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TRENDS IN THE TOP RETAIL TRADE IN ROMANIA

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Abstract

The paper analyzed the retail trade in Romania during the last decade, 2008-2017, pointing out the performance achieved by the top 10 retailers Kaufland, Carrefour, Lidl, Auchan, Mega Image, Profi, Metro, Selgros, Rewe and Cora Hypermarket, based on the number of stores, turnover, net profit, market share and average number of employees. Romanian market proved to be a good business environment for retailers as long as consumption is increasing determined by the growth of wages and reduction of VAT. Both hypermarkets, supermarkets, discount stores and minimarkets have appeared on Romania's map and their number continue to grow as expected in the near future. The number of square meters commercial space per inhabitant is enough high as long as Romanians like shopping. For this reason, the retailers have to develop new strategies to strengthen their business and cover much better consumers' needs. Important efforts should be made to develop the minimarket network in the smaller cities and even in the rural localities, the commercial space should be modernized and offer a pleasant and attractive environment for shopping, e-commerce should be extended as a modern purchasing alternative, the offer should be diversified including more Romanian products as preferred by consumers, organic products should be more visible on the shelves which have to offer healthy products to the clients, a more intensive advertising should be useful for a better information of the consumers and for increasing sales and profit of the retailers.

Key words: *top retail, turnover, net profit, market share, trends, Romania*

INTRODUCTION

The modern trade is a complex, integrated and flexible system consisting of a large range of subsystems such as: retail network, wholesale network and import-export commercial trade which are operating on various markets.

The trade has a more and more important role in the regulation of the market mechanisms, the offer/demand ratio, in the strategic development of the modern economy and also for satisfying the best the population's needs in various goods and services [15, 18, 24].

Retail commerce plays the key role at the end of the movement of goods, achieving the resale of goods ready to be used in small amounts by various categories of beneficiaries for the purpose of supply consumers or end-users. It suposes three processes strongly interconnected: supply, storage and sale of goods to the final consumer. To fulfil its role, the retail trade develops close relationships with the producers and wholesalers informing them on the market needs, and informing the consumers on what they need to buy to satisfy the best their requirements.

The retail network is continuously developing, and new strategies are adopted regarding the market requirements, consumers' needs, emplacement and dimension of the commercial spaces, the types of shops (hypermarket, supermarket, discount, minimarket etc), logistics, distribution of goods, selling forms, the internal organization of the selling space, the volume, structure and quality of the offer of goods, the merchandising techniques, the puchasing environment, advertising, e-commerce in order to attract more clients, increase consumption, sales and profit [19].

The retail market is increasingly competitive, a challenge for any company which is looking after a higher number of clients, turnover and profit.

The development of the retail market at the world level is consequently watched and assessed by specialized services firms, which establish every year the hierarchy of the largest retail companies.

In 2016, the top 10 retailers worldwide in the decreasing order of their revenue in US Billion, were: Wal-Mart Stores, Inc (482.1), Costco Wholesale Corporation (116.2), The Kroger Co. (109.8), Schwarz Unternehmenstreuhand KG Germany (94.4), Walgreens Boots Alliance, Inc. (89.6), Home Depot, Inc. US (88.5), Carrefour S.A. France (84.9), Aldi Einkauf GmbH & Co. oHG Germany (82.1), Tesco PLC UK (81), Amazon.com, Inc US (79.2) [14].

Despite that Walmart, the US Company is on the top at the world level, many European companies occupy an important position among the top 50 based on their revenue achieved in 2016 in US Billion. It is about Schwarz Group, Germany ranked the 4th in the world (99.2), Aldi Group Germany ranked the 8th (84), Carrefour France ranked the 9th (84.1), Ahold Delhaize, Netherlands ranked the 14th (68.9), Metro AG Germany ranked the 16th (64.8), Auchan Holding SA France ranked the 18th (57.2), Edka Group German ranked the 19th (53.5), Rewe Group Germany ranked the 22nd (44.6), Casino Guichard-Perrachon S.A. France ranked the 24th (39.8), and Centres Distributeurs E. Leclerc France ranked the 25th (39.6) [6].

In Europe, the retail sector is dominated by 15 companies, whose position based on the decreasing level of their turnover in Euro Billion is: Schwarz Germany (97.), Aldi Germany (59), Carrefour France (57), Tescu UK (56), Edeka Germany (56), Rewe Germany (54), Amazon USA (45), E Leclerc France (37), Les Mousquetaires France (37), Auchan France (34), Metro Germany (33), Sainsbury UK (33), Asda Walmart UK (25), Migros Switzerland (25) and Ahold Delhaize Netherlands (24) [11, 27].

In Romania, the most important retailers are: Kaufland, Germany, Carrefour- France, Lidl-Germany, Metro-Cash and Carry - Germany, Auchan SA France, Mega Image Belgium Delhaize, Selgros Cash and Carry France, Rewe Romania (Penny Market and XXL Mega Discount) Germany, Profi- Enterprise Investors Poland, and Cora France-Belgium [16].

In 2016, according to the balance sheets, the top 10 retailers in Romania reached all together Euro 10 Billion sales and Euro 321 Million profit. These figures are by 10 % higher and, respectively, by 15 % higher than the levels registered in 2015. These reflects how important are the retailers on the Romanian market to satisfy population's consumption especially with food and beverages and also proved that retailing is a good deal for the companies [26].

In this context, the purpose of the paper was the analysis of the top retail trade sector in Romania in the last decade, 2008-2017 in order to identify the current status and the main trends, as well as the principal directions of development in the future.

In this purpose, the financial status in terms of turnover, net profit and market share of the top 10 retailers operating in Romania Kaufland, Carrefour, Lidl, Metro, Auchan, Mega Image, Selgros, Rewe, Profi and Cora Hypermarket have been studied and the role of each retailer on the Romanian market was assessed by Point Method based on these three criteria.

MATERIALS AND METHODS

The study is based on a large range of information regarding the retail trade at the world level, but also in Europe in order to identify the main "players".

Also, for characterizing the top retail trade in Romania, various information sources were used to create a comprehensive image on the retail business operated by the top 10 retailers: Kaufland, Carrefour, Lidl, Metro, Auchan, Mega Image, Selgros, Rewe, Profi and Cora Hypermarche.

In this purpose, three financial indicators: sales, net profit and market share were analyzed in their dynamics in the period 2008-2017 in order to identify the main trends for the business developed by each top retailer on the Romanian market.

The financial data have been collected from the balance sheets of the 10 retailers, and then they were tabled and processed.

For each financial indicator it was established the cumulated value during the whole interval

of analysis, as well as the average for the same period.
The statistical average was determined using the formula:

$$\bar{X}=\frac{\sum_{i=1}^{n} x_i}{n}$$

x_i= the financial indicator analyzed separately for each retailer, where i=1,2,3 for sales, net profit and market share, in their evolution for the year 1,2,3...n;
n= 10, the number of top retailers taken into consideration.
Finally, it was established the hierarchy in the final year of the analysis, 2017, for the top 10 retailers based on the three criteria: sales, net profit and market share, using the Point Method. In this purpose, there were allocated points in the scale 1-5 for each criterion, 1 point meaning the 1st position, 2 points meaning the 2nd position a.s.o. Then the points for each criterion were added. Based on the cumulated points, it was assessed the decreasing order of the retailers, establishing at the end their new positions.
The results were tabled and also illustrated in suggestive graphics. Finally, the main trends identified in this study were presented in the paragraph of conclusions.

RESULTS AND DISCUSSIONS

A brief presentation of the retail sector in Romania

The increase of wages and pension point, the reduction of VAT from 24 % to 19% and even to 9 % for the delivery of food and beverages destined to human consumption etc, and the growth of the employment have determined a higher consumption of the population and, as a consequence the raise of sales and profit of the retailers.
The higher sales and profit have been an opportunity for extending the retail market in terms of new hypermarkets, supermarkets and minimarkets, and new square meters for the commercial surface, the improvement of the merchandising techniques and creating a more pleasant environment for shopping.
The largest retailers operating in Romania are: Kaufland, Carrefour, Lidl, Metro, Auchan, Mega Image, Selgros, Rewe, Profi and Cora Hypermarche.
Kaufland was founded in Romania in 2003. Together with Lidl, it belongs to Schwarz Gruppe, a huge German hypermarket chain. It operates more than 1,250 stores in Germany, Czech Republic, Slovakia, Poland, Romania, Bulgaria, Rep. of Moldova and Australia.
In 2017, it had in Romania 119 stores, its sales accounted for Lei 10.88 Billion and the net profit for Lei 670 Million, these being the highest levels reached during the last 10 years. Its market share in 2017 was 7.58 % and the average number of employees is 13,519.
Kaufland is the top retailer in Romania during the last 5 years and for its best services for its clients, it received the distinction "Customers Friend" from the International Institute ICERTAS [8, 26].
Carrefour SA is a French multinational retailer, one of the largest hypermarket chains in the world. It has over 12,300 self-service shops of which 1,528 hypermarkets and 456,000 employees worldwide. It operates in 30 countries in Europe, the Americas, Asia and Africa.
In Romania, Carrefour branch was founded in 1999 and since that time it has continuously developed its network, which at present consists of 317 stores, of which 33 hypermarkets, 231 supermarkets and 42 Express and 10 Contact proximity shops, and an online shop: www.carrefour-online.ro. In 2016, Carrefour bought Billa network including 86 supermarkets, a decision which has strengthened its business.
In 2017, Carrefour Romania registered Lei 6.7 Billion sales, Lei 209.7 Million net profit, 5.07 % market share and 9,939 average number of employees [2, 4, 26].
Lidl Stiftung & Co. KG is a German discount supermarket chain, operating over 10,500 stores in Europe and the USA. It has stores in almost all the EU countries, except Latvia and Estonia, and it is also present in Serbia and Switzerland. Together with Kaufland, it belongs to Schwarz Gruppe.
In Romania, Lidl came in 2007, and since that time it established a strong network of over 200 discount stores. In 2010, it bought Plus

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stores, which have contributed to the extent of Lidl network. In 2017, Lidl recorded Lei 6.5 Billion sales, Lei 352.7 Million net profit, 0.01 % market share and 4,815 average number of employees [9, 26].

Metro Cash and Carry is a German international self-service wholesaler operating in Europe and also in some Asian and Northern African countries. Compared to Carrefour and Kaufland, its business is targeted especially towards professional customers, but also in a smaller measure to final consumers. It operates in over 2,000 locations in 32 countries.

Metro was the 1st international wholesaler-retailer which was founded in 1996 in Romania, at present having over 30 units.

It occupies the 4th position in Romania after Kaufland, Carrefour and Lidl, based on its turnover. In 2017, Metro registered Lei 4.72 Billion sales, Lei 116.1 Million net profit, 19.88 % market share and 3,908 average number of employees [13, 26].

Auchan SA is a French international retail group and a multinational corporation. It owns 639 hypermarkets and 2,874 supermarkets, and has over 338,000 employees worldwide. It is operating in France and other 15 countries: China, Hungary, India, Iraq, Italy, Luxembourg, Poland, Portugal, Romania, Russia, San Marino, Spain, Ukraine and Vietnam.

In Romania, Auchan came in 2005, and at present it has 33 hypermarkets totalizing 280,000 squares meters commercial spaces. Its business was enlarged in 2014, when Auchan purchased 20 Real hypermarkets from the German Group Metro

In 2017, Auchan registered Lei 5.22 Billion turnover, Lei 74.99 Million net profit, 3.93 % market share and 9,290 average number of employees. Despite that its turnover increased, in some years during the last decade, Auchan registered losses, but since 2016, it has recovered [1, 26].

Mega Image is a chain of proximity supermarkets established in Romania since 1994. It belongs to Ahold Delhaize Dutch Company. It operates 599 stores in Bucharest, Brasov, Cluj-Napoca, Constanţa, Ploieşti, Braşov, Timisoara, Târgovişte and other cities under the brands Mega Image, Shop&Go, and Gusturi Românești (Romanian tastes).

In 2017, Mega Image recorded Lei 4.91 Billion turnover, Lei 201.77 Million net profit, 3.69 % market share and 9,313 average number of employees [5, 12, 26].

Selgros is a large cash & carry network in Europe owned by Coop Switzerland. It has over 96 supermarkets in Switzerland, Germany, Austria, Poland, France, Romania and Russia. In Romania, Selgros was open the 1st time in 2001 in Brasov, and at present it has 22 hypermarkets, in Brasov, Bucharest, Constanta, Targu Mures, Timisoara, Iasi, Craiova, Arad, Oradea, Ploiesti, Bacau, Suceava, Galati, Braila, Alba Iulia and Bistrita.

In 2017, Selgros registered Lei 3.64 Billion sales, Lei 48.81 Million net profit, 15.32 % market share and 4,341 average number of employees [25, 26].

Rewe Group is a German diversified retail and tourism cooperative, consisting of a network of independent retailers. Besides Edeka, the Rewe Group is the 2nd largest supermarket chain in Germany. It operates in 15 European countries and has over 12,000 stores.

Rewe came in Romania in the year 1999, when it opened the 1st Billa store in Bucharest, in 2001 it brought Selgros opening the 1st store in Brasov and then in 2005 it extended the Penny market network.

At present it operates many Penny market Discount and XXL Mega Discount stores. In 2018 it opened 25 new Penny markets and its target is that in 2015 to reach 400 discount stores in Romania.

A significant fact is that Penny markets commercialize 60 % Romanian products contributing to the development of agro-food sector and a better consumers' satisfaction [22].

In 2017, Rewe Romania registered Lei 2.99 Billion turnover, Lei 19.1 Million net profit, 2.25 % market share and 4,190 average number of employees [21].

Profi Rom Food SRL is a discount supermarket network spread in several European countries. At the beginning it was owned by Delhaize Group, then, the 67 supermarkets operating in Romania were bought by Polish Enterprise Fund VI (PEF VI), and in 2016, 500 Profi stores were purchased by MEP Retail Investments, which is part of the Mid Europa Partners [3].

At present, Profi owns around 800 proximity stores in Romania where it sells a large range of more than 5,000 food and non-food products. In order to satisfy consumers need in the cities and in the rural areas as well, it operates units in the standard, city and loco formats. [3].

In 2017, Profi Romania registered Lei 4.73 Billion turnover, Lei 130.86 Million net profit, 3.56 % market share and 11,662 average number of employees [20].

Cora Hypermarket is a retail group of hypermarkets with locations in France and elsewhere in Europe. It operates in France, Belgium, Luxembourg, Romania, Egypt and Bahamas, owning 91 stores.

Cora came in Romania in in 2002, and in 2018 it has only 11 hypermarkets, 4 in Bucharest, and the remianing in Constanta, Cluj Napoca, Baia Mare, Ploiesti, Bacau, Drobeta Turnu Severin. It is the least extended retail network in the local commerce.

The sales had an ascending trend during the last decade, but the company got profit till the year 2012 and then it registered important losses in the period 2013-2016. However in 2017, it ended the financial year with profit.

In 2017, Cora Romania registered Lei 1.77 Billion turnover, Lei 3.74 Million net profit, 1.33 % market share and 3,951 average number of employees [23].

The huge networks of stores reflect that Romanian market is a good opportunity for the development of retail trade sector.

Besides the large stores hypermarkets and supermarkets it was opened and continue to be created a new network of minimarkets which has proved its utility and efficiency during the last years.

Among the most active retailers from this point of view there are Profi, Mega Image, Lidl and Kaufland which proceeded to the extent of the proximity network in various districts of the capital and in other cities in the country as well.

However, the minimarkets of proximity sell the goods at a price by 17-20 % higher than in hypermarkets or supermarkets [7].

The number of minimarkets per inhabitant has intensively increased, placing Romania next to Turkey, Russia, France and Italy, but not enough to reach the average level in the EU.

The retail market, especially food retail market, in Romania accounted for about Euro 40 Billion, of which Kaufland, Carrefour, Metro and Auchan all together have 60 % market share.

A special attention has been paid to the products of Romanian origin which are the most preferred by consumers, mainly regarding food and beverages. In this purpose, for enlarging the offer and the market segments, the retailers have developed a better partnership with their suppliers based on contracts concluded for a large range of products [17].

The largest retailers like Carrefour, Kaufland and others had the initiative to set up regional centres where the products carried out by the local producers to be collected.

More than this, the merchandising techniques have been permanently improved to attract more clients, a fact which is unanimously confirmed by the slogan that "shopping is a "sport" in Romania".

While Lidl and Profi pay more attention to the extent of the network in the smaller cities, Carrefour, Kaufland and Selgros are more oriented to the modernization and reorganization of the commercial spaces which stimulate consumers to spend more time for shopping. But, compared to other developed countries, where the large retail keeps 90 % of the market, in Romania this sector accounts for just 62.4 %.

E-commerce has become a more and more efficient tool for purchasing different goods being practiced especially by the clients who would like to save their time. From this point of view, Carrefour, Metro and Selgros have displayed online platforms which could be visualized by clients and from where they could choose, order and pay the products they need [28].

The dynamics of turnover of the top 10 retailers

The development of retail sector is confirmed by the positive evolution of the turnover of the top retailers in Romania.

The increasing trend from a year to another for all the top retailers reflects their continuous concern to develop their business and satisfy better consumers' needs. This aspect was stimulated by the increased consumption grace to the growth of the salaries and income/household in the last years.

The cumulated turnover in the analyzed period 2008-2017 allowed to establish the hierarchy of the retailers, which in the decreasing order is: Kaufland, Metro, Carrefour, Selgros, Lidl, Auchan, Mega Image, Rewe, Profi and Cora Hypermarche.

In the period 2008-2017, the turnover increased by +1,251.42 % for Profi, by +902.04 % for Mega Image, by +538.23 % for Lidl, by +411.76 % for Auchan, by +252.79 % for Kaufland, by +139.09 % for Rewe, by +77.36 % for Carrefour, by +20.40 % for Cora Hypermarche, by +15.18 % for Selgros. Despite that Metro is on the 2nd position, its turnover declined by 27.30 % in 2017 compared to 2008.

In 2017, the top 10 retailers all together achieved a turnover of Lei 51.34 Billion Lei, equivalent to about Euro 11 Billion. The importance of each retailer to this figure is given by their descending order: Kaufland, Carrefour, Lidl, Auchan, Mega Image, Profi, Metro, Selgros, Rewe and Cora Hypermarche (Table 1, Fig.1).

Table 1. The turnover dynamics for the top retailers operating in Romania, 2008-2017 (Lei Billion)

	Kaufland	Carrefour	Lidl	Auchan	Mega Image	Profi	Rewe	Cora Hypermarche	Metro Cash & Carry	Selgros Cash & Carry
2017	10.09	6.74	6.51	5.22	4.91	4.73	3.00	1.77	4.73	3.64
2016	9.69	5.67	5.58	4.90	4.32	3.55	2.86	1.74	4.35	3.30
2015	9.17	5.15	4.72	4.44	3.56	2.55	2.65	1.72	4.49	2.93
2014	8.00	4.56	3.89	3.77	2.81	1.84	2.33	1.71	4.48	2.83
2013	7.26	2.89	3.37	2.30	2.34	1.46	2.19	1.64	4.73	3.09
2012	6.44	4.29	-	1.97	1.76	1.16	1.93	1.46	5.03	3.43
2011	5.59	4.03	1.68	1.58	1.22	0.93	1.75	1.38	4.96	3.41
2010	4.67	3.92	1.45	1.50	0.88	0.62	1.62	1.37	5.28	3.22
2009	3.69	4.35	1.31	1.30	0.61	0.49	1.56	1.39	5.75	3.04
2008	2.86	3.80	1.02	1.02	0.49	0.35	1.26	1.47	6.01	3.16
Total 2008-2017	67.46	45.40	29.53	28.00	22.90	17.68	21.15	15.65	49.81	32.05
Average turnover 2008-2017	6.75	4.54	2.95	2.80	2.29	1.77	2.11	1.56	4.98	3.20
Turnover growth rate 2017/2008 %	352.79	177.36	638.23	511.76	1,002.04	1,351.42	239.09	120.40	78.70	115.18

Source: Own calculation based on the data from [1, 2, 8, 9, 10, 12, 13, 20, 21, 23, 25].

The dynamics of the net profit for the top 10 retailers in Romania

Kaufland, Carrefour and Profi registered profit every year in the analyzed period. The other retailers registered both profit and losses in this interval.

In 2017, Kaufland recorded Lei 670.3 Million net profit, being followed by Lidl with Lei 352.7 Million, Carrefour Lei 209.7 Million, Mega Image Lei 201.7 Million, Profi Lei 130.8 Million, Metro Lei 116.1 Million, Auchan Lei 74.9 Million, Selgros Lei 48.8 Million and Cora Hypermarche Lei 3.7 Million.

Taking into consideration, the profit obtained during the whole period 2008-2017, the hierarchy is the following one: Kaufland, Carrefour, Metro, Selgros,Mega Image, Profi, Lidl, Cora Hypermarche, and Rewe. Auchan is an exception as during the ten year of activity, 2008-2017, it achieved a loss of Lei -137.2 Million.

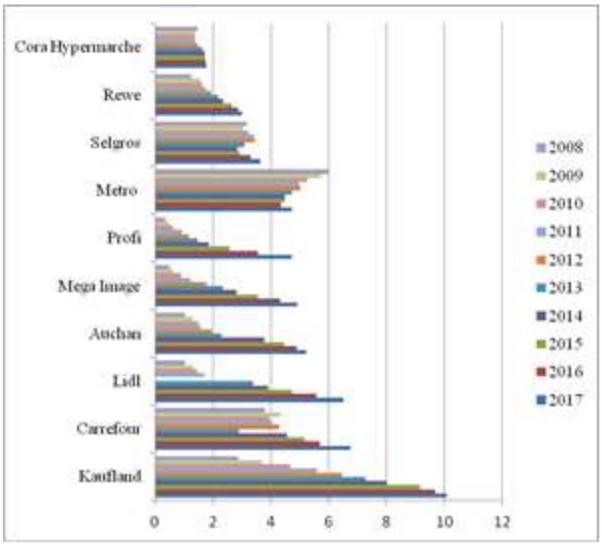

Fig.1.The dynamics of the top 10 retailers in Romania (Lei Billion)
Source: Own design based on the data from [1, 2, 8, 9, 10, 12, 13, 20, 21, 23, 25].

Metro also occupies the 3rd position with Lei 116.1 Million profit, despite that in 2014 it registered a loss of Lei -1.2 Million.

Selgros comes on the 4th position with Lei 690.5 Million profit. Compared to the net profit in the year 2008, Metro registered a profit lower by 37.72 % and Selgros a profit lower by 66.07 %.

The most difficult financial situation was recorded by Auchan, which in the period 2008-2017 registered Lei -137.2 Million losses. This was due to the cumulated profit of Lei 131 Million in 2012, 2015 and 2017, which could not cover the cumulated losses accounting for Lei - 268.2 Million in the other years.

Also, Lidl was facing financial difficulties. The whole net profit in the period 2008-2017 was Lei 247.6 Million. But the losses registered in the period 2008-2012 accounted for Lei - 675.1 Million and only in the period 2013-2017 it was accumulated a profit of Lei 923.5 Million.

Mega Image registered Lei 595.2 Million profit in the whole 2008-2017 period, but the cumulated losses in 2008 and 2009 accounted for Lei -16.9 Million.

The highest growth rate of the profit was registered in the analyzed period by Profi, as the profit level in 2017 was 186.85 times higher than in 2008, then comes Mega Image, whose profit increased 695.51 times and finally Kaufland with a profit 489.2 times higher than in 2008.

Rewe registered Lei 166.4 Million profit, but in 2012, it had a loss of Lei -6.5 Million.

Table 2. The net profit dynamics for the top retailers operating in Romania, 2008-2017 (Lei Million)

	Kaufland	Carrefour	Lidl	Auchan	Mega Image	Profi	Rewe	Cora Hypermarche	Metro Cash & Carry	Selgros Cash & Carry
2017	670.3	209.7	352.7	74.9	201.7	130.8	19.1	3.7	116.1	48.8
2016	653.3	164.1	217.7	-23.9	134.8	126.8	23.7	-5.8	103.4	25.2
2015	649.9	127.7	171.9	52.8	102.8	52.5	12.8	-39.8	35.4	43.2
2014	409.7	119.2	60.0	-61.7	55.7	27.3	11.4	-25.0	-1.2	15.2
2013	331.0	144.3	121.2	-90.5	55.1	26.8	0.5	-14.5	43.6	53.9
2012	274.5	104.7	-	3.3	46.7	13.1	-6.5	24.5	66.5	68.6
2011	167.6	133.7	-283.4	-7.1	13.1	13.2	5.1	39.9	95.2	86.7
2010	172.1	140.7	-247.4	-19.3	2.2	3.6	30.8	66.0	139.5	100.5
2009	78.8	88.0	-73.1	-41.0	-14.0	22.4	39.9	84.6	127.1	104.6
2008	13.7	74.1	-70.9	-24.7	-2.9	0.7	29.6	72.5	186.4	143.8
Total 2008-2017	3,419.9	1,306.2	247.6	-137.2	595.2	417.2	166.4	206.1	912	690.5
Average net profit 2008-2017	341.9	130.6	24.7	-13.7	59.5	41.7	16.6	20.6	91.2	69.0
Net profit growth rate 2017/2008 %	4,892.70	282.99	597.46	252.2	6,955.17	18,685.71	64.52	5.10	62.28	33.93

Source: Own calculation based on the data from [1, 2, 8, 9, 10, 12, 13, 20, 21, 23, 25].

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Cora Hypermarche registered Lei 206.1 Million profit in the period 2008-2017, but consisting of a cumulated profit Lei 291.2 Million in the period 2008-2012 plus 2017, and the losses totalizing Lei - 85.1 Million in the period 2013-2016 (Table 2, Fig.2).

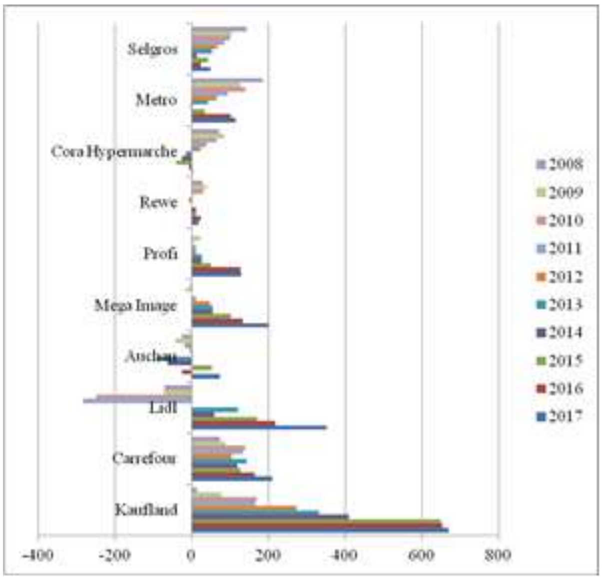

Fig.2.The dynamics of the top 10 retailers net profit (Lei Million)
Source: Own design based on the data from [1, 2, 8, 9, 10, 12, 13, 20, 21, 23, 25].

The dynamics of the market share for the top 10 retailers in Romania

The highest market share in 2017 was 19.88 % for Metro and 15.32 % for Selgros. However, while Metro recorded a general declining trend of the market share, Selgros registered an increased trend since 2014 after a decrease from 2011 to 2015.

Also, the other retailers in the decreasing order of their market share are: Kaufland 7.58 %, followed by Carrefour 5.07 %, Auchan 3.93 %, Mega Image 3.69 %, Profi 3.56 %, Rewe 2.25, Cora Hypermache 1.33 5 and Lidl 0.01 % (Fig.3, Table 3).

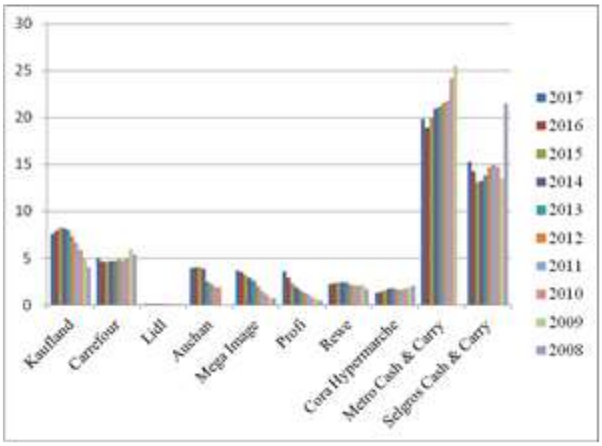

Fig.3.The dynamics of the top 10 retailers based on their market share (%)
Source: Own design based on the data from [1, 2, 8, 9, 10, 12, 13, 20, 21, 23, 25].

Table 3. The market share of the top retailers operating in Romania, 2008-2017 (%)

	Kaufland	Carrefour	Lidl	Auchan	Mega Image	Profi	Rewe	Cora Hypermarche	Metro Cash & Carry	Selgros Cash & Carry
2017	7.58	5.07	0.01	3.93	3.69	3.56	2.25	1.33	19.88	15.32
2016	7.92	4.64	0.01	4.0	3.54	2.90	2.34	1.43	18.89	14.29
2015	8.25	4.63	0.01	4.0	3.20	2.29	2.39	1.55	20.05	13.09
2014	8.19	4.67	0.01	3.86	2.88	1.89	2.39	1.75	20.98	13.24
2013	7.97	4.71	0.01	2.53	2.57	1.60	2.41	1.80	21.14	13.81
2012	7.31	4.87	0.01	2.24	1.99	1.31	2.19	1.66	21.53	14.65
2011	6.68	4.82	0.01	1.89	1.46	1.12	2.09	1.65	21.76	14.94
2010	5.91	4.96	0.01	1.90	1.12	0.78	2.05	1.74	24.13	14.72
2009	5.04	5.94	0.01	-	0.82	0.67	2.13	1.90	25.53	13.52
2008	4.04	5.36	0.01	-	0.68	0.49	1.77	2.07	-	21.42

Source: Own calculation based on the data from [1, 2, 8, 9, 10, 12, 13, 20, 21, 23, 25].

The classification of the top retailers based on their turnover, net profit and market share

In 2017, based on the criteria: turnover, net profit and market share, the decreasing order established by Points Method was the following one: Kaufland, Carrefour, Metro, Lidl, Mega Image, Auchan, Selgros, Profi, Rewe and Cora Hypermarche. One may notice that based on these three criteria, Lidl and Mega Image have cumulated the same number of points, 15, and consequently are ranked the 4th as seen in Table 4.

Table 4.The classification of the top retailers using the Point Method based on turnover, net profit and market share in 2017

	Points for:			Total points	Rank
	Turnover	Net profit	Market share		
Kaufland	1	1	3	5	1
Carrefour	2	3	4	9	2
Metro	6	6	1	13	3
Lidl	3	2	10	15	4
Mega Image	5	4	6	15	4
Auchan	4	7	5	16	5
Selgros	7	8	2	17	6
Profi	6	5	7	18	7
Rewe	8	9	8	25	8
Cora Hypermarche	9	10	9	28	9

Source: Own calculation.

CONCLUSIONS

Retail sector is among the most dynamic ones in Romania. The leaders in the field are: Kaufland, Carrefour, Lidl, Auchan, Mega Image, Profi, Metro, Selgros, Rewe and Cora Hypermarche.

The retail network has been continuously extended both in the capital and main cities, by creating supermarkets and mainly minimarkets of the proximity.

This trend will continue but being oriented especially to smaller cities and even rural localities with less than 15,000 inhabitants in order to bring goods, especially food and beverage closer to consumers. This policy will be practiced by Prof, which has been very active so far, but also, Mega Image, Carrefour and Auchan which have developed new shops and provided new square meters of commercial surface.

The techniques of merchandising should be improved in order to support a better interaction between clients and the commercialized goods.

The purchasing environment should be also modernized by creating new facilities in the buying process.

E-commerce should become an important tool for the modern consumer having at his disposal a computer or a smart phone to study the offer and order and pay online all he needs, in this way saving time for doing other things.

The retailers should expand their offer based on the contracts concluded with their suppliers. The diversification of the commercialized goods could develop new preferences and needs and increase the chance for selling and grow the turnover and profit.

The retailers should take into account that Romanian consumers prefer the products carried out by the local producers, and for this reason they have to increase the share of Romanian products in the offer structure. This is related not only to food (vegetables, fruit, eggs, meat and meat products, milk and milk products, bakery products) and beverages, but also to other products.

More than this, the modern consumer is much more interested to take care of his health and eat healthy food. Therefore, the shelves of the mini or supermarkets should offer a larger variety of organic products.

More information and promotion means are needed to help consumers to know what should they consume, how, when, how much, and which are the benefit for their organism.

Consumer's preference should be carefully watched in order to set up new and more effective marketing strategies in the retail sector.

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