



HUNGARY

By Zsuzsanna HERMANN, *Trade magazin*

RETAIL TRENDS

Retail sales started to grow again in 2014 in Hungary and this trend continued in 2015. Multinational retailers started testing new channel formats, for instance SPAR is opening franchise stores. From March 2015 to spring 2016, shops must stay closed on Sundays, which is a rather common practice west of Hungary but here consumers were reluctant to accept the State's intervention in the market that was operating freely. Retail sales shifted to make Friday, Saturday and Monday better performing days.

CONSUMER TRENDS

Households' FMCG spending started to improve in 2014. The trend continued in 2015 – but at a lower growth level. After the years of crisis, both in 2014 and 2015 there was volume and value growth again. Signs of recovery: volume growth, category-level penetration growth, more purchase acts, and in 2015 up-trading again, which means that consumers started to switch back to manufacturer brands from cheaper brands/private labels.

TREND 1: CHANGING CONSUMPTION

New challenges for FMCG manufacturers: consumption habits are changing, particularly with the new generations growing up. Millennials snack more often, on a typical day millennials have breakfast, lunch and dinner less often than older generations – instead they snack more often. Millennials eat out of home more often; they eat on the go and visit restaurants more often than older generations. Changing consumption habits impact the FMCG spending of households.

SNACKI&GO!

Brand: Saga

Launch date: 06/2015

Category: Fresh products

Family: Meat, Delicatessen, poultry



General description: The Snacki&GO! fits perfectly into everyday eating habits, because it is an excellent choice instead of salted or sweet snacks or also together with them. The plastic cup packaging makes it possible to eat the single-portion wiener bites any time. There is a plastic fork under the cup's lid, by using this, consumers can eat on the go. Hygiene is guaranteed with a closing foil, on which there is also information about how to use and eat the product. It can be eaten cold or heated.





Why is this product a success? Mini turkey wieners have been in the Sága portfolio for many years, but to enter the snack category with this product a new type of packaging was made – it makes it possible to eat the wieners anywhere and anytime. It is a unique product in Hungary.

EISBERG TOKAJ DRESSING AND VINAIGRETTE

Brand: Eisberg

Launch date: 09/2015

Category: Grocery

Family: Oils and vinegar

General description: Something for real gourmets, who like to eat their salad in a bit more exciting way even on busy weekdays. A dressing made with cider vinegar and Tokaj Furmint wine vinegar, sweetened with concentrated apple must. Vinegar has magical characteristics, which was proven many times in the last few hundred years. For example bad quality drinking water was mixed with vinegar to disinfect it – to make it clean enough to drink it. It was also used for treating wounds and bites, and some people drank it in order to digest food better. Latest scientific research found that vinegar has antimicrobial characteristics and this effect is most justified in connection with food production processes. There is more and more proof that vinegar can be effectively used for treating people suffering from carbohydrate and lipid metabolism problems. It is also very important for everyone to eat enough vegetables and fruits, because these are our biggest sources of vitamins and minerals, plus they also contribute to our liquid intake. No matter if we eat vegetables raw or cooked, they can be made more tasty and exciting by adding various types of vinegar to them. It is important to know that oil and vinegar dressings are usually best for flavouring leaf vegetables which have low calorie content, low glycemic index and are rich in nutrients. Eating them means lower energy intake. Vinegars – especially wine vinegar – aren't only good for making salad dressings, but also for making marinades for meat or fish. Although different types of salads are very tasty in themselves, for a very long time we were looking for a method to make them taste even more sophisticated. This is how our Tokaj Dressing product line was created, which is made from cider vinegar and wine vinegar from Tokaj Furmint wine.



Why is this product a success? The product doesn't contain additives, preservatives, flavourings, sugar or colourings and it is GMO-free and gluten-free. The natural taste of wine vinegars made from cider and Tokaj Furmint is special because of the fresh, tasty fruits which stay in them for many months. In the aging period the fruits give their colour, taste and scent to the vinegar and the final result is: Tokaj Dressings aged on apple, raspberry, plum and quince bed, which are unlike any other product – not only in Hungary but in the world. No colourings, no added sugar, no extra preservatives – the vinegar itself does the job. In the case of two products these flavours were enhanced further, with award-winning Spanish olive oil and spices – with a mix of cumin and coriander (Tokaj Vinaigrette Oriental) and with a mix of sea salt and pepper (Tokaj Vinaigrette Balsam). Primary packaging: 40ml bag.



Market performance: Product launch date: September 2015. On 14 November 2015 Eisberg Hungary Kft. won the Diabetic Product of the Year award with its high quality salads and with the new Tokaj Dressing dressing product range.

TREND 2: CHANGING RETAIL STRUCTURE

Food Discounters are strengthening their market position, the hypermarket channel lost out while discounters won market share in 2015 as compared to 2014. Consolidation of the retail trade continued, the market share of the top 10 retail chains is over 70%. Retail chains are fighting for retaining sales internally; the intention to transfer spending to other chains is low. Purchasing habits are still evolving: in the last 6 months, the role of weekdays became more significant, along with Friday and Saturday being the busiest days.

VENUSZ VANILLA FLAVOURED BAKING MARGARINE (80%)

Brand: Bunge

Launch date: 11/2014

Category: Fresh Products

Family: Dairy Products

General description: We use vanilla very often. Another ingredient that is used in every nice cake or biscuit is margarine. These two good things were combined to create the vanilla flavored baking margarine for women who like to make delicious cakes and biscuits. It can be used for making sweet biscuits and cakes, and is intended to those who like the taste and scent of vanilla and like vegetable-based (lactose-free) products.



Why is this product a success? It is very innovative, it has a premium fat content (80%) and the special characteristic of vanilla flavor and scent – these make the biscuits and cakes taste really special. Hungarian production makes this product stand alone in the Hungarian market.

TREND 3: E-COMMERCE

This started to transform from exceptional shopping trips to a more usual way of purchasing in the FMCG market: although the online channel's share from total FMCG turnover is still very low in Hungary (below 1%), more and more buyers have a try at shopping online. Trust in the online channel is strengthening, consumers increasingly prefer buying fresh food and dairy products via the internet, but they still like branded products more. An average online FMCG basket is 3 times bigger than offline.



SPORT PASTA, VITALE PATSE, SPORT PASTA EXTRA

Brand: Familia Pasta
Launch date: 04/2015
Category: Grocery
Family: Bread Making

General description: Pastas fortified with Calcium and Vitamin D are made from pasta flour, fresh eggs, calcium+D3 vitamin complex. Sports Pastas are made to fit into a healthy and sporty lifestyle with a conscious diet, they contain less carbohydrate but are rich in protein and fibers. Sports Pasta ingredients: pasta industry wheat flour, 4 fresh eggs and low-carbohydrate pasta flour concentrate (wheat-gluten allergen). Ingredients contain 50% less carbohydrate, 2.5 times more protein and 6 times more fibers.



Why is this product a success? Wholemeal and Calcium+Vitamin D fortified pastas contain essential ingredients which help people of all age groups to stay healthy and live a balanced life. Increased calcium content makes bones and teeth stronger and muscles work better.

NEW RETAIL CONCEPT

The franchise concept has been continuously growing stronger in several retail channels. The latest success story is a fruit and vegetable shop chain with a 'future store' concept, called Vitamin Salon. The goal of the Vitamin Salon franchise system is to sell high-quality fruits and vegetables – produced with the dedication and expertise of Hungarian farmers and coming only from the most reliable sources – in Hungary and abroad. Vitamin Salon combines the benefits of corner shops with the advantages of retail chains.

OTHER MAJOR RETAILERS

One of the new concepts on the manufacturers' side is the shop-in-shop system. Nestlé continues the string of openings they started last year, by integrating NESCAFÉ® DolceGusto® sales points into the units of various retailer partners. With the 'Turn coffee drinking into an art form' program, Nestlé won a SuperStore award in the shop-in-shop category last year. We saw the concept's most beautiful realization in the Media Market store in the WestEnd City Center in Budapest.

DO NOT MISS

The SPAR won the SuperStore award's Store of the Year Hungary and also the Supermarket category in 2015 (Budapest MOM Park premium supermarket store). The Superstore pop-up category winner is Coca-Cola's pop-up store in Budapest Millenaris park (temporary presence). The SuperStore non-food specialist category winner is BENU pharmacie in Budapest Blaha Lujza ter.