

*World SME Expo – Seminar, 4 December 2010*

# **Market Observations Europe**

Lore Buscher  
*Regional Director, Europe*

# Current business climate for Key Economies

## ● Germany

- Positive business climate for retail sector
- Expansion of domestic consumption

## ● France

- Moderate rise in business activity
- Subdued demand

## ● United Kingdom

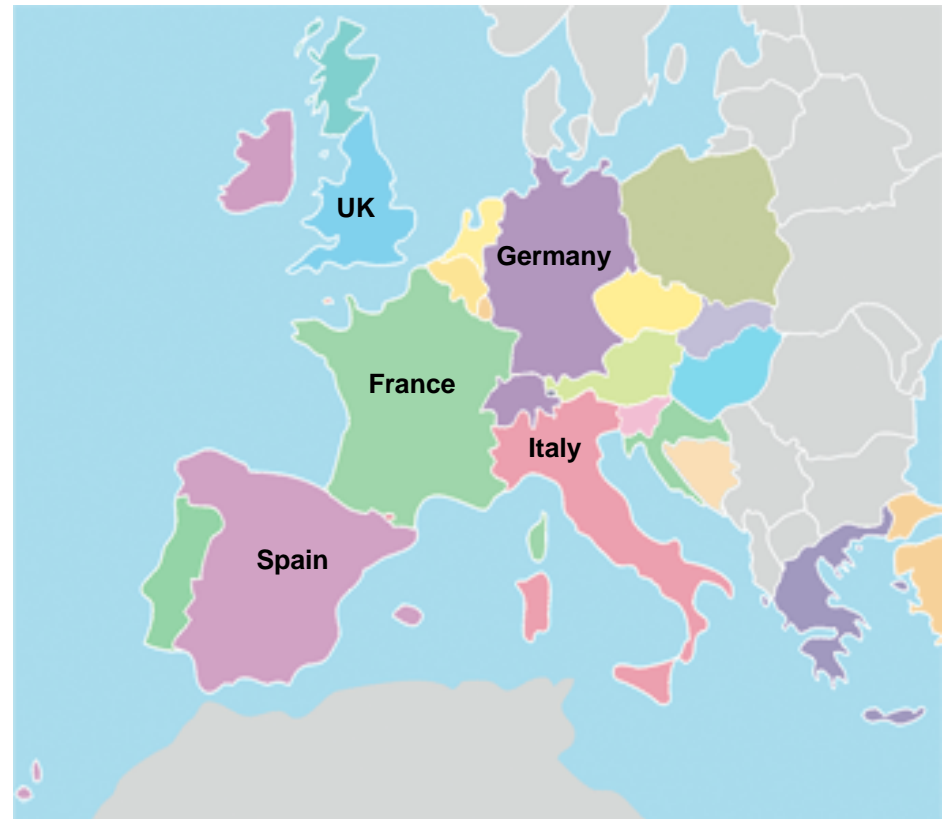
- Slowly emerging from recession
- Retail sales surprisingly robust

## ● Italy

- Moderate upturn and outlook
- Consumer confidence weak

## ● Spain

- Moderate outlook
- Stagnation of consumption



# Consumer behaviour

---

## ● Germany

### ➤ How

- Sector-dependent
- Price sensitive
- Willing to spend

### ➤ Where

- Use of multi-channel distribution
- E-commerce
- Discounters

### ➤ What

- Electronics and IT equipment
- Small domestic appliances
- Toys
- Green Products

# Consumer behaviour

---

## ● France

### ➤ How

- Purchase wiser
- “Low-cost” bargain deals
- Pay more for well-being

### ➤ Where

- Factory Outlets
- Internet

### ➤ What

- Electronic household goods
- Toys and baby clothing
- Organic food
- Senior market products

# Consumer behaviour

---

## ● United Kingdom

### ➤ How

- Polarization between luxury and discounter products

### ➤ Where

- Discounters
- “Non-food non-store sales”

### ➤ What

- Clothing and footwear
- Mobiles
- Top-end brands

# Consumer behaviour

---

## ● Italy

### ➤ How

- Search for low cost products
- Willing to spend more in certain areas

### ➤ Where

- Outlet fashion centres
- Temporary stores

### ➤ What

- “Low-cost” products
- Children’s wear sector
- Pet products
- Organic food

# Consumer behaviour

---

## ● Spain

### ➤ How

- Cost-conscious
- Preference of distributor brands
- Demanding in service

### ➤ Where

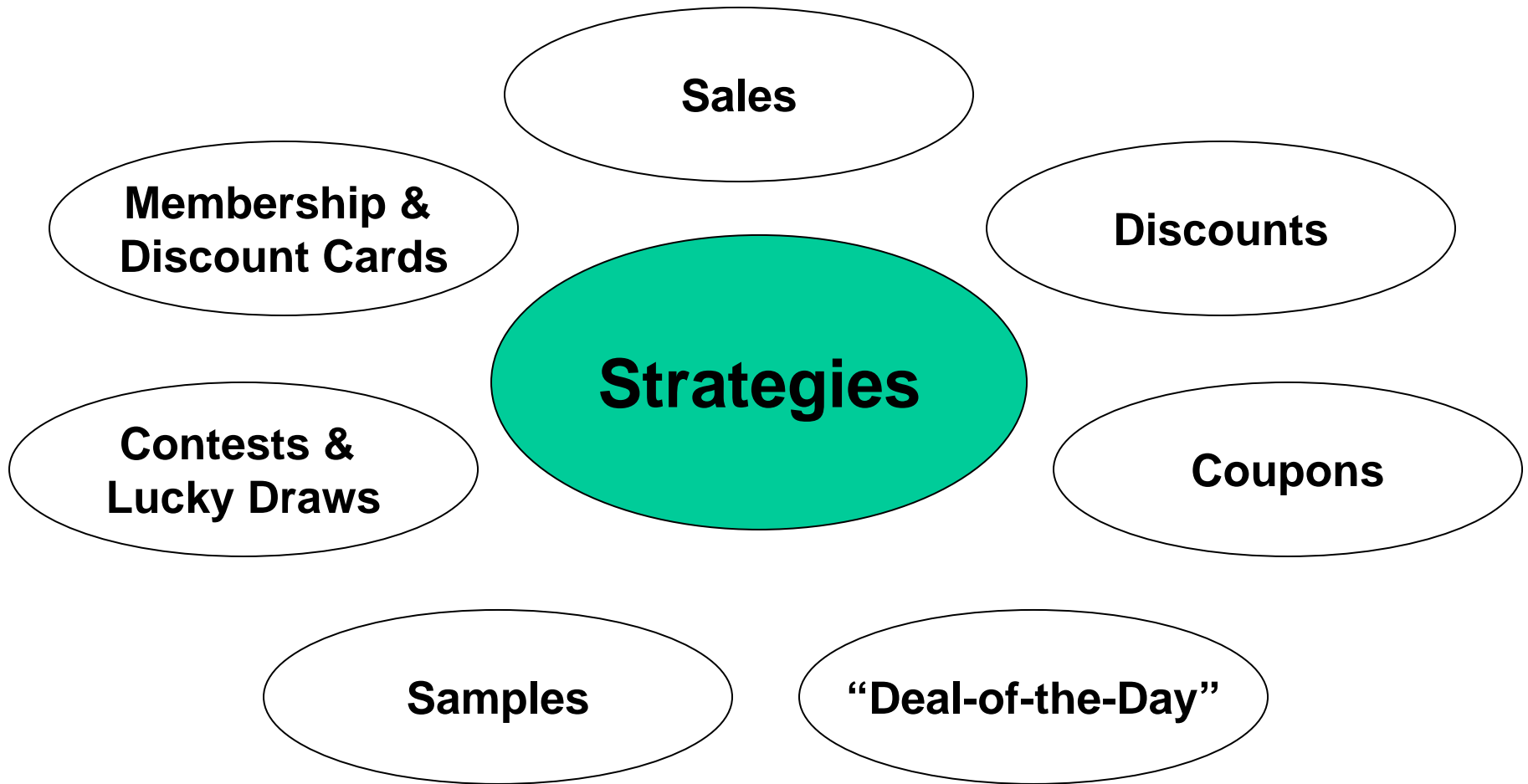
- Traditional shops
- Hypermarkets/Supermarkets
- Internet

### ➤ What

- Clothing
- Technology products
- Home products

# Retailers' strategies

---





# Expectations for the future

---

## Consumers

Willing to spend  
on good quality

Look for  
brand products

Spend on  
luxury items

Look for bargains &  
good deals

Wait to get  
good price

## Retailers

Respond to consumers  
preferences

Expand their  
promotional tools

Remain cautious

Positive about  
future sales

# Opportunities for Hong Kong companies

---

- ➡ Capitalize in product sectors with potential
- ➡ Raise the value chain in high-end, branded products
- ➡ Deliver quality and safety in bargain products
- ➡ Explore internet shopping
- ➡ Emphasize eco-friendly production and ethical standards

# HKTDC European offices

---

## BARCELONA CONSULTANT

Muntaner, 240 5-2

08021 Barcelona, Spain

Tel : (34)-93-236-0930, (34)-93-236-0944

Fax : (34)-93-236-0944

## BUDAPEST CONSULTANT OFFICE

Szena ter 1/A.

1015 Budapest, Hungary

Tel. 36-(1) 224 77 66

Fax 36-(1) 224 77 69

## FRANKFURT OFFICE

Kreuzerhohl 5-7

D-60439 Frankfurt

Tel.49-(069) 9 57 72-0

Fax 49-(069) 9 57 72-200

## ISTANBUL CONSULTANT OFFICE

Teyyareci Suphi Sok. No 17/1

D5 Arnavutkoy 34345 Istanbul, Turkey

Tel: (90)-212-287-4678

Fax: (90)-212-287-0120

## LONDON OFFICE

16 Upper Grosvenor Street

GB-London W1K 7PL

Tel. 44-(020) 7616 9500

Fax 44-(020) 7616 9510

## MILAN OFFICE

Via Orefici, 2

I-20123 Milan

Tel. 39-(02) 865 405

Fax 39-(02) 860 304

## MOSCOW CONSULTANT OFFICE

Energetičeskaya St., 6

RUS-Moscow, 111116

Tel. 7-(495) 918 15 50

Fax 7-(495) 956 05 52

## PARIS OFFICE

18, rue d'Aguesseau

F-75008 Paris

Tel. 33-(01) 4742 4150

Fax 33-(01) 4742 7744

## PRAGUE CONSULTANT OFFICE

Na Berance 2

CZ-160 00 Praha 6

Tel. +420 233 32 35 14

Fax +420 222 81 22 83

## STOCKHOLM CONSULTANT OFFICE

Norrlandsgatan 12, 4th floor

111 43 Stockholm, Sweden

Tel : (46)-8-411-5690

Fax : (46)-8-551-112-21

## WARSAW CONSULTANT OFFICE

Ul. Pulawska 12A

PL-02-566 Warsaw

Tel. 48-(22) 849 6068

Fax 48-(22) 646 9450