



CZECH REPUBLIC

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RETAIL TRENDS

New Lidl concept: A discount giant has been changing its strategy. A new generation store was opened in December 2015 in Beroun, a district town 30 km south of Prague (facing fierce competition from other retail players there), the first shop of its kind in the EEC region (so far only one in Italy, which opened last year). More comfort and space for shoppers, wider parking areas, light airy interiors with wide aisles, a large bakery, up to 20% larger sections for fresh food, more cashiers with a new swap space, toilets with a desk for mothers and their babies, coffee-to-go; on the second floor: a relaxation area for employees with a terrace, showers and a training room. Investment: €33 million, employees: 25.

CONSUMER TRENDS

People want to spend less time in a shop: online shopping, small convenience stores, big players are trying to make shopping time shorter (new technologies for making the process faster, e.g. self-scanning, contactless payments...), new FMCG e-shops: Rohlik.cz, Kolonial.cz, Kosik.cz.

Boom of regional/farmers' products and shops: people like to purchase local products from farmers, either in open markets (organized by towns in squares or by shopping centers) or in specialized farmers' shops. They are ready to pay more for products delivered straight from the field.

Increased awareness and education of general public about food: consumers seek and require details on products, their origin and ingredients.

TREND 1: THE POPULARITY OF CHOCOLATE

The crisis is over, the economy is doing well, and unemployment is low. People are not under pressure, they are ready and want to spend more money. They can also afford higher quality and more expensive products, including treats, like chocolate. The boom of the popularity of chocolate brings fantasy to producers, who present more and more innovations, chocolate products of various kinds. Some of them offer unusual and delicious flavors and tastes, making the chocolate darker and even more bitter.

CHMELINKY AND KONOPKY

Brand: Carla

Launch date: 11/2014

Category: Grocery

Family: Chocolate products

General description:

Chmelinky (130 g): chocolate bonbons made of 70% plain chocolate with hops filling (0.27 g). Hops do not have to be necessarily linked with the brewing of





the so popular beer. The package contains 10 bitter chocolate bonbons filled with unpasteurized hops which support the function of the digestive system. Konopky (130 g): moulded bonbons in 70% plain chocolate with hempen seeds filling (peeled hempen seed: 6.3 %).

Why is this product a success? Czech company, using traditional recipes and unusual ingredients, making its products attractive and delicious. Taking advantage of the growing popularity of dark chocolate, which can be darker and more bitter than one can imagine.

TREND 2: HEALTH AND HEALTHY LIFESTYLE

Consumers have changed their attitude; they are more informed and educated. Therefore they are more interested in taking care of their health; healthy lifestyle is in. They simply want to know what they are eating and drinking. The majority have enough money to choose products accordingly. They long for natural food and drinks, ideally refreshing, with great taste, low-calorie content, without sweeteners and preservatives. We see a growing popularity of organic, free from, vegetarian, vegan food and drinks.

CRAWNCHIES

Brand: Lifefood

Launch date: 03/2015

Category: Grocery

Family: Dehydrated food



General description: The first raw vegan stackable chips in the world. A raw vegetable snack, made with flax seeds, nutritious veggies and the finest herbs. Gently dehydrated below 42°C, keeping all the nutrients intact. High in fibre, a source of protein.

Why is this product a success? Crawnchies respond to the most demanding expectations of today's customers and their entitlement to food - namely great taste, made from premium ingredients, benefits for health and ecologically friendly, yet practical packaging.

TREND 3: REFRESHING THE TRADITIONAL BRAND

In order to attract the attention of consumers "spoilt" by a really wide assortment they can choose from among various formats, some producers turn to refreshing their traditional, conservative brands. If they want to get brownie points from especially younger consumers, they have to be sexy and cool. Producers are opting for new, attractive packaging together with catchy advertising campaigns and contests.



PILSNER URQUELL 1L 2015 LIMITED EDITION PACKAGING

Brand: Plzeňský Prazdroj

Launch date: 12/2015

Category: Beverages

Family: Beers / Ciders

General description: The objective and opportunity are to drive Pilsner Urquell super premium and quality perception by differentiated unique packaging in line with brand communication strategies.

First 1L bottle in 2010. Every 2-3 years the bottle design/packaging is changed. In December 2015: super premium price 500% WAMP (Widely Available Market Price), recommended shelf price 169 CZK.

Why is this product a success? Consumers perceive Christmas as an occasion to reward themselves with premium products and Pilsner Urquell is a natural choice among premium beer brands. Premium beer brands in limited editions are used for gifting occasions.



NEW RETAIL CONCEPT

MasterPass - payments by a smart phone: the joint project of MasterCard and Globus ČR responds to the latest trends and makes payment easier at selected POS terminals. MasterCard Worldwide together with the retailer introduced an innovative solution for fast and efficient payment in supermarkets. Customers of the hypermarket in Prague Čakovice can now pay for their purchases using their smartphone and the global payment service MasterPass, saving time and enjoying more comfort.

OTHER MAJOR RETAILERS

Kaufland ČR, Tesco Stores ČR, Ahold Czech Republic, Penny Market, Makro Cash & Carry ČR

DO NOT MISS

Delmart – a deli store next to the metro station near the center, nature-material-based interior, offering high quality Czech deli food products and a bistro upstairs, where you can “mix” the ingredients of your meal, more at: www.delmart.cz

Kunratická stodola – a former barn transformed into a regular unpretentious store full of mainly very fresh high quality fruit and vegetables and some other food products delivered directly from Germany and France, more at: www.kunratickastodola