



RUSSIA

By Inga LOBZHANIDZE, *Moye delo Magazin*

RETAIL TRENDS

In Russia the price of food has risen considerably because of the decrease in the exchange-value of the ruble, the sanctions and the embargo. According to official data (Rosstat) food inflation in 2015 in Russia was 14%. According to unofficial data (different sources) it was more than 20%. The retail trade turnover fell 10% (Rosstat) in 2015. The like-for-like sales increase was shown by discount stores.

CONSUMER TRENDS

The majority of Russians tried to save money in 2015 and this trend will continue in 2016. 72% of population cut down expenses on food. 33% of Russians refused to buy delicacies, fine food (Romir). 48% switched over to cheaper brands (Nielsen). In addition Russians would like to buy healthy food but 85% of them think that it is too expensive (Nielsen).

TREND 1: HARD DISCOUNT

The main trend in Russia is the saving money. 55% of Russians said that they started to save money because of the price increase. So now the best retail segment is discounters. Private labels in Russia developed considerably (especially in the low price segment). Since December 2014 sales of private labels have increased by 30%.

WALNUT JAM

Brand: SiSnatural/FruityBeauty

Launch date: 02/2014

Category: Grocery

Family: Jams / Fruits in syrup / Spreads

General description: In ancient times walnut was a symbol of fertility and abundance, this nut is really endowed with useful properties for feminine beauty and body.

"Fruity Beauty" walnut jam is in a hurry to reveal all its secrets of wonderful fruit, which were available only to a chosen few in ancient times.

Why is this product a success? The Fruity Beauty Company has carefully studied the behavior of its customers and has concluded that most important to them, when choosing canned sweets and jams - is a chance to pamper themselves and take their own little holiday.





TREND 2: NATIONAL FOOD PRODUCTS

Due to the embargo and sanctions Russians lost the possibility of buying a lot of European products. Besides because of the fall of the ruble the price of imported goods became too high. As a result, Russians turned to national food products. Recently Russian marble beef and Siberian fish have appeared on the market. People are interested in Russian wine, etc.

QUARK DRINK

Brand: Vitamilka

Launch date: 12/2014

Category: Fresh products

Family: Dairy Products

General description: High-protein quark drink is an innovative product. There are no analogues on the world market. It contains as much protein as usual quark which is eaten with a spoon, but due to ultrafiltration technology, quark gets drinkable consistencies

Why is this product a success? Protein content is at least 7%. It contains many Lactobacillales. There are no artificial flavors, color additives or preservatives. All the benefits of milk are preserved. Excellent taste: soft consistency, low acidity.



TREND 3: NATURAL FOOD

Russians are interested in healthy food but 85% of them think that it is too expensive. In big cities there is intense interest in farm products. Consumers want to eat natural foods without artificial additives but for the normal price. For example sales of cottage cheese increased by 50% over the past three years.

YELLI BRAND

Brand: LLC Torgovy Dom Yarmarka

Launch date: 10/2014

Category: Grocery

Family: Cereals



General description: Yelli are products blends, made of natural eye-seen ingredients, for home-made soups. Yelli is a mindful product for people who care for natural and healthy food. It is a high quality product that has great taste and comes in exotic flavors. It is healthy and delicious at the same time.

Why is this product a success? It is easy to cook and takes little time to prepare. Also tasty, healthy, and made from traditional popular dishes from different countries. Suitable for vegetarians and vegans.





NEW RETAIL CONCEPT

The first club market Smartory has appeared recently.
There is an interesting chain of convenience stores Azbuka Daily.

OTHER MAJOR RETAILERS

Bahetle: It is from the Tatar chain of supermarkets with a big market share of prepared national food.

DO NOT MISS

Magnit: The market leader, this chain of discounters came up in Southern Russia and became the first-of-its kind in the country.

Azbuka Daily: It is a chain of convenience stores with a very good range of packed prepared food.