
- Independent Small Grocers  
- Other Grocery Retailers  
Grocery Retailers



Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Table 6 Forecast Sales in Grocery Retailers by Category: % Value Growth 2011-2016

% constant value growth

2011-16 CAGR

2011/16 TOTAL

Modern Grocery Retailers

- Convenience Stores
- Discounters
- Forecourt Retailers
- Hypermarkets
- Supermarkets

Traditional Grocery Retailers

- Food/Drink/Tobacco Specialists
- Independent Small Grocers
- Other Grocery Retailers

Grocery Retailers



Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

# APPAREL SPECIALIST RETAILERS IN ITALY - CATEGORY ANALYSIS

## HEADLINES

- Sales of apparel specialist retailers declined slightly in current value terms in 2011, to €39 billion
- The low-cost fast fashion trend is here to stay
- Benetton Group retains its lead in a highly fragmented category in 2011, with 3% of value sales
- Apparel specialist retailers are expected to post a slight annual average decline of 1% in constant value terms over the forecast period

## TRENDS

- Since the 2008-2009 recessions, Italian consumers have been reducing their expenditure as a result of the difficult economic situation which has enveloped the country. As consumers remained unsure about their futures in terms of job and salary security in 2011, their expenditure on apparel was negatively affected. In addition, the country suffers from structural problems in its business framework, as the Italian economy is based on small and medium sized family-based companies. Players such as these do not invest enough in innovation and research, and are becoming less competitive as, in panic; they have cut costs and therefore investment in innovation and design.
- Fast fashion became the buzzword in 2009 and 2010, as big fashion chains (both local and international) started to focus on offering cheap but reasonably high quality apparel. It continued to boom in 2010 and 2011, as it is a perfect match for young Italians, who view clothing as disposable rather than durable goods. According to industry sources, the rise of "recession brands" reflects a longer term shift in fashion preferences. Despite the gradual recovery of the Italian economy, consumers will not go back to pre-crisis purchasing patterns. Sales of premium bags and other high-end fashion items plummeted in 2010, as consumers tightened their purse strings. On the other hand, sales of Sweden's H&M Hennes & Mauritz Srl and Zara continued to rise, aided by the opening of new outlets. Italian consumers have become cleverer about dressing well with relatively cheap clothes, and are very sensitive to the best quality-price ratio available. In sales terms, the effect of a decrease in mid-priced apparel shopping has been compensated for by a steep increase of fast fashion items, helping to restrict value declines in 2010 and 2011.
- In the longer term, once the economy recovers and disposable incomes rise, the popularity of high quality clothing and footwear is expected to grow. In clothing and footwear, as in many other product categories, consumption is expected to be "hourglass" shaped, which means that demand for premium and economy products will grow at the expense of mid-priced alternatives. So-called "hourglass" consumption requires retailers to profile their brands more clearly towards either economy products, or higher quality and higher priced premium clothing and footwear.
- In 2011, the number of store openings posted a net increase of 1%. Nevertheless among the leading retailers in the channel, Stefanel saw a further decline in outlet numbers, as the

company continued to rationalise underperforming stores. Brands like Benetton, H&M, Original Marines and Zara, by contrast, continued to see a rise in the number of their outlets.

- The competitive landscape in clothing and footwear specialist retailers is fragmented. In 2011, the 10 leading companies held for a combined share of 11% of retail value sales. Independent outlets or smaller, local chains (comprising “others”) accounted for just below 87% share of retail value sales in 2011, although this share has decreased continuously since





## CHANNEL FORMATS

Chart 1      Apparel Specialist Retailers: Stefanel in Padova



Source: Euromonitor International

Chart 2 Apparel Specialist Retailers: Stefanel in Padova



Source: Euromonitor International

## CHANNEL DATA

Table 1 Apparel Specialist Retailers: Value Sales, Outlets and Selling Space 2006-2011

	2006	2007	2008	2009	2010	2011
Value sales EUR million						
Outlets						
Selling Space '000 sq m						

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

Table 2 Apparel Specialist Retailers: Value Sales, Outlets and Selling Space: % Growth 2006-2011

% growth	2010/11	2006-11 CAGR	2006/11 TOTAL
Value sales EUR million			
Outlets			
Selling Space '000 sq m			

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

Table 3 Apparel Specialist Retailers Company Shares by Value 2007-2011

% retail value rsp excl sales tax  
Company

	2007	2008	2009	2010	2011
Total	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

Apparel Specialist Retailers Brand Shares by Value 2008-2011

% retail value rsp excl sales tax  
Brand

Company	2008	2009	2010	2011
---------	------	------	------	------



Total

100.0

100.0

100.0

100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

#### Apparel Specialist Retailers Brand Shares by Outlets 2008-2011

sites/outlets

Company

2008

2009

2010

2011



Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

Table 6 Apparel Specialist Retailers Brand Shares by Selling Space 2008-2011

surface area '000 sq m

Company

2008

2009

2010

2011







Total Total 11,816.6 11,911.9 12,097.7 12,217.4

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

#### Apparel Specialist Retailers Forecasts: Value Sales, Outlets and Selling Space 2011-2016



Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

#### Table 8 Apparel Specialist Retailers Forecasts: Value Sales, Outlets and Selling Space: % Growth 2011-2016

% growth 2015/16 2011-16 CAGR 2011/16 TOTAL



Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

# ELECTRONICS AND APPLIANCE SPECIALIST RETAILERS IN ITALY - CATEGORY ANALYSIS

## HEADLINES

- Electronics and appliance specialist retailers register current value growth of 2% in 2011, to €9.5 billion
- Low consumer disposable incomes and competition from internet retailing continue to present challenges for electronics and appliances specialist retailers
- Euronics retains the leading position in 2011, with a 27% value share, followed by Mediamarket, with 26%
- Sales of electronics and appliance specialist retailers are expected to decline over the forecast period by an annual average of 3% at constant 2011 prices

## TRENDS

- Sales of electronics and appliance specialist retailers registered positive performances in 2010 and in 2011 following a number of years of decline. The channel saw a steady performance by domestic electronic appliances, contributing to value growth of 2%, thanks to competitive prices compared to grocery retailers, to a wide offer and to targeted promotions on products seeing strong demand, such as dishwashers. The consumer electronics category performed well in 2010 and 2011, and, according to industry sources, was not greatly affected by the economic crisis. This was due to two positive performances by LED TVs and smartphones, while PCs and traditional mobiles did less well. Growth for electronics retailers was also aided by categories such as music, video games, and computer software and hardware. Alongside with store retailing sales increase in 2011, internet retailing also continued to grow, meaning that these two channels could develop in parallel.
- The number of outlets increased in 2010 and 2011, unlike in previous years, due to the expansion of the key retailer chains in the category, and despite the decline in independent outlets. Overall, the number of outlets rose from 16,443 in 2010 to 16,632 outlets in 2011. Many independent retailers were unable to compete with the prices of the large multiple chains, such as Euronics, Cdc Point and Mediamarket. By contrast, leading companies, such as Cdc Point, Mediamarket and GRE Scarl – Grossisti Riuniti Elettrodomestici, continued to strengthen their presence through the opening of new outlets and acquiring independent stores.
- The competitive environment is moving towards stronger chain dominance. In 2011, the share of “others” (companies outside the top seven) declined by almost 7 percentage points. Many independent retailers, including TV, hi-fi and computer hardware sellers, saw a sharp decline in sales, as they were unable to compete with the prices and discount offers of the leading chains. Because of the economic recession, consumers are prioritising price and promotions over customer service. Larger operators continued to gain significant share, with the three leading retailers – Mediamarket, Euronics and GRE Scarl – Grossisti Riuniti Elettrodomestici – holding a combined 64% value share in 2011.

- Euronics retained its leading position in 2011, with a 27 followed by Mediamarket, with 26%, Euronics is again the leader in outlets terms, with 713 points of sale all over Italy. Mediamarket operates through two brands: Media World, which led the category with a 22% value share in 2011, and Saturn, which held a 3% share, as in 2010. Euronics leads the market with its two brands Euronics and Euronics Point, followed by GRE (Grossisti Riuniti Elettrodomestici) with its Trony fascia, with almost 12% of value.
- In 2011, Euronics posted the strongest performance in terms of value share growth, up by five percentage points from 2010. This gain was the result of the company's aggressive advertising and promotions strategy, and the opening of 30 new Euronics outlets, 25 Euronics Point outlets and an additional 30 Euronics City stores, the latest 'convenience format' outlet opened by Euronics in 2010. The company boasts a wide range of products, all well organised in the large selling space which characterises its stores. Moreover, thanks to its buying power, the retailer is able to offer very competitive prices, particularly with its promotional offers and seasonal initiatives. Diversification and a multi-channel approach are also important components of the company's strategy.
- After the restructuring plan undertaken in the latter part of the review period, Unieuro was back on track in 2011 with Unieuro sales (despite having ceased the activity of PC City outlets since 2009). The company's restructuring plan involved a reduction in administrative costs, a focus on marketing and services to the client, and a revision of the store network, with the launch of a new format, which combined PC City (focused on computers) and general electrical goods. This initially led to a number of closures, but there are plans to open 22 new outlets over the next five years.





## CHANNEL FORMATS

Chart 1 Electronics and Appliance Specialist Retailers: Trony in Padova



Source: Euromonitor International





Total 100.0 100.0 100.0 100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

### Electronics and Appliance Specialist Retailers Brand Shares by Outlets 2008-2011

sites/outlets Company 2008 2009 2010 2011



Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

Table 6 Electronics and Appliance Specialist Retailers Brand Shares by Selling Space 2008-2011

surface area '000 sq m Company 2008 2009 2010 2011



Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 7** Electronics and Appliance Specialist Retailers Forecasts: Value Sales, Outlets and Selling Space 2011-2016

	2011	2012	2013	2014	2015	2016
Value sales EUR million						
Outlets						
Selling Space '000 sq m						

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

**Table 8** Electronics and Appliance Specialist Retailers Forecasts: Value Sales, Outlets and Selling Space: % Growth 2011-2016

% growth	2015/16	2011-16 CAGR	2011/16 TOTAL
Value sales EUR million			
Outlets			
Selling Space '000 sq m			

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

# HEALTH AND BEAUTY SPECIALIST RETAILERS IN ITALY - CATEGORY ANALYSIS

## HEADLINES

- Sales of health and beauty specialist retailers record 3% current value growth in 2011, to reach €38 billion
- Consumers look to cosmetics and toiletries as affordable indulgences during tight financial conditions
- Health and beauty specialist retailers see an increase of 1% in outlet numbers in 2011
- Limoni remains the leading operator in a fragmented category in 2011, followed by Gottardo and DMO SpA
- Health and beauty specialist retailers are expected to see sales increase by an annual average of 1% in constant value terms over the forecast period

## TRENDS

- With the economic slowdown continuing in 2011, consumers shied away from expensive discretionary spending, such as overseas vacations, spa treatments and dining at restaurants. Affordable indulgences were sought by many in the form of cosmetics and toiletries that provide a feel-good effect without straining personal finances. Another factor contributing to the interest in cosmetics and personal care products is the wellness trend, where Italians are increasingly more interested, especially after years of stressful lifestyles, in reaching a physical and psychological balance, and are willing to spend on OTC products and dietary supplements, taking the holistic view that it is better preventing rather than curing after.
- The health and beauty specialist retailers' category saw a positive performance in 2011, as in 2010, with a 3% increase in current value sales. The health and beauty specialists channel is quite important in Italy, with sales amounting to €38 billion in 2011. Chemists/pharmacies represent the largest category, while the other categories account for only a small proportion of value sales. This is a very established and traditional channel, where sales are typically unaffected by economic crisis, since many of the products are considered necessities. Until the end of 2006, all kinds of medications – ethical, semi-ethical and OTC products – could only be distributed by chemists/pharmacies. At the end of 2006, a law allowing OTC products to be distributed in grocery retailers were approved (Law No 248/06 – the so-called Bersani-Visco law). OTC sales through chemists/pharmacies continued to be steady, however, while at the same time there was a dramatic increase in sales through parapharmacies, which are now able to sell the majority of OTC products, as well as a variety of supplements.
- In 2011, parapharmacies/drugstores remained the best performing format within the Italian health and beauty retailers category, with value growth of 8%, and almost 153 new outlets opened during the year. These retailers owe their growth mainly to consumer interest in value for money, as parapharmacies/drugstores retail cosmetics and toiletries at lower prices than beauty specialists. The growing interest of the public in natural remedies and alternative therapies has also contributed to making this a dynamic channel.



- Following declines in previous years, sales of beauty specialist retailers have been static in 2011, in current value terms, thanks mainly to a general lowering of unit prices. Chemists/pharmacies grew by almost 2% in 2011 after a slight decline in 2010. Over the review period, the chemists/pharmacies channel witnessed significant repositioning strategies, which led to many of these outlets becoming more like upmarket beauty centres rather than simply distributors of OTC products. This was especially evident in large cities, such as Rome and Milan. The category managed to maintain business overall, as pharmacists were quick to adapt to changing customer needs, for example offering many more sports nutrition or vitamin and supplements products.
- Outlet numbers continued to grow in 2011, by almost 1% driven mainly by the continuing expansion of chemists/pharmacies and parapharmacies/drugstores. In particular, in line with the liberalisation introduced by the Bersani-Visco law, parapharmacies/drugstores continued to benefit from further expansion, seeing a 3% increase in the number of outlets in 2011 following a 23% rise in 2010. Such outlets do, however, face increasing competition from supermarkets' pharmacy corners.



## COMPETITIVE LANDSCAPE

- The health and beauty specialist retailers channel is very fragmented in Italy, with the vast majority of overall health and beauty specialist retailers' value sales accounted for by small and independent retailers in 2011. Chemists/pharmacies remains the most fragmented, with national law broadly stating that each pharmacy must have its own pharmacist owner. Only Alliance Boots is managing to expand gradually with a parapharmacies chains, as it belongs to a well-recognised and established international name. With a marginal 1% value share, Gottardo, owner of the Acqua e Sapone retailing chain, remained the overall category leader

in 2011, thanks to its 710 outlets and its established leadership in the drugstores category. Limoni ranked second, the owner of the most popular perfumeries chain in Italy. It was followed by Salmoiraghi & Viganò SpA and Schlecker Italia.



## PROSPECTS

- Competition in pharmacies/chemists and parapharmacies/drugstores is likely to lead to lower prices, which will, in turn, weaken value sales. Even more significant will be the entry of supermarkets and hypermarkets in OTC healthcare, while Italian grocery retailer chains aim to gain large shares of OTC sales. Esselunga, for example, expanded its in-store pharmacies in the latter part of the review period. The opening of new pharmacy corners by Esselunga, as well as by other grocery retailers, is very likely over the forecast period, which will take some sales from traditional pharmacies.





## CHANNEL DATA

Table 1 Health and Beauty Retailers: Value Sales, Outlets and Selling Space 2006-2011

	2006	2007	2008	2009	2010	2011
Value sales EUR million						
Outlets						

Selling Space '000 sq m

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 2** Health and Beauty Retailers: Value Sales, Outlets and Selling Space: % Growth 2006-2011

% growth

2010/11 2006-11 CAGR 2006/11 TOTAL

Value sales EUR million

Outlets

Selling Space '000 sq m

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 3** Health and Beauty Retailers Company Shares by Value 2007-2011

% retail value rsp excl sales tax

Company

2007

2008

2009

2010

2011

Total

100.0

100.0

100.0

100.0

100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Health and Beauty Retailers Brand Shares by Value 2008-2011**

% retail value rsp excl sales tax

Brand

Company

2008

2009

2010

2011



Total 100.0 100.0 100.0 100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 5 Health and Beauty Retailers Brand Shares by Outlets 2008-2011**

sites/outlets

Company 2008 2009 2010 2011



Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 6 Health and Beauty Retailers Brand Shares by Selling Space 2008-2011**

surface area '000 sq m

Company

2008

2009

2010

2011



Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 7** Health and Beauty Retailers Forecasts: Value Sales, Outlets and Selling Space 2011-2016

	2011	2012	2013	2014	2015	2016
Value sales EUR million						
Outlets						
Selling Space '000 sq m						

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

**Table 8** Health and Beauty Retailers Forecasts: Value Sales, Outlets and Selling Space: % Growth 2011-2016

% growth	2015/16	2011-16 CAGR	2011/16 TOTAL
Value sales EUR million			
Outlets			
Selling Space '000 sq m			

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

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# DIY, HOME IMPROVEMENT AND GARDEN CENTRES IN ITALY - CATEGORY ANALYSIS

## HEADLINES

- Sales of DIY, home improvement and garden centres increase by over 2% in current value terms in 2011
- Low disposable incomes and the cocooning trend help demand for DIY and gardening  
The category remains highly fragmented, with independent specialist outlets holding a combined share of 92% in 2011
- Sales of DIY, home improvement and garden centres are predicted to decline by 1% in constant value terms over the forecast period

## TRENDS

- DIY, home improvement and garden centres achieved positive growth in terms of value sales in 2011, rising by 2%. One of the main reasons why this channel maintained its position is the cocooning trend, as consumers abstained from expensive foreign trips or purchases, and instead invested in their quality of life at home. Moreover, due to the rise in the unemployment rate and the resulting reduction in disposable incomes, many Italian consumers decided to save money by doing odd jobs themselves in their home, having more free time available. Sales in 2011 were also aided by weather conditions, as the first half of 2011 saw very mild temperatures, allowing people to spend more time outdoors and to develop their gardening ideas.
- The channel saw a marginal decline in outlet numbers in 2011, due to the closure of some independent stores. Independent retailers accounted for almost 92% of value sales and 99% of outlets, but have gradually yielded ground to more competitive and professional chains.
- The competitive landscape in the DIY, home improvement and garden centres category is extremely difficult to evaluate in terms of market share, because companies tend to specialise in different areas. In 2011, some 92% of total value sales were accounted for by independent specialists. There are only two large retailers operating in the category: SIB and Oby Systemzentrale. In 2006, Auchan sold all its DIY outlets to the Leroy Merlin Group, with the outlets being operated by SIB SpA in Italy. In 2009, Castorama was taken over by Leroy Merlin/SIB. In line with SIB's plans, all Castorama outlets had been converted into Leroy Merlin stores by 2010.
- Two large players control the DIY environment, led by SIB, with a 7% value share. With the acquisition of Castorama and its conversion into Leroy Merlin stores, SIB further consolidated its leading position in 2010. SIB SpA was established in 2006, when Leroy Group acquired all Auchan's DIY outlets. In Italy, SIB operates through three fascias: Brico Center, Leroy Merlin and the recently launched Bricoman. Obi was the second ranked brand fascia, with a share of almost 2% in 2011.
- Due to the acquisition of Castorama, SIB recorded a significant increase in value share in 2010 and maintained it in 2011. Obi's share also registered a slight increase with no new



outlets opened. Unlike SIB, which has national coverage, Obi maintains a regional focus, being better represented in the northeast of the country. Moreover, Obi still suffers from the poor appearance and presentation of its stores, which appear to lag behind those of competing chains in terms of their basic presentation and advertising.

- Among SIB's fascias, Leroy Merlin was the slowest growing among the group's fascias with static shares. Nevertheless Leroy Merlin continued to enjoy consumer favour thanks to its large and well organised selling space, the offer of a wide range of products and services, as well as a policy of affordable prices. Over the review period, Leroy Merlin responded to consumers' concerns, notably in terms of the environment. Leroy Merlin has made efforts towards sustainable development through its range of products and its stores. The company has also committed itself to organise courses to raise consumer and employee awareness of environmental issues, to reduce the use of paper by 30%, as well as to use recycled materials in packaging. Through its website and communication in store, the company has also set up additional services, such as tailoring, colour experts, wood carving experts, interior structure advice and tailored framing. The brand has also further strengthened its image through the use of social networks such as Facebook, Flickr and You Tube, encouraging customers to develop their own DIY capabilities.



## Table 1 DIY, Home Improvement and Garden Centres: Value Sales, Outlets and Selling Space 2006-2011

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

Value sales EUR million  
Outlets  
Selling Space '000 sq m

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Data removed from sample**

Total	100.0	100.0	100.0	100.0	100.0
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Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

% retail value rsp excl sales tax					
Brand	Company	2008	2009	2010	2011

Total	100.0	100.0	100.0	100.0
Source:	Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources			

DIY, Home Improvement and Garden Centres Brand Shares by Outlets 2008-2011

sites/outlets	Company	2008	2009	2010	2011

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

Table 6 DIY, Home Improvement and Garden Centres Brand Shares by Selling Space 2008-2011

surface area '000 sq m	Company	2008	2009	2010	2011

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

Table 7 DIY, Home Improvement and Garden Centres Forecasts: Value Sales, Outlets and Selling Space 2011-2016

	2011	2012	2013	2014	2015	2016
Value sales EUR million						
Outlets						
Selling Space '000 sq m						

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Table 8 DIY, Home Improvement and Garden Centres Forecasts: Value Sales, Outlets and Selling Space: % Growth 2011-2016

% growth

2015/16 2011-16 CAGR 2011/16 TOTAL

Value sales EUR million

Outlets

Selling Space '000 sq m

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

# FURNITURE AND FURNISHINGS STORES IN ITALY - CATEGORY ANALYSIS

## HEADLINES

- Furniture and furnishings store sales decreased slightly in current value terms in 2011, to €13.5 billion
- In a time of economic uncertainty, bargains are widely available as promotional offers have been heavily used to counteract the decrease of demand
- IKEA extends its lead in 2011, with 7% of value sales
- Sales of furniture and furnishings stores are expected to decline by an annual average of 3% in constant value terms over the forecast period

## TRENDS

- Unlike certain other categories within retailing, furniture and furnishings stores registered stability in 2010 and are declining in 2011. While there has been a slight increase in consumer confidence, the unemployment rate remains high, restricting average household disposable incomes. Lower disposable incomes and a slowdown in the housing market led to a decision by many Italians to postpone renovation plans, although at the same time, people have generally been more inclined to purchase new furniture and furnishings, as a sign of a new start after a period of crisis. More expensive items have sold less well, as consumers searching for new furniture have opted for stores which feature lower prices, either permanently or as a result of frequent sale promotions. This restricted value growth to some extent. Consequently, 2011 saw some stagnation in sales in current value terms, with a slight decline to €13.5 billion
- Independent retailers have experienced a difficult period, and the continuing economic deterioration has forced many outlets to close down due to stagnating and/or declining sales. A key factor in this has been the growth of larger retailers, which have increased sales by investing heavily in new outlets, visual merchandising, advertising and promotions. As a result, the number of furniture and furnishing stores registered a net decline of over 700, corresponding to a 2% fall. The country still had 44,889 outlets selling furniture and furnishings by the end of 2011, ranging from small to large, from discount to high-end designer stores and from stores focusing on only a specific type of furniture, such as mattresses, to stores which offered complete sets of home furniture and furnishings.
- The category remained highly fragmented in 2011, with the top three retailers accounting for just 16% of total value, while around 84% of total sales came from "other", specialist independent furniture retailers. In terms of outlet numbers, the percentage accounted for by independent stores is even larger, at just under 100% in 2011, as the top retailers compete with fewer large stores, while independent stores are usually small and located in densely populated areas, rather than out-of-town locations.
  - IKEA maintained its leading position in sales terms in 2011, with a 7% value share. Mercatone Uno ranked second, with a 6% share, followed by Conforama, with 2%. IKEA's popularity is

due to a strategy based on the offer of a wide range of fashionable items of good quality at very competitive prices. There were 19 IKEA stores in Italy in 2011, one more than in 2010. IKEA managed to weather the economic slowdown very well, as it registered a positive performance in value sales, due to its competitive prices and continuing demand for its furniture and related services for the entire house. It offers in-store services such as restaurants and children's areas, and the IKEA Family loyalty card. Over the review period, IKEA extended its opening hours and made further improvements to its service offering. For example, IKEA restaurants have added takeaway sales in the last couple of years, and the brand has invested much effort in the "Family" concept, striving to create a shopping experience to be enjoyed by adults and children alike.

- IKEA, Mercatone Uno and Conforama are positioned at the low end of the market. By leaving much of the work to its customers, IKEA has managed to maintain profitability, despite its low prices. Other competitors offer a mixed form of takeaway and home delivery. Independent stores, by contrast, are mainly positioned at the mid to top end of the market. Their ranges include various designer brands, and their appeal is closely associated with Italian style and quality, and the tradition of local furniture-making. An increasingly large proportion of the middle class are now opting for a more informal choice, or integrate their purchases in dedicated smaller shops with cheaper items purchased at large retailers.
- Domestic retailers combined hold a substantial share in the furniture and furnishings market, although, individually, only Mercatone Uno held a significant share in 2011. The other category leaders – IKEA, Conforama and Zara, are multinational companies – and in 2011 held a combined share of some 10% in value terms.



Table 1 Furniture and Furnishings Stores: Value Sales, Outlets and Selling Space  
2006-2011

	2006	2007	2008	2009	2010	2011
Value sales EUR million	1,000	1,000	1,000	1,000	1,000	1,000
Outlets	1,000	1,000	1,000	1,000	1,000	1,000
Selling Space '000 sq m	1,000	1,000	1,000	1,000	1,000	1,000

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

Table 2 Furniture and Furnishings Stores: Value Sales, Outlets and Selling Space: % Growth 2006-2011

% growth	2010/11	2006-11 CAGR	2006/11 TOTAL
Value sales EUR million			
Outlets			
Selling Space '000 sq m			

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

Table 3 Furniture and Furnishings Stores Company Shares by Value 2007-2011

% retail value rsp excl sales tax		Company	2007	2008	2009	2010	2011
Total	100.0		100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources





Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Table 8 Furniture and Furnishings Stores Forecasts: Value Sales, Outlets and Selling Space: % Growth 2011-2016

% growth

2015/16 2011-16 CAGR 2011/16 TOTAL

Value sales EUR million

Outlets

Selling Space '000 sq m

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

# LEISURE AND PERSONAL GOODS SPECIALIST RETAILERS IN ITALY - CATEGORY ANALYSIS

## HEADLINES

- Sales of leisure and personal goods specialist retailers declined in 2011 by 1%
- Tight economic conditions have led to changes in the leisure activities of many Italians
- The competitive environment remains very fragmented, with the leaders, Intersport and Giochi Preziosi SpA, both holding value shares of 4% in 2011
- Sales of leisure and personal goods specialist retailers are expected to continue to decline in constant value terms during the forecast period, by an annual average of 2%

## TRENDS

- Sales declined by 1% in 2011, well above the -3% CAGR in the review period. The decline in household disposable incomes led to an increase in competition among store-based retailers and between such operators and internet retailing, therefore both independent and retail chains, in order to survive, focused on customers' needs and tastes, delivering innovation and personalisation in terms of advertising and post-purchase service and assistance, to encourage customers to continue to buy discretionary items.
- The number of outlets decreased by 2% in 2011, to 154 mainly due to the declining number of booksellers. The expansion of chained booksellers in cities, and of internet retailing giants, such as Amazon, caused the closure of many small independent booksellers. While chained booksellers regularly offer a 5% price discount, independent stores typically cannot do this.
- Retail sales of jewellers increased by 1% in 2010, but decreased again by 2% in 2011, as sales suffered from low consumer purchasing power and increased unemployment. Small shops were particularly hard hit, while larger jewellery stores managed to perform marginally better, relying on a selected consumer base and a wider range. Overall, given the economic conditions and consumer reluctance to spend on unnecessary purchases, the performance of jewellers could have been worse. In order to respond to future economic developments, jewellers are becoming brand focused, in the same way as apparel retailers, where the brand is becoming more important than quality. Only retailers that can maintain a certain range of items will survive in the market, which will negatively affect artisanal production, which has been a feature of Italian style for many decades.
- The competitive environment for jewellers is highly fragmented in Italy, with independent retailers accounting for 87% of value sales. With an 8% value share, Gruppo Stroili retained its leading position in the category in 2011. The group, which was created in 2006 from the merger of Stroili Oro SpA and Franco Gioielli SpA, has three fascias: Stroili Oro, Franco Gioielli and Exx. The Swatch Group AG and DIP – Diffusione Italiana Preziosi SpA followed in a distant second and third, respectively.
- The 2% decline in value sales recorded by media product stores in 2011 was the result of several negative factors. The category suffered from the increase in competition from different retailers and distribution channels, primarily hypermarkets and supermarkets, which

expanded their book and CDs/DVDs assortment, and internet retailers. Within the bookseller's category, chained booksellers and chained stores like Feltrinelli, Mondadori and Giunti represent an additional threat to independent booksellers, as they offer lower prices and advice. The decline within the media product stores category overall was not dramatic, however, as about one third of sales are generated by video games shops, which have performed well in recent years as a result of the continuous introduction of new games and new consoles.

- The Italian media product stores environment saw little change in 2011. The category remains highly fragmented, with independent retailers accounting for around 80% of value sales. The leader for many years – Gruppo Feltrinelli – was overtaken in 2010 by Electronics Boutique Italy Srl, owner of the GameStop retail chain. The chain continued to register strong sales increases in 2011 through providing mainly games for consoles. Sales reached €370 million excluding sales taxes, with a presence in 420 outlets spread out all over Italy. Gruppo Feltrinelli held second place, with a value share of 4%, followed by Gruppo Mondadori, with a 3% share. Gruppo Mondadori leads in terms of number of outlets, with its large chain of bookshops, numbering 525 outlets in 2011.





## CHANNEL DATA

Table 1 Leisure and Personal Goods Specialist Retailers: Value Sales, Outlets and Selling Space 2006-2011

	2006	2007	2008	2009	2010	2011
Value Sales						
Outlets						
Selling Space						

Value sales EUR million  
Outlets  
Selling Space '000 sq m

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 2** Leisure and Personal Goods Specialist Retailers: Value Sales, Outlets and Selling Space: % Growth 2006-2011

% growth

2010/11 2006-11 CAGR 2006/11 TOTAL

Value sales EUR million  
Outlets  
Selling Space '000 sq m

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 3** Leisure and Personal Goods Specialist Retailers Company Shares by Value 2007-2011

% retail value rsp excl sales tax  
Company

2007 2008 2009 2010 2011

Total 100.0 100.0 100.0 100.0 100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

Leisure and Personal Goods Specialist Retailers Brand Shares by Value  
2008-2011

% retail value rsp excl sales tax  
Brand

Company

2008

2009

2010

2011

Total

100.0

100.0

100.0

100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

### Leisure and Personal Goods Specialist Retailers Brand Shares by Outlets 2008-2011

sites/outlets

Company

2008

2009

2010

2011



Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 6** Leisure and Personal Goods Specialist Retailers Brand Shares by Selling Space 2008-2011

surface area '000 sq m	Company	2008	2009	2010	2011
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Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 7** Leisure and Personal Goods Specialist Retailers Forecasts: Value Sales, Outlets and Selling Space 2011-2016

	2011	2012	2013	2014	2015	2016
Value sales EUR million	[Table content is obscured by a large watermark]					
Outlets	[Table content is obscured by a large watermark]					
Selling Space '000 sq m	[Table content is obscured by a large watermark]					

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Table 8 Leisure and Personal Goods Specialist Retailers Forecasts: Value Sales, Outlets and Selling Space: % Growth 2011-2016

% growth

2015/16 2011-16 CAGR 2011/16 TOTAL

Value sales EUR million

Outlets

Selling Space '000 sq m

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources



# DIRECT SELLING IN ITALY - CATEGORY ANALYSIS

## HEADLINES

- In 2011, direct selling posts growth of 3% to reach €2,070 million
- Rising unemployment has triggered an increase in the direct selling workforce
- Vorwerk leads direct selling in 2011, with a 24% value share
- Direct selling is expected to post a constant value CAGR of 1% over the forecast period

## TRENDS

- In 2011, unemployed people found in direct selling a good way to keep their living standards. This is an established trend, with their long having been a close correlation between rising unemployment and an increase in the direct selling workforce.
- Direct selling posted a growth rate of 3% in 2011, which was in line with the CAGR experienced during the review period. It might have been expected that this channel would lose ground against internet retailing, which is growing at double digit rates, but the target for these two channels are completely different. Direct selling buyers tend to be those who like to see and check what they are buying, to the extent of having the products demonstrated to them in the home. They also tend to prefer to have a direct and close relationship with the sellers.
- In Italy, party plan remains the most common direct selling format, thanks to the friendly atmosphere. Single-level marketing is the only type of scheme operated in the country, as multi-level marketing is prohibited by law.
- The differential between average unit prices for products sold through direct selling or in store varies according to the product category. For instance, within media products there is sometimes the possibility to buy the most exclusive and newest items on the market, and in this case prices would be likely to be higher than in stores, while for less dynamic categories, such beauty and personal care and consumer healthcare, products are likely to be cheaper than in store, as consumers usually buy only basic products in these categories through direct selling.
- The actual size of direct selling is not big enough to influence manufacturers' strategies, although it is performing very well and for many companies represents a very profitable channel.

## COMPETITIVE LANDSCAPE

- Vorwerk led the market in 2011, with a 24% value share. Folletto was its most important brand with an 18% value share, while Vorwerk Bimby had 6%. Vorwerk Bimby is a multifunctional kitchen machine, while Folletto is a hand-held vacuum cleaner with many extra features. Avon Italia maintained its second position, with 10% of value.



## PROSPECTS

- Avedisco, the Italian direct sellers association, is keen to introduce tighter rules for the channel, following one of its member companies having been charged with illicit procedures in its business. The company, FMR Art'è, was accused of promising free books before booking appointments, despite the books not actually being free.



## CHANNEL DATA

Table 1 Direct Selling by Category: Value 2006-2011

EUR million	2006	2007	2008	2009	2010	2011
Beauty and Personal Care Direct Selling						
Apparel Direct Selling						
Consumer Electronics and Video Games						
Hardware Direct Selling						
Consumer Healthcare Direct Selling						
DIY and Gardening Direct Selling						
Consumer Appliances						

Direct Selling  
Home Care Direct Selling  
Housewares and Home  
Furnishings Direct  
Selling  
Media Products Direct  
Selling  
Food and Drink Direct  
Selling  
Toys and Games Direct  
Selling  
Other Direct Selling  
Direct Selling



Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

Table 2 Direct Selling by Category: % Value Growth 2006-2011

% current value growth

	2010/11	2006-11 CAGR	2006/11 Total
Beauty and Personal Care Direct Selling			
Apparel Direct Selling			
Consumer Electronics and Video Games			
Hardware Direct Selling			
Consumer Healthcare Direct Selling			
DIY and Gardening Direct Selling			
Consumer Appliances Direct Selling			
Home Care Direct Selling			
Housewares and Home Furnishings Direct			
Selling			
Media Products Direct Selling			
Food and Drink Direct Selling			
Toys and Games Direct Selling			
Other Direct Selling			
Direct Selling			

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

Table 3 Direct Selling Company Shares by Value 2007-2011

% retail value rsp excl sales tax

Company	2007	2008	2009	2010	2011
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Total 100.0 100.0 100.0 100.0 100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 4 Direct Selling Brand Shares by Value 2008-2011**

% retail value rsp excl sales tax

Brand Company 2008 2009 2010 2011



Total 100.0 100.0 100.0 100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 5 Direct Selling Forecasts by Category: Value 2011-2016**

EUR million

2011 2012 2013 2014 2015 2016

Beauty and Personal  
Care Direct Selling  
Apparel Direct Selling  
Consumer Electronics  
and Video Games  
Hardware Direct Selling  
Consumer Healthcare  
Direct Selling  
DIY and Gardening  
Direct Selling



Consumer Appliances  
Direct Selling  
Home Care Direct Selling  
Housewares and Home  
Furnishings Direct  
Selling  
Media Products Direct  
Selling  
Food and Drink Direct  
Selling  
Toys and Games Direct  
Selling  
Other Direct Selling  
Direct Selling



Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Table 6 Direct Selling Forecasts by Category: % Value Growth 2011-2016

% constant value growth

2011-16 CAGR

2011/16 TOTAL

Beauty and Personal Care Direct Selling  
Apparel Direct Selling  
Consumer Electronics and Video Games Hardware  
Direct Selling  
Consumer Healthcare Direct Selling  
DIY and Gardening Direct Selling  
Consumer Appliances Direct Selling  
Home Care Direct Selling  
Housewares and Home Furnishings Direct Selling  
Media Products Direct Selling  
Food and Drink Direct Selling  
Toys and Games Direct Selling  
Other Direct Selling  
Direct Selling



Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

# VENDING IN ITALY - CATEGORY ANALYSIS

## HEADLINES

- In 2011, vending posts growth of 4% in value terms to reach €390 million
- Convenience and practicality are driving growth
- Gruppo Argenta SpA leads the category, accounting for 34% of value in 2011
- Vending is expected to post a constant value CAGR of 2% between 2011 and 2016, as the on-the go needs will boost purchasing

## TRENDS

- Vending posted growth of 4% in 2011, lightly lower than the review period CAGR of 5% I. This slowdown was mostly due to the adverse economic scenario, which pushed consumers to cut their spending, particularly on unnecessary products, which includes most vending products. Companies are trying to boost growth further, aiming to increase the machines' appeal by covering them with advertising materials for the products.
- In Italy, the vending channel is not very important in terms of market value, as on-the go consumption of food and drinks are still not part of consumers' habits. However, the channel benefits from the fact that the machines have strategic locations, for example in railway stations.
- Innovation within the vending channel has been focused especially on the layout of the machines other than the techniques applied for delivering the products. This is due to the fact that major companies often use these machines in order to advertise their products, as the machines are placed in very busy locations. So the exposure they gain can increase their visibility benefiting sales across other channels.
- Unit prices in vending are higher than in stores. The difference comes mainly from the fact that product sizes for sale through vending machine are on average smaller than the ones found in stores.
- Captive locations still represent by far the most important segment within the channel, especially for hot drinks. However, the economic downturn and rising unemployment have led to a slowdown in the captive channel.

## COMPETITIVE LANDSCAPE

- The leading company in 2011 was Gruppo Argenta, with a value share of 34%. The company owes its success to its heavy investment in research, in an attempt to improve the mechanisms and materials used to build machines. Other leading companies within vending are Emilia IVS Srl, with 12%, and Buonristoro Vending Group, with 2% of the category.



## PROSPECTS

- The economic downturn could lead to the closure of many retail outlets located in the busiest areas, as they are the most expensive in terms of rent so the most likely to close if sales fall. Because vending machines are located often in these very busy areas, the channel is expected to benefit from outlet closures.



## CHANNEL DATA

Table 1 Vending by Category: Value 2006-2011

EUR million	2006	2007	2008	2009	2010	2011
Packaged Drinks Vending						
Packaged Foods Vending						
Personal Hygiene Products Vending						
Tobacco Products Vending						
Unpackaged Drinks Vending						
Toys and Games Vending						
Other Products Vending						
Vending						

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

Table 2 Vending by Category: % Value Growth 2006-2011

% current value growth	2010/11	2006-11 CAGR	2006/11 Total
------------------------	---------	--------------	---------------

Packaged Drinks Vending  
Packaged Foods Vending  
Personal Hygiene Products Vending  
Tobacco Products Vending  
Unpackaged Drinks Vending  
Toys and Games Vending  
Other Products Vending  
Vending

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 3 Vending Company Shares by Value 2007-2011**

% retail value rsp excl sales tax Company	2007	2008	2009	2010	2011
Total	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 4 Vending Brand Shares by Value 2008-2011**

% retail value rsp excl sales tax Brand	Company	2008	2009	2010	2011
Total		100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 5 Vending Forecasts by Category: Value 2011-2016**

EUR million	2011	2012	2013	2014	2015	2016
Packaged Drinks Vending						
Packaged Foods Vending						
Personal Hygiene Products Vending						
Tobacco Products Vending						
Unpackaged Drinks Vending						
Toys and Games Vending						
Other Products Vending						
Vending						

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources



Table 6 Vending Forecasts by Category: % Value Growth 2011-2016

% constant value growth

2011-16 CAGR

2011/16 TOTAL

Packaged Drinks Vending  
Packaged Foods Vending  
Personal Hygiene Products Vending  
Tobacco Products Vending  
Unpackaged Drinks Vending  
Toys and Games Vending  
Other Products Vending  
Vending



Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

# INTERNET RETAILING IN ITALY - CATEGORY ANALYSIS

## HEADLINES

- In 2011, internet retailing sales grow by 22% to reach €3.1 billion
- Safer payment methods mean Italians are better disposed to internet retailing
- Apparel posts substantial growth of 62%
- Amazon, which entered the market only in 2009, leads sales with a share of 8%
- Internet retailing is expected to post a constant value CAGR of 11% between 2011 and 2016

## TRENDS

- Internet retailing experienced growth of 22% in value terms in 2011, in line with review period CAGR of 21%. Consumers are increasingly comfortable making purchases on-line in different categories, as they can see the advantages of saving time and comparing a range items and prices.
- In 2011, almost 50% of Italians had internet access, although not all made purchases online. Young generations are the most important web users, as they have more time to dedicate to browsing and because they consider surfing on-line a hobby.
- Apparel saw the strongest growth among the different product categories in 2011, posting a growth rate of 62%. The reason for this substantial growth, which is predicted to continue, is that young people, one of the main targets for apparel, are particularly interested in shopping for items on-line. The second and third best performing product categories were media products, and toys and games, again due to the specific consumer segments these categories target.
- Beauty and personal care internet retailing performed poorly in 2011. This is because consumers, even those who are young and computer literate, still consider it important to be able to touch and see such products before buying them.
- Manufacturers are aware of the potential of internet retailing, although companies have been rather slow to invest strategically in internet retailing in Italy. This is largely a consequence of the very fragmented business environment for manufacturers, and a lack of technological expertise.
- M-commerce is still only a niche business in Italy, but there is potential for growth as 13 million Italians have a mobile phone which allows them to surf the internet. For the moment, however, the use of smartphones for shopping is limited to checking items on a mobile phone and then making any purchase on-line once the user is at home at their computer.
- Store-based retailers often define their products range visiting on-line stores. This is quite interesting because this is one of the very rare cases whereas non-store retailers can take advantage of the presence of shop on-line, while usually the latter have always been considered a risk.
- A notable development in internet retailing in Italy has been the launch of Yunait, which is a "deal-of-the-day" website that features discounted products. It gathers together up to 30 offers each day.

## COMPETITIVE LANDSCAPE

- In 2011, Amazon led internet retailing sales, with a share of 8%. Its leadership is due to the brand loyalty that this website has acquired during the years, even when it did not have a local website with an IT domain. Amazon offers a very wide variety of products, both used products and new ones, and benefits from product reviews and being very user friendly. Amazon experienced the largest increase in share in internet retailing in 2011, almost doubling its share from the previous year.



## PROSPECTS

- Consumers, manufacturers and retailers are all seeking to exploit the potential of internet retailing. Consumers are attracted by the possibility of saving time, and especially by the possibility of making price and product comparisons. Manufacturers are benefiting from being able to sell directly to consumers, while store-based retailers can expand their presence through internet retailing. Because of these three aspects internet retailing is predicted to post a constant value CAGR of 11% between 2011 and 2016.





## CHANNEL DATA

Table 1 Internet Retailing by Category: Value 2006-2011

EUR million	2006	2007	2008	2009	2010	2011
Beauty and Personal Care Internet Retailing						
Apparel Internet Retailing						
Consumer Electronics and Video Games Hardware Internet Retailing						
Consumer Healthcare Internet Retailing						
DIY and Gardening Internet Retailing						
Consumer Appliances Internet Retailing						
Home Care Internet Retailing						
Housewares and Home Furnishings Internet Retailing						
Media Products Internet Retailing						
Food and Drink Internet Retailing						
Toys and Games Internet Retailing						
Other Internet Retailing						

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

Table 2 Internet Retailing by Category: % Value Growth 2006-2011

% current value growth	2010/11	2006-11 CAGR	2006/11 Total
------------------------	---------	--------------	---------------

Beauty and Personal Care Internet Retailing  
Apparel Internet Retailing  
Consumer Electronics and Video Games Hardware Internet Retailing  
Consumer Healthcare Internet Retailing  
DIY and Gardening Internet Retailing  
Consumer Appliances Internet Retailing  
Home Care Internet Retailing  
Housewares and Home Furnishings Internet Retailing  
Media Products Internet Retailing  
Food and Drink Internet Retailing  
Toys and Games Internet Retailing  
Other Internet Retailing  
Internet Retailing



Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 3** Internet Retailing Company Shares by Value 2007-2011

% retail value rsp excl sales tax  
Company

2007 2008 2009 2010 2011



Total 100.0 100.0 100.0 100.0 100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 4** Internet Retailing Brand Shares by Value 2008-2011

% retail value rsp excl sales tax  
Brand

Company 2008 2009 2010 2011



Total 100.0 100.0 100.0 100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

Table 5 Internet Retailing Forecasts by Category: Value 2011-2016

EUR million

	2011	2012	2013	2014	2015	2016
Beauty and Personal Care Internet Retailing						
Apparel Internet Retailing						
Consumer Electronics and Video Games Hardware Internet Retailing						
Consumer Healthcare Internet Retailing						
DIY and Gardening Internet Retailing						
Consumer Appliances Internet Retailing						
Home Care Internet Retailing						
Housewares and Home Furnishings Internet Retailing						
Media Products Internet Retailing						
Food and Drink Internet Retailing						
Toys and Games Internet Retailing						

Other Internet Retailing  
Internet Retailing

Source: Trade associations, trade press, company research, trade interviews, Euromonitor International estimates

**Table 6** Internet Retailing Forecasts by Category: % Value Growth 2011-2016

% constant value growth

2011-16 CAGR

2011/16 TOTAL

Beauty and Personal Care Internet Retailing  
Apparel Internet Retailing  
Consumer Electronics and Video Games Hardware  
Internet Retailing  
Consumer Healthcare Internet Retailing  
DIY and Gardening Internet Retailing  
Consumer Appliances Internet Retailing  
Home Care Internet Retailing  
Housewares and Home Furnishings Internet  
Retailing  
Media Products Internet Retailing  
Food and Drink Internet Retailing  
Toys and Games Internet Retailing  
Other Internet Retailing  
Internet Retailing

Source: Trade associations, trade press, company research, trade interviews, Euromonitor International estimates

# MIXED RETAILERS IN ITALY - CATEGORY ANALYSIS

## HEADLINES

- In 2011, current value sales decrease by 1% to €3.4 billion.
- Variety stores suffer the most in mixed retailing both in 2010 and 2011
- Outlet numbers decrease, from 1,108 outlets in 2010 to 1,081 in 2011, a decline of over 2% considerably better than the review period trend
- Gruppo Coin SpA continues to lead in mixed retailing, with a value share of 19% in 2011
- Sales are forecast to decline by an annual average of 3% in constant value terms between 2011 and 2016, to stand at €2.9 billion at constant 2011 prices

## TRENDS

- Mixed retailers continued to suffer a decline in retail value sales in 2011, with a -1% decrease and declines in the number of outlets and in selling space. This was mainly the result of the acquisition of the Upim concept by Coin. In line with Coin's expansion strategy, after acquisition, many Upim outlets were converted into either OVS Industry apparel specialist outlets or the Coin department store format. The result was an adjustment from customers to different shopping settings and situations, with Department stores increasing their penetration in outlets terms from previous year and maintaining sales and variety stores losing only partially in outlets terms and proportionally in sales terms, avoiding major drops in sales per outlet. In addition, according to industry sources, consumers are looking elsewhere for good value-for-money alternatives and modern indoor outlook, such as in OVS Industry.
- In 2011, value decrease was considerably less significant than in the review period where the annual average decline was 4%. This year's performance was supported by the positive reactions of both Department and Variety Stores, respectively with the Coin and Upim points of sales, with the consequence of improving from previous years, customer's visits that in the past were refraining from spending on discretionary items such as those sold in mixed retailers.
- Mixed retailers is not a very important channel in Italy, as specialist stores are still regarded as more reliable as they offer more specialised assistance and familiarity. A few well-recognised stores, however, enjoy a strong position, based on their offer of a limited choice of established brands. These include La Rinascente and Coin. Department stores were affected by acquisitions manoeuvres, although not significantly, declining in value sales by 2% in 2010, followed by a further slight decline in 2011, mainly as a consequence of the fact that OVS Industry outlets took away some of the customer base.
- Variety stores suffered a stronger decline in retail value sales than department stores in 2011, falling by almost 2%, after a significant drop in 2010. Upim remains the strongest variety store chain in Italy, but is suffering from its owner Coin's strategic plan to convert Upim variety stores into either the Coin or the OVS Industry formats.
- Mixed retailer outlet numbers declined by 2% in 2011, after falling in 2010, coming from 1,108 outlets in 2010 to 1,081 in 2011. The decrease was the result of the fact that, even though Upim did not close any more outlets, but instead saw the introduction of Upim Pop in 2010,



offering a revolutionary shopping experience, based on a contemporary take on the idea of pop art, other minor variety stores closed down in 2011 incapable of sustaining growth during the economic crisis.

- The trend towards larger outlets continued in 2011, especially in department stores. Operators in this category are increasingly aware of the gap separating this channel in Italy from the rest of Europe, and the importance of offering a multi-channel experience, where visitors are welcomed into a store not only to make quick purchases of previously determined items, but also as potential customers in restaurants, cafés, beauty salons and so on.
- Over the review period, department stores in Italy endeavoured to distinguish themselves from standard retailers, including specialist retailers, by expanding their services. Department stores in Milan and Rome aimed to attract a sophisticated target audience by offering, for example memberships such with Congusto (a cooking school) for Coincard members, allowing them to participate in cuisine courses.

## COMPETITIVE LANDSCAPE

- In 2011, Gruppo Coin retained its leading position, strengthening its value share in mixed retailers to 19%. Coin derives its leadership from the department stores category, where the company accounted for 67% of value sales in 2010 and 2011. In 2010, Gruppo Coin started to operate within the variety stores category, thanks to the acquisition of the Upim brand from its rival La Rinascente. According to the integration plan, a significant number of Upim stores are being converted into Coin, OVS Industry specialised retailers and Upim Pop stores. However, all stores managed via franchising agreements will maintain the Upim brand name.





## PROSPECTS

- The acquisition of Upim by Gruppo Coin is expected to see the revitalisation of the retail brand through store and product transformations. While a number of Upim stores were converted into Coin and specialised retailers OVS Industry in 2010 and in 2011, the company still plans to improve the product range for the remaining part of the Upim network. Successful realignment of this retailing offer could help to drive more growth in mixed retailers over the forecast period. At the same time, Coin has indicated its intention to open more outlets in Italy over the forecast period, with a store targeted for every major city in Italy.





## CHANNEL FORMATS

Chart 1

Mixed Retailers: Oviesse in Padova



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# VENDING IN ITALY - CATEGORY ANALYSIS

## HEADLINES

- In 2011, vending posts growth of 4% in value terms to reach €390 million
- Convenience and practicality are driving growth
- Gruppo Argenta SpA leads the category, accounting for 34% of value in 2011
- Vending is expected to post a constant value CAGR of 2% between 2011 and 2016, as the on-the go needs will boost purchasing

## TRENDS

- Vending posted growth of 4% in 2011, lightly lower than the review period CAGR of 5% I. This slowdown was mostly due to the adverse economic scenario, which pushed consumers to cut their spending, particularly on unnecessary products, which includes most vending products. Companies are trying to boost growth further, aiming to increase the machines' appeal by covering them with advertising materials for the products.
- In Italy, the vending channel is not very important in terms of market value, as on-the go consumption of food and drinks are still not part of consumers' habits. However, the channel benefits from the fact that the machines have strategic locations, for example in railway stations.
- Innovation within the vending channel has been focused especially on the layout of the machines other than the techniques applied for delivering the products. This is due to the fact that major companies often use these machines in order to advertise their products, as the machines are placed in very busy locations. So the exposure they gain can increase their visibility benefiting sales across other channels.
- Unit prices in vending are higher than in stores. The difference comes mainly from the fact that product sizes for sale through vending machine are on average smaller than the ones found in stores.
- Captive locations still represent by far the most important segment within the channel, especially for hot drinks. However, the economic downturn and rising unemployment have led to a slowdown in the captive channel.

## COMPETITIVE LANDSCAPE

- The leading company in 2011 was Gruppo Argenta, with a value share of 34%. The company owes its success to its heavy investment in research, in an attempt to improve the mechanisms and materials used to build machines. Other leading companies within vending are Emilia IVS Srl, with 12%, and Buonristoro Vending Group, with 2% of the category.



## PROSPECTS

- The economic downturn could lead to the closure of many retail outlets located in the busiest areas, as they are the most expensive in terms of rent so the most likely to close if sales fall. Because vending machines are located often in these very busy areas, the channel is expected to benefit from outlet closures.



## CHANNEL DATA

Table 1 Vending by Category: Value 2006-2011

EUR million	2006	2007	2008	2009	2010	2011
Packaged Drinks Vending						
Packaged Foods Vending						
Personal Hygiene Products Vending						
Tobacco Products Vending						
Unpackaged Drinks Vending						
Toys and Games Vending						
Other Products Vending						
Vending						

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

Table 2 Vending by Category: % Value Growth 2006-2011

% current value growth	2010/11	2006-11 CAGR	2006/11 Total
------------------------	---------	--------------	---------------

Packaged Drinks Vending  
Packaged Foods Vending  
Personal Hygiene Products Vending  
Tobacco Products Vending  
Unpackaged Drinks Vending  
Toys and Games Vending  
Other Products Vending  
Vending

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 3 Vending Company Shares by Value 2007-2011**

% retail value rsp excl sales tax Company	2007	2008	2009	2010	2011
Total	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 4 Vending Brand Shares by Value 2008-2011**

% retail value rsp excl sales tax Brand	Company	2008	2009	2010	2011
Total		100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 5 Vending Forecasts by Category: Value 2011-2016**

EUR million	2011	2012	2013	2014	2015	2016
Packaged Drinks Vending						
Packaged Foods Vending						
Personal Hygiene Products Vending						
Tobacco Products Vending						
Unpackaged Drinks Vending						
Toys and Games Vending						
Other Products Vending						

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Table 6 Vending Forecasts by Category: % Value Growth 2011-2016

% constant value growth

2011-16 CAGR

2011/16 TOTAL

Packaged Drinks Vending  
Packaged Foods Vending  
Personal Hygiene Products Vending  
Tobacco Products Vending  
Unpackaged Drinks Vending  
Toys and Games Vending  
Other Products Vending  
Vending



Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources



# RETAILING IN ITALY - INDUSTRY OVERVIEW

## EXECUTIVE SUMMARY

### Retail Sales Recover Slightly in 2010 and 2011

The Italian economy has been slow to recover and remains volatile, with unemployment continuing to rise and consumers still holding back on discretionary spending. Nevertheless, retail sales saw slight growth in current value terms in 2010 and 2011. Retailers such as discounters, which provide value with discounted lines and private label goods, performed better than mid-price retailers, while sales of luxury and premium branded retailers were also resilient, an evident signal of polarisation in consumption habits.

### M-commerce Increasing in Importance in Italy

Companies which already operate through the web are becoming more aware of the importance of purchasing made through mobile devices, particularly mobile phones. 13 million Italians own a smartphone, representing a big target for companies. In 2010 and 2011, internet retailing posted double-digit growth rates, although as a percentage of total retailing sales, the category remains underdeveloped in Italy compared with some of its European neighbours. The bestselling categories are digital content, consumer electronics products, books and apparel.

### Italians Habits Shift Towards Day-to-day Shopping

Because of increasing promotional activities, both in grocery and non-grocery, increasing private label penetration and an increase in the number of convenience stores, the retailing scenario in Italy is seeing a shift towards more frequent shopping. Due to low consumer confidence and increasing hectic lifestyles, Italians want more control over their expenditure and to reduce their shopping baskets, and are opting for convenience stores and small supermarkets for grocery shopping, and seeking out products offering the best quality-price ratio in non-grocery shopping, which is often available in modern chains rather than traditional retailers. The hardest hit areas have been apparel specialist retailers, variety stores, department stores, media products, furniture and furnishings retailers, stationers/office supply and jewellers. Conversely, electronics and appliances retailers have returned to a positive trend, beauty specialist retailers are stable, with perfumeries coming back on track after a negative 2010, while pet shops and superstores are performing well, as pets are increasingly popular in Italy despite external economic conditions.

### Coop and Conad Lead in A Highly Fragmented Landscape

The grocery domestic retailers Coop and CONAD continued to fight for leadership in retail sales in 2011, with Coop slightly ahead of CONAD. Coop's most important brand is still Super Coop supermarkets, followed by Ipercoop hypermarkets. Coop's other brands include Coop convenience stores, Dico discounters, the La Spesa che non Pesa e-commerce site and Librerie.coop internet media stores. CONAD supermarkets, Margherita convenience stores, E Leclerc hypermarkets and Todis discounters comprise CONAD's portfolio. However, both Coop and CONAD hold only small value shares in retailing as a whole. The market continues to be dominated by independent retailers, with the leading retailers seeking to improve their positions in retailing through acquisitions.

## Chains To Expand Despite Poor Economic Outlook

### KEY TRENDS AND DEVELOPMENTS

#### the Economic Outlook Remains Poor

##### Current impact

##### Outlook

##### Future impact

Internet Retailing

Current impact

Outlook

Government Regulation of Retailing Gradually Being Relaxed

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Current impact

Outlook

Future impact

Private Label Misses Opportunities

Current impact

Outlook

Future impact

Franchising and Other Types of Association

Current Impact

Outlook

Future Impact

## Cash Is Still the Most Important Mean of Payment

### Current Impact

### Future Impact

Table 1 Employment in Retailing 2006-2011

	2006	2007	2008	2009	2010	2011
Total employment ('000 people)						
Employment in retailing ('000 people)						
Employment in retailing (%) (% of total employment)						

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews

## MARKET DATA

**Table 2** Sales in Retailing by Category: Value 2006-2011

EUR million	2006	2007	2008	2009	2010	2011
Store-based Retailing						
Non-Store Retailing						
Retailing						

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 3** Sales in Retailing by Category: % Value Growth 2006-2011

% current value growth	2010/11	2006-11 CAGR	2006/11 Total
Store-based Retailing			
Non-Store Retailing			
Retailing			

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 4** Sales in Retailing by Grocery vs Non-Grocery 2006-2011

% retail value rsp excl sales tax	2006	2007	2008	2009	2010	2011
Grocery						
Non-Grocery						
Total						

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 5** Sales in Store-Based Retailing by Category: Value 2006-2011

EUR million	2006	2007	2008	2009	2010	2011
Grocery Retailers						
Non-Grocery Retailers						
Store-based Retailing						

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 6** Sales in Store-Based Retailing by Category: % Value Growth 2006-2011

% current value growth	2010/11	2006-11 CAGR	2006/11 Total

Grocery Retailers  
Non-Grocery Retailers  
Store-based Retailing

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 7 Sales in Non-Grocery Retailers by Category: Value 2006-2011**

EUR million

	2006	2007	2008	2009	2010	2011
Apparel Specialist Retailers						
Electronics and Appliance Specialist Retailers						
Health and Beauty Specialist Retailers						
Home and Garden Specialist Retailers						
Leisure and Personal Goods Specialist Retailers						
Mixed Retailers						
Other Non-Grocery Retailers						
Non-Grocery Retailers						

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 8 Sales in Non-Grocery Retailers by Category: % Value Growth 2006-2011**

% current value growth

	2010/11	2006-11 CAGR	2006/11 Total
Apparel Specialist Retailers			
Electronics and Appliance Specialist Retailers			
Health and Beauty Specialist Retailers			
Home and Garden Specialist Retailers			
Leisure and Personal Goods Specialist Retailers			
Mixed Retailers			
Other Non-Grocery Retailers			
Non-Grocery Retailers			

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 9 Sales in Non-store Retailing by Category: Value 2006-2011**

EUR million

	2006	2007	2008	2009	2010	2011
Direct Selling						
Homeshopping						



Internet Retailing  
Vending  
Non-Store Retailing

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 10 Sales in Non-store Retailing by Category: % Value Growth 2006-2011**

% current value growth

2010/11 2006-11 CAGR 2006/11 Total

Direct Selling  
Homeshopping  
Internet Retailing  
Vending  
Non-Store Retailing

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 11 Retailing Company Shares: % Value 2007-2011**

% retail value rsp excl sales tax  
Company

2007 2008 2009 2010 2011

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

Table 12      Retailing Brand Shares: % Value 2008-2011

% retail value rsp excl sales tax

Brand	Company	2008	2009	2010	2011
-------	---------	------	------	------	------



Total		100.0	100.0	100.0	100.0
-------	--	-------	-------	-------	-------

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

Table 13      Store-Based Retailing Company Shares: % Value 2007-2011

% retail value rsp excl sales tax

Company	2007	2008	2009	2010	2011
---------	------	------	------	------	------



	2017	2018	2019	2020	2021
Total	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

Table 14 Store-Based Retailing Brand Shares: % Value 2008-2011

% retail value rsp excl sales tax		2008	2009	2010	2011
Brand	Company				



Total 100.0 100.0 100.0 100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

Table 15 Non-Grocery Retailers Company Shares: % Value 2007-2011

% retail value rsp excl sales tax  
Company

2007 2008 2009 2010 2011



Total 100.0 100.0 100.0 100.0 100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

Table 16 Non-Grocery Retailers Brand Shares: % Value 2008-2011

% retail value rsp excl sales tax  
Brand

Company 2008 2009 2010 2011





Total 100.0 100.0 100.0 100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 17 Non-store Retailing Company Shares: % Value 2007-2011**

% retail value rsp excl sales tax Company	2007	2008	2009	2010	2011
--	------	------	------	------	------



Category	Percentage
Total	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

Table 18 Non-store Retailing Brand Shares: % Value 2008-2011

% retail value rsp excl sales tax	Company	2008	2009	2010	2011
Total		100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

Table 19 Forecast Sales in Retailing by Category: Value 2011-2016

EUR million	2011	2012	2013	2014	2015	2016
Store-based Retailing	1,000	1,000	1,000	1,000	1,000	1,000
Non-Store Retailing	1,000	1,000	1,000	1,000	1,000	1,000
Retailing	2,000	2,000	2,000	2,000	2,000	2,000

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Table 20 Forecast Sales in Retailing by Category: % Value Growth 2011-2016

% constant value growth	2011-16 CAGR	2011/16 TOTAL
100%	100%	100%
105%	105%	105%
110%	110%	110%
115%	115%	115%
120%	120%	120%
125%	125%	125%
130%	130%	130%
135%	135%	135%
140%	140%	140%
145%	145%	145%
150%	150%	150%
155%	155%	155%
160%	160%	160%
165%	165%	165%
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645%	645%	645%
650%	650%	650%
655%	655%	655%
660%	660%	660%
665%	665%	665%
670%	670%	670%
675%	675%	675%
680%	680%	680%
685%	685%	685%
690%	690%	

Store-based Retailing  
Non-Store Retailing  
Retailing

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

**Table 21** Forecast Sales in Store-Based Retailing by Category: Value 2011-2016

EUR million

Grocery Retailers  
Non-Grocery Retailers  
Store-based Retailing

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

**Table 22** Forecast Sales in Store-Based Retailing by Category: % Value Growth 2011-2016

% constant value growth

2011-16 CAGR

2011/16 TOTAL

Grocery Retailers  
Non-Grocery Retailers  
Store-based Retailing

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

**Table 23** Forecast Sales in Non-Grocery Retailers by Category: Value 2011-2016

EUR million

2011 2012 2013 2014 2015 2016

Apparel Specialist  
Retailers  
Electronics and  
Appliance Specialist  
Retailers  
Health and Beauty  
Specialist Retailers  
Home and Garden  
Specialist Retailers  
Leisure and Personal  
Goods Specialist  
Retailers  
Mixed Retailers  
Other Non-Grocery  
Retailers  
Non-Grocery Retailers

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 24** Forecast Sales in Non-Grocery Retailers by Category: % Value Growth 2011-2016

% constant value growth

	2011-16 CAGR	2011/16 TOTAL
Apparel Specialist Retailers		
Electronics and Appliance Specialist Retailers		
Health and Beauty Specialist Retailers		
Home and Garden Specialist Retailers		
Leisure and Personal Goods Specialist Retailers		
Mixed Retailers		
Other Non-Grocery Retailers		
Non-Grocery Retailers		

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 25** Forecast Sales in Non-store Retailing by Category: Value 2011-2016

EUR million

	2011	2012	2013	2014	2015	2016
Direct Selling						
Homeshopping						
Internet Retailing						
Vending						
Non-Store Retailing						

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

**Table 26** Forecast Sales in Non-store Retailing by Category: % Value Growth 2011-2016

% constant value growth

	2011-16 CAGR	2011/16 TOTAL
Direct Selling		
Homeshopping		
Internet Retailing		
Vending		
Non-Store Retailing		

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

## APPENDIX

### Operating Environment

#### Foreign Direct Investment in Retail

- No specific law governing foreign direct investment which might impact the retailing market has been introduced in Italy. However, attitudes towards international retailers with major



- ## Informal Retailing

- ## Opening Hours

- ## Retail Landscape



Cash and Carry





Table 27 Cash and Carry: Sales Value 2010

€ Million, current prices

Cash and carry  
% growth

Source: Official statistics, Federdistribuzione, trade press, company research, trade interviews, Euromonitor International estimates

Note: Sales value excludes VAT, sales tax

Table 28 Cash and Carry: Sales by National Brand Owner: Sales Value 2010

% value



TOTAL

100

Source: Federdistribuzione, trade press, company research, trade interviews, Euromonitor International estimates

Note: Sales value excludes VAT, sales tax

## DEFINITIONS

This report analyses the market for Retailing in Italy. For the purposes of the study, the market has been defined as follows:

Store-based retailing

- Grocery retailers
- Modern grocery retailers
- Hypermarkets
- Supermarkets
- Discounters
- Convenience stores
- Forecourt retailers

- Chained forecourt retailers
- Independent forecourt retailers
- Traditional grocery retailers
- Independent small grocers
- Food/drink/tobacco specialists
- Other grocery retailers
- Non-grocery retailers
- Mixed retailers
  - Department stores
  - Variety stores
  - Mass merchandisers
  - Warehouse clubs
- Health and beauty specialist retailers
  - Chemists/pharmacies
  - Parapharmacies/drugstores
  - Beauty specialist retailers
  - Other healthcare specialist retailers
- Apparel specialist retailers
- Home and garden specialist retailers
  - Furniture and furnishings stores
  - DIY, home improvement and garden centres
- Electronics and appliance specialist retailers
- Leisure and personal goods specialist retailers
  - Media product stores
  - Stationers/office supply stores
  - Traditional toys and games stores
  - Sports goods stores
  - Pet shops and superstores
  - Jewellers
  - Other leisure and personal goods specialist retailers
- Other non-grocery retailers
- Non-store retailing
- Vending
- Homeshopping
- Internet retailing
- Direct selling

Explanations of words and/or terminology used in this report are as follows:

- Grande Distribuzione Organizzata (GDO) is an umbrella term covering all types of large format retailer belonging to the modern retailing channel.

Other terminology:

- GBO refers to global brand owner, which is the ultimate owner of a brand.
- NBO refers to national brand owner, which is the company licensed to distribute a brand on behalf of a GBO. The NBO may be a subsidiary of a GBO or it may be a completely separate company. Share tables at both GBO and at NBO level are provided in the report. Reference to shares in the report analysis is at NBO level.

Sources used during research include the following:

Summary 1 Research Sources

Official Sources

AEI  
Camera di Commercio  
Fededistribuzione  
Istituto Nazionale di Statistica (ISTAT)  
Ministero Attivita' Produttive  
Ministero Sviluppo Economico

Trade Associations

Adoc  
AIRES  
Aitech Assinfo  
ANCD - Associazione Nazionale Cooperative Dettaglianti  
Anifa  
ANVED  
Associazione Editori Italiani  
Associazione Italiana Distribuzione Automatica (Confida)  
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