RETAIL AND SHOPPING BEHAVIOR IN SMALL TOWNS IN SLOVAKIA (EXAMPLE STUDY OF ZLATÉ MORAVCE TOWN)

Miroslava Trembošová, Alena Dubcová, Natália Horná

Department of Geography and Regional Development, Faculty of Natural Sciences, Constantine the Philosopher University in Nitra Trieda A. Hlinku 1, 949 74 Nitra, Slovak Republic
mtrembosova@ukf.sk, adubcova@ukf.sk, nhorna22@gmail.com

https://doi.org/10.5817/CZ.MUNI.P210-9694-2020-17

Abstract: In the past 15 years we have been involved in the rapid development of retail in Slovakia. Its globalization trends, materialized in shopping malls, often built on a ‚green field' along major communication lines, have had a significant impact on commercial suburbanization. The „pulling" of large-scale retail centers on the outskirts of the city significantly affects the state and further development in the central part of the city, with frequent consequences (deadening) of traditional retail zones, many times leading to their disappearance. The new shopping zones change the mode of the time fund and the adopted daily cycles of shopping life for both urban and rural populations and promote consumerism. A number of elements adapt to this phenomenon, e.g. transport networks and parking facilities, opening hours of shops, monitoring the convenience of purchases through prices in leaflets between the traditional and new zone, synergy of non-commercial services, spending leisure time. Nowadays we are witnessing the penetration of foreign retail companies into the medium-sized to small towns of Slovakia and its changes in concentration, integration and internationalization. The aim of the paper is a brief description of the retail network in the typically small Slovak town of Zlaté Moravce. The next section presents the results of a survey of consumer buying behavior and evaluation of its conclusions.

Key words: retail network in the town of Zlaté Moravce, shopping behavior, consumer typology

RESEARCH METHODOLOGY, DATA, AND RESEARCH AREA

Shopping is a common process in human life. According to Burt and Sparks (2003), we all buy and many have weekly, if not daily, contact with some form of retail. Shopping is the second most important human leisure activity (Goss, 1993). It represents a frequent activity of modern life in the city, where retailers meet the basic material needs of their customers and try to stimulate their desires Leach (1993). Retail, which according to Kretter (2006) includes all activities related to the sale of goods or services to end consumers for non-commercial use, affects the viability of the city. Shopping space is also becoming a socially important place. They are a place where people meet and communicate. From an economic point of view, these are areas where retailers make a profit and at the same time provide employment and serve as an essential link in the chain linking producers and consumers (Miller, 1995). At the end of the 20th century and the first decade of the 21st century, interest in studying the internal relationships between spatial models of retail localization in an urbanized environment and customer shopping behavior increased. Shopping is a common process in human life. According to Burt and Sparks (2003), we all buy and many have weekly, if not daily, contact with some form of retail. Shopping is the second most important human leisure activity (Goss, 1993). It represents a frequent activity of modern life in the city, where retailers meet the basic material needs of their customers and try to stimulate their desires Leach (1993). Retail, which according to Kretter (2006) includes all activities related to the sale of goods or services to end consumers for non-commercial use, affects the viability of the city. Shopping space is also becoming a socially important place. They are a place where people meet and communicate. From an economic point of view, these are areas where retailers make a profit and at the same time provide employment and serve as an essential link in the chain linking producers and consumers (Miller, 1995). At the end of the 20th century and the first decade of the 21st century, interest in studying the internal relationships between spatial models of retail localization in an urbanized environment and customer shopping behavior increased.

The pilot survey sample consisted of 102 respondents. Among them are women who generally prefer to buy rather than men. The ratio of women to men is 52: 48%. The respondents were dominated by middle-aged 40–49-year-olds, who accounted for 43.14%. The younger generation up to 30 years of age accounted for almost one fifth (18.63%) and the age category of 50+ years accounted for more than one tenth (11.76%). Most respondents have completed secondary education, of which higher (49.02%) and lower 19.61%. 31.37% of respondents had university education. Respondents with basic education in the survey were not represented. Employees predominate in the structure by activity category (61.76%). The second largest group consists of entrepreneurs, with a total of 24 (23.53%). We found lower representation in the students surveyed (7.84%), the unemployed (2.94%), the same in maternity leave (2.94%) and the least retired (0.98%).

The structure and assortment of respondents' purchases is strongly influenced by the financial situation of their households. Almost half (47.06%) of respondents live in households with monthly income from 1001 to 2000 euros (47.06%), one third (34.31%) declared income to 1000 euros and only less than one fifth (18.63%) is more than 2000 euros.

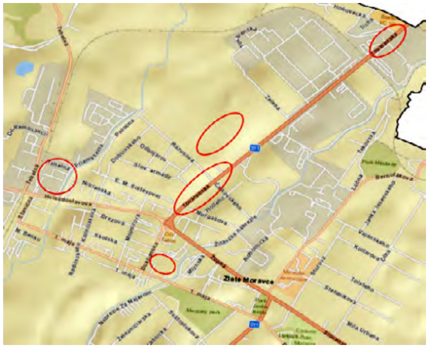
RETAIL NETWORK OF ZLATÉ MORAVCE TOWN AND ITS SPECIFICS

Zlaté Moravce as the center of the district and the historical center of Horné Požitavie provides business services not only for its own population, but also for 33 villages of its background (29,168 inhabitants). This small town with 12,145 inhabitants (in 2018, Municipal office, Zlaté Moravce) has a relatively well developed retail network consisting of 220 stores with a sales area of 28,802 m². The average value of the area parameter (PASF) of the city is very high with 2371.51 m² of sales area per 1000 inhabitants (2018). According to the minimum equipment standards (Vitkova 2001) for cities with 100,000 inhabitants, retail saturation values are 800 m² / 1000 inhabitants and abroad from 750 to 2500 m² / 1000 inhabitants. In a 2005 work, Szczyrba states that the EU cities have set a standard of 1000 m² of sales area / 1000 inhabitants. Even in comparison with the latest data for European states, it can be stated that Zlaté Moravce with the achieved value of 2371.51 m² of sales area / 1000 inhabitants. According to the latest survey (GfK, 2019), Europe-wide sales growth peaked with a steady annual security of 1.13 m² per capita, which in our opinion is 1130 m² / 1000 inhabitants. In this context, it seems that the construction of hypermarket Kaufland in Zlaté Moravce was not necessary at all. The current state of the retail network of the town reflects two stages of development – before 1989 (socialist period) and after 1989. Therefore, we divided the retail zones into: i) old, established before 1989, ii) new, established after 1989.

Both types of these zones are permanently dynamically reshaped according to changed consumer requirements. The dominant part of the retail units of the old zones is concentrated in the downtown with the traditional retail network, in addition to the grocery stores selling various kinds of goods such as clothing, footwear, electronics, books, hardware, florist, goldsmith, textile, sides of the main (Župná) street, which leads to the small square of Andrej Hlinka (Fig. 1).

The square of the center is known every year by the traditional Zlaté Moravce fair. On the square and its side streets after the revitalization after 1989, respectively are being restored commercial spaces in former residential yards. The "Janko Kráľ Court" now houses several stores mostly with clothing, sporting goods and electronics, which in the past served as a housing and warehouse space (Fig. 2). In addition to the revitalization of the downtown, it is also densified by retail operations and service facilities.

Source: Horná, 2019



Source: Horná, 2019

Fig. 1: Retail Zone Location in Zlaté Moravce

Old Zones of Zlaté Moravce town (before 1989)

New Zones of Zlaté Moravce town (after 1989)

Source: Pečadný, 2017

Source: Horná, 2019

Fig. 2: Janko Kráľ Court before 1989 and today

Janko Kráľ Court in 1949

Janko Kráľ Court at present

E. g. a free market place, known as "mexikoplac", was created in the open space after the redeveloped family houses next to the bus station. The year-round market offers, besides seasonal fruit and vegetables, flowers and seedlings, also local products and in the last 20–30 years also cheaper textiles, clothing and footwear. Before the establishment of this marketplace, the same function was fulfilled by the spacious road in the upper part of Janko Kráľ Street, parallel to Župná Street. The local market was twice a week and focused on selling local, mainly food products, fruits, vegetables. At the beginning of the 21st century, the construction of Coop Jednota, with a sales area of 1,500 m^2, made this purchasing activity possible under new supermarket conditions.

After 2004, the retail network of the town was supplemented by the construction of operations of foreign retail chains Billa (2005), Tesco, Lidl, Kaufland (2016) and others with industrial products. These new retail facilities were built either on the plots after the settling of outdated and unmanaged housing stocks with gardens within the town or on agricultural land in the case of Kaufland and Vendo Park. In the immediate vicinity of the center, a supermarket Billa (1,200 m^2) was built at the bus station (partly on its former land and sanitation areas of non-adaptable houses). In a short time, the Tesco hypermarket (3000 m^2, Fig. 3) was added nearby, thus completing the space with the "socialist" Department Store Tekov (now also the Lidl store with 1440 m^2 is inside) and Department Store Centrum Žitava (now the headquarters of another Coop Jednota store).

Source: Pečadný, 2017

Fig. 3: Location of Tesco hypermarket

Original space

Source: Pečadný, 2017

Hypermarket Tesco at present

There are parking lots for both large-scale food new buildings. This "capitalist" completion was spontaneous, inconsistent with the land-use plan, and the formerly continuous, more or less uniform, green-lined housing estate was replaced by industrial-looking ground-floor halls surrounded by concrete areas. The resulting architectural-urbanistic impression is a broken picture of a formerly charming town despite additional efforts by the municipality to remedy (planting roses and greenery in public areas of the main street).

The largest retail area of 3642 m^2 has a Kaufland hypermarket in the newly built Vendo Park shopping area on the outskirts of the town between sports facilities and an older industrial zone (former Calex). There were also other specialized stores of consumer goods such as Teta drugstore, Deichmann, Planeo electro, Gate, Kik, Tedi, Pepco, motor vehicle stores (Beka Moto, Autoextra, Amax) and others.

SHOPPING BEHAVIOR OF INHABITANTS OF ZLATÉ MORAVCE

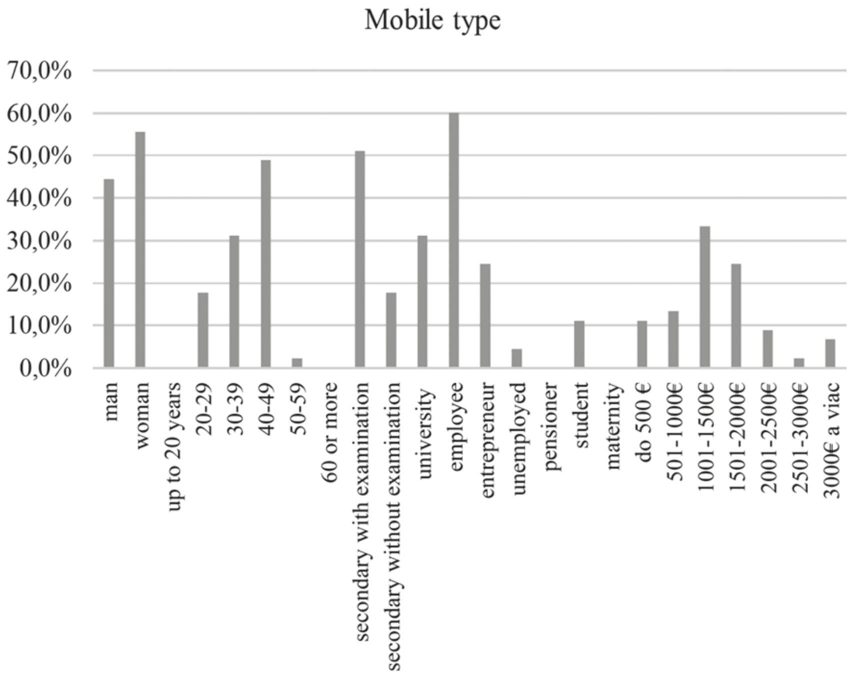
Consumer purchasing behavior is influenced by several factors such as gender, education, employment, religion, nationality, lifestyle, solvency, etc. The volume and value of the resulting purchase is also influenced by other factors such as location, price, product range, store availability, opening hours, parking spaces, sales culture, real household income, and others (Trembošová et al., 2016). A number of other objective and subjective factors influence purchasing behavior, so the respondents were given the option at their discretion to be included in one of the seven submitted consumer sub-types. Most of the respondents (66.67%) were included in the modern type of shopping, consisting of mobile, demanding, influenced subtypes. The traditional type includes conservative, savvy, loyal and undemanding buyers. Conservative, saving and loyal type of consumer, which is represented in the structure of respondents by a relatively balanced share (7.8%), slightly exceeds the undemanding type.

Mobile type

Consumer purchasing behavior is influenced by several factors such as gender, education, employment, religion, nationality, lifestyle, solvency, etc. The volume and value of the resulting purchase is also influenced by other factors such as location, price, product range, store availability, opening hours, parking spaces, sales culture, real household income, and others (Trembošová et al., 2016). A number of other objective and subjective factors influence purchasing behavior, so the respondents were given the option at their discretion to be included in one of the seven submitted consumer sub-types. Most of the respondents (66.67%) were included in the modern type of shopping, consisting of mobile, demanding, influenced subtypes. The traditional type includes conservative, savvy, loyal and undemanding buyers. Conservative, saving and loyal type of consumer, which is represented in the structure of respondents by a relatively balanced share (7.8%), slightly exceeds the undemanding type (Graph 1).

The mobile consumer profile is a respondent employee in the middle age category with upper secondary education and household income of between € 1001 and 2000.

Graph 1: Modern types of customer purchasing behavior – mobile type

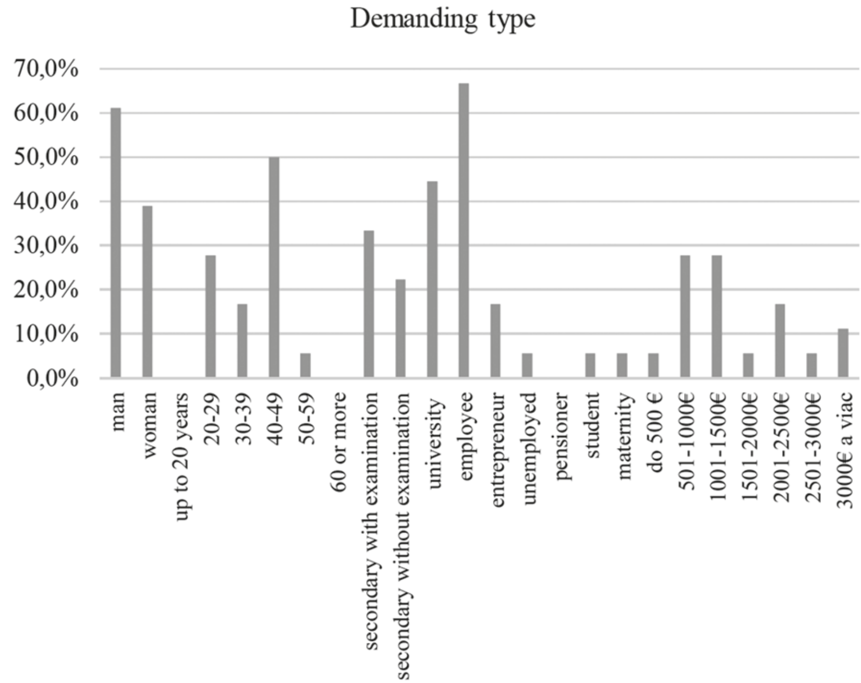


Demanding type

It is the second largest type of buying behavior of our sample surveyed. Up to 17.65% of respondents belong to a demanding subtype of a customer with high demands on the quality of goods and shopping comfort. He participates in modern purchasing behavior by one quarter. Unlike other types, more men than women applied for the demanding type. The ratio of men to women reached 61.11: 38.89. Men have greater demands on comfort than women, although they generally shop less than women. As in the previous type, half of the respondents were in the middle age group (40–49 years). Respondents aged 20 to 30 (27.78%) were more prominent than respondents aged 30–39, and older were only 5.56% of this survey sample. Most of the respondents achieved university education (44.44%) and secondary education with graduation (33.33%). 17.78% of those surveyed had lower secondary education. As in other types, the demanding type is dominated by employees (66.67%). Entrepreneurs achieved the lowest share (16.67%) in this structure compared to other types. Other groups by job classification are balanced (5.56%). The income of households of the demanding type of respondents is relatively balanced – up to 1000 euros, one third of respondents has, similarly to the income groups € 1001–2000 and 2000 and more. 5.56% of respondents in the group have less than 500 euros. The numerous equilibrium of individual groups according to income indicates that even a person with a lower income household can be demanding on the quality of goods, environment, sales culture, etc. and not just the price of each product. He probably buys less and better. Richer consumers are inherently more demanding, more interested in buying high-quality, luxurious and fashionable products (Graph 2).

The profile of the demanding type of consumer is a respondent employee in the middle age category with university education and household income of € 1001–2000.

Graph 2: Modern types of customer purchasing behavior – demanding type

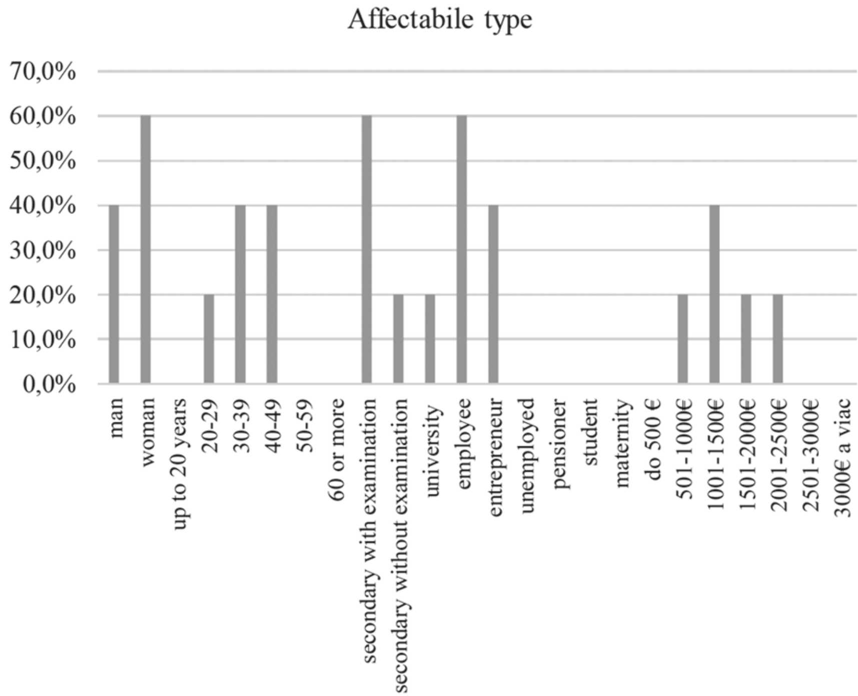


Affectable type

It is the third type of modern customer behavior. It is the least represented in the total survey sample with 4.9%. It is characterized by impulsive shopping the customer buys stock goods under the influence of advertising. Women are more influential than men in buying. In terms of gender structure, the type is characterized by a prevalence of women to men of 60: 40%, as well as a balanced representation of the age groups of 30–49 years. Of the other cohorts, only the 20–39year group (20%) is represented. Respondents with secondary education with graduation (60%) prevail in the educational structure. Polls with university and secondary education are equally represented (20%). The structure by occupation is dominated by employees (60%), followed by entrepreneurs (40%). Other groups in the structure are not represented. In terms of household income, respondents (60%) dominate the household income group from € 1001 to 2000. The other two groups of households by income are represented by the same proportion of respondents (20%).

The respondent's profile is influenced by a middle-aged employee with a university degree and an income of € 1001–2000 (Graph 3).

Graph 3: Affectabile types of customer purchasing behavior



Conservative, saving, loyal, undemanding type

Consumers with these characteristics are among the traditional types of customer purchasing behavior. They have a relatively low representation in the survey group (8–10 respondents), so their opinions are only of an informative nature. Conservative, saving, loyal consumers reach the same share of 7.84% and the unpretentious type 9.8% of the whole surveyed sample.

In the group of the loyal type of respondents, women have a higher share, up to 87.5%. This type is characterized by frequent shopping in small quantities, preferring purchases in stores near the residence. It is preferred by respondents in the age groups 40–59, whose share in the sample of respondents is up to 87%. In terms of education, this type is characterized by upper secondary education with graduation (75%). Most of them are employees with regular household income ranging from € 500 to 2000.

The savings customer is represented by 7.84% of respondents. We can know it by minimizing expenses, buying mainly goods that it needs. Women also predominate in the group (62.5%), but the proportion of men is higher (37.5%) compared to the loyal type. It is characteristic for age groups from 30 to 59 years. Up to 87.5% of the respondents achieved secondary education with a school-leaving examination. As in the previous groups, the majority of respondents (75%) are employees of different sectors of the economy. Half of the respondents are in the income category of € 500–1000. It is the low incomes of households that make them more economical when shopping, they buy less and especially the necessary goods. This trend is also pointed out by Singh and Kathuria (2012), according to which people with lower incomes generally buy poor quality, not healthy, non-branded products.

Conservative customers are typically low in impulsive purchases, making rational purchases. They represent the same proportion as the previous two types (7.84% of respondents). It is also characterized by the prevalence of women whose ratio is 75:25 to men. They are fairly well represented in each age cohort. Conservative respondents are predominantly consumers with higher education (62.5%). Once again, employees and entrepreneurs have a significant role in the employment structure. Their households' income is dominated by a group of up to EUR 1000, in which respondents under 30 years of age have a more prominent position, whose incomes are lower.

The last type of this group is influential, which relates to 9.8% of respondents. A low-phlegmatic customer is characterized by the fact that he has no demands on the shop, prices are indifferent, he does not travel for shopping. It predominates more in men than in women. Two groups of 30–39 and 40–49-year-olds make up 80% of respondents. This group consists of employees (70%) with lower secondary education and household income of € 1001–2000.

CONCLUSION

Stormy, rugged, dramatic, unique, exponential growth of business networks in Central and Eastern European countries after the collapse of the socialist camp - in many words, many experts from abroad also refer to the changes so far under the "free market" (Meyer, 2005; Traill, 2006; Machek, 2012; Viniczai, 2015). Using the example of a small Slovak town, we have documented that the recent development of retail is directly "boundless". The achievement of the saturation parameters of retail facilities (2016) compared to the highly developed states of Europe shows that some regulation by local governments and the state was long overdue. Certainly, the retail facilities in Zlaté Moravce also provide services to many visitors from a wide neighborhood of neighboring or nearby villages. They come to the county town for work, study, for doctors or for official matters. A large part of the regularly recurring visits is mainly devoted to shopping activities. Such behavior has been encoded in people from a distant past, not only the socialist one, which has been accompanied by a lack of supply in the shops in general for a long time, but especially in small villages. In the district of Zlaté Moravce, the life out-the-settlements (Veľké Kostoľany and the surrounding area) still remains without any equipment, shops, health services, schools or other official institutions.

On the other hand, the current state of the retail network allows owners of foreign chains to increase their competitive pressure on traditional retailers of domestic origin.

By the end of the 20th century, Western countries' trade was highly developed, and the CEECs had the opportunity to apply everything positively in the area of retail development. Unfortunately, we have not been inspired at all in the field of regulatory mechanisms. Interestingly, the motives that decided multinational companies to enter the markets of post-socialist states include less restrictive, 'soft' or even absent local spatial planning rules and, on the other hand, expanding limits on the further development of retail outside the city in western countries. The case study confirmed the need to change our attitude regarding regulatory mechanisms in the field of retail facilities. It happens that even shortly after the construction of a new large shop, which can be situated in a lucrative location, the owner is forced to reduce costs by renting a part of the sales area to another user (eg Billa at the railway station in Bardejov). In this context, it seems that the construction of Kaufland in Zlaté Moravce was superfluous.

Analyzing the purchasing orientation of the Zlaté Moravce population, we found that the net monthly income of respondents' households is usually between 1001 and 1500 €. Up to 67% of respondents in Zlaté Moravce are shopping oriented in a modern fashion and the remaining 33% are traditional.

The profile of a typical consumer in Zlaté Moravce corresponds to an employed woman aged 40–49 with secondary vocational education. The results of this part of the paper are only informative, because for time reasons we were not able to provide a representative, sufficiently large sample for exploratory analysis.

Acknowledgement

This work was supported by the Slovak Research and Development Agency under the Contract No. APVV-18-0185.

References

Burt, S., & Sparks, L. (2003). *Competitive Analysis of the Retail Sector in the UK*. Retrieved from: https://dspace.stir.ac.uk/bitstream/1893/11832/1/Sparks_2002_Competitive_Analysis_of_the_Retail_Sector.pdf

GfK. (2019). *European Retail in 2019. GfK study on key retail indicators: 2018 review and 2019 forecast*. Retrieved from: *http://www.gfk-geomarketing.com/fileadmin/gfkgeomarketing/en/EN_European_Retail_Study_2019.pdf*

Goss, J. (1993). The Magic of the Mall. *Annals of the Association of American Geographers*, *6*(5), 12–14.

Horná, N. (2019). Špecifiká *maloobchodenj siete mesta Zlasté Moravce* (diploma thesis). Nitra: UKF v Nitre.

Kretter, A. (2006). Analysis of retail structure, amount and sale area in Slovakia in period of retail chains expansion. *International scientific days* 2006 (pp. 495–499). Nitra: Faculty of Economic and management SAU.

Leach, W. (1993). *Land of Desire: Merchants, Power, and the Rise of a New American Culture*. New York: Vintage.

Machek, M. (2012). Retail Market Structure Development in Central Europe. *Central European Business Review*, *1*(3), 22–27. Retrieved from https://cebr.vse.cz/pdfs/cbr/2012/03/04.pdf. https://doi.org/10.18267/j.cebr.27

Meyer, K. E. (2005). Probing Theoretically into Central and Eastern Europe: Transactions, Resources, and Institutions. *Journal of International Business Studies, 36*, 600–621.

Miller, D. (1995). *Acknowledging Consumption*. New York: Routledge.

Pečadný, P. (2017). *Zlaté Moravce kedysi* a *dnes*. Zlaté Moravce: Pavol Pečadný.

Singh, A., & Kathuria, L. M. (2016). Understanding drivers of branded food choice among low-income consumers. *Food Quality and Preference*, *52*, 52–61. https://doi.org/10.1016/j.foodqual.2016.03.013

Szczyrba, Z. (2005). *Maloobchod v ČR po roce 1989*. *Vývoj a trendy se zaměřením na geografickou organizaci*. Olomouc: PřírF UP.

Traill W. B. (2006). The Rapid Rise of Supermarkets? *Development Policy Review*, *24*(2), 163–174. https://doi.org/10.1111/j.1467-7679.2006.00320.x

Trembošová M., Dubcová, A., & Civáň, M. *(2016). Geografické aspekty maloobchodnej siete mesta Trnava* a *nákupné správanie jej obyvateľstva*. Nitra: FPV.

Vitková, Ľ. (2001). *Urbanistická ekonómia; ako faktor* územného *rozvoja*. Bratislava: STU.

Viniczai, A. (2015). Economic and Advertising trends in Central and Eastern and Easterna Europe. *Analysis, cannula report*. Retrieved from https://wecan.net/economic-and-advertising-trends-in-cee/

Zhrnutie

Búrlivý, robustný, dramatický, unikátny, exponenciálny rast obchodných sietí v krajinách štátov strednej a východnej Európy po rozpade socialistického tábora – takýmito slovami označujú doterajšie zmeny pod „taktovkou voľnej ruky trhu“ mnohí odborníci aj zo zahraničia (Meyer, 2005; Traill, 2006; Viniczai, 2015). Na príklade malého slovenského mestečka sme dokumentovali, že nedávny rozvoj maloobchodu je priam „bezbrehý“. Dosiahnutie parametrov saturácie obchodnou vybavenosťou (roku 2016) v porovnaní s vysoko rozvinutými štátmi Európy svedčí o tom, že určitá regulácia zo strany samospráv a štátu bola už dávno potrebná. Žiaľ v oblasti regulatívnych mechanizmov sme sa týmito štátmi vôbec neinšpirovali. Prípadová štúdia potvrdila nutnosť zmeny nášho postoja ohľadne regulatívnych mechanizmov v oblasti obchodnej vybavenosti. Stáva sa, že aj krátko po vybudovaní novej veľkoplošnej predajne, ktorá môže byť situovaná na priam

lukratívnom mieste, vlastník je prinútený znížiť náklady prenájmom časti predajnej plochy inému užívateľovi (napr. Billa pri železničnej stanici v Bardejove). V tomto kontexte sa zdá, že vybudovanie Kauflandu v Zlatých Moravciach bolo nadbytočné.