

# **Monitoring of consumer habits in DIY segment Moscow, St. Petersburg**

## **Main results**

*Source: GFK ad-hoc research "Segment Monitoring of Consumer Habits in  
DIY Segment – Moscow, St. Petersburg", September-October 2005*

# Methodology

- Representative survey of Moscow and St. Petersburg residents
- Telephone interviews (CATI – Computer Assisted Telephone Interviews)
- Random sample – 1026 interviews (Moscow) and 1000 (St. Pet)
- Target group: household member, taking part in choice of DIY products
- Fieldwork: September-October 2005

# Management summary

- Consumers want wide range, quality (fit for purpose), affordable prices, brands and services (especially in St. Pet.).
- MARKETS are better at price, STORES at range, service and quality.
- About 80% of respondents undertook some DIY this year, with 28% using professional workers too.
- Satisfaction levels of visiting outlets are high, but in absence of better alternatives.
- **In Moscow** KASHIRSKIY DVOR and STARIK KHOTTABYCH are the leaders of DIY market in 2005: 31% of respondents bought from KD this year (awareness – 77%), 22% - from SK (awareness – 76%).
- **In St. Petersburg** MAKSIDOM is the absolute leader of the market with 95% awareness and 54% of purchases.

# Management summary

## Moscow DIY market. Competitors strengths/weaknesses

Competitor	Strengths	Weaknesses
Kashirsky Dvor	<ul style="list-style-type: none"> <li>the best known, popular POP, lots of clients</li> <li>high loyalty index</li> <li>good at prices and range</li> <li>good price/range of supplementary services</li> <li>win in the most part of categories</li> </ul>	<ul style="list-style-type: none"> <li>not very good shopping environment and service quality</li> <li>no understandable price tags</li> <li>doesn't guarantee high quality of goods</li> </ul>
Starik Khottabych	<ul style="list-style-type: none"> <li>well known, popular POP, famous store</li> <li>guarantee high quality of goods</li> <li>best shopping environment</li> <li>strong in many categories except garden, tools, electrical installation, household goods, lighting</li> </ul>	<ul style="list-style-type: none"> <li>not good at prices</li> <li>not good at price/range of supplementary services</li> <li>has no convenient large parking</li> </ul>
OBI	<ul style="list-style-type: none"> <li>good local awareness</li> <li>strong at garden, tools, electrical installation, household goods, lighting, linoleum and carpeting, sanitary</li> </ul>	<ul style="list-style-type: none"> <li>low awareness</li> <li>not good at prices</li> </ul>
Leroy Merlin	<ul style="list-style-type: none"> <li>good local awareness</li> <li>high loyalty index</li> <li>highest satisfaction level</li> <li>good at prices</li> </ul>	<ul style="list-style-type: none"> <li>low awareness</li> <li>not very good at service quality</li> </ul>

# Management summary

## St. Petersburg DIY market . Competitors strengths/weaknesses

Competitor	Strengths	Weaknesses
Maksidom	<ul style="list-style-type: none"> <li>▪ absolute leader of the market with 95% awareness and 54% of purchases.</li> <li>▪ the best known, popular POP</li> <li>▪ highest loyalty index</li> <li>▪ highest satisfaction level</li> <li>▪ gives good ideas for renovation</li> <li>▪ nice shopping environment</li> <li>▪ convenient large parking</li> <li>▪ win in all categories</li> </ul>	<ul style="list-style-type: none"> <li>▪ not good at prices</li> <li>▪ inconvenient working hours</li> <li>▪ problems with queues</li> </ul>
Teks/ Stroimaster	<ul style="list-style-type: none"> <li>▪ good loyalty index</li> <li>▪ strong in the most part of categories except garden and kitchen</li> </ul>	<ul style="list-style-type: none"> <li>▪ confusion with two names</li> </ul>
Rybinskaya	<ul style="list-style-type: none"> <li>▪ good loyalty index</li> <li>▪ affordable prices</li> <li>▪ large assortment</li> <li>▪ good price/range of supplementary services</li> <li>▪ strong in many categories except garden, kitchen, decorative household goods, linoleum and carpeting, lighting</li> </ul>	<ul style="list-style-type: none"> <li>▪ not good shopping environment and service quality</li> <li>▪ doesn't guarantee high quality of goods</li> <li>▪ no well-known brands</li> </ul>

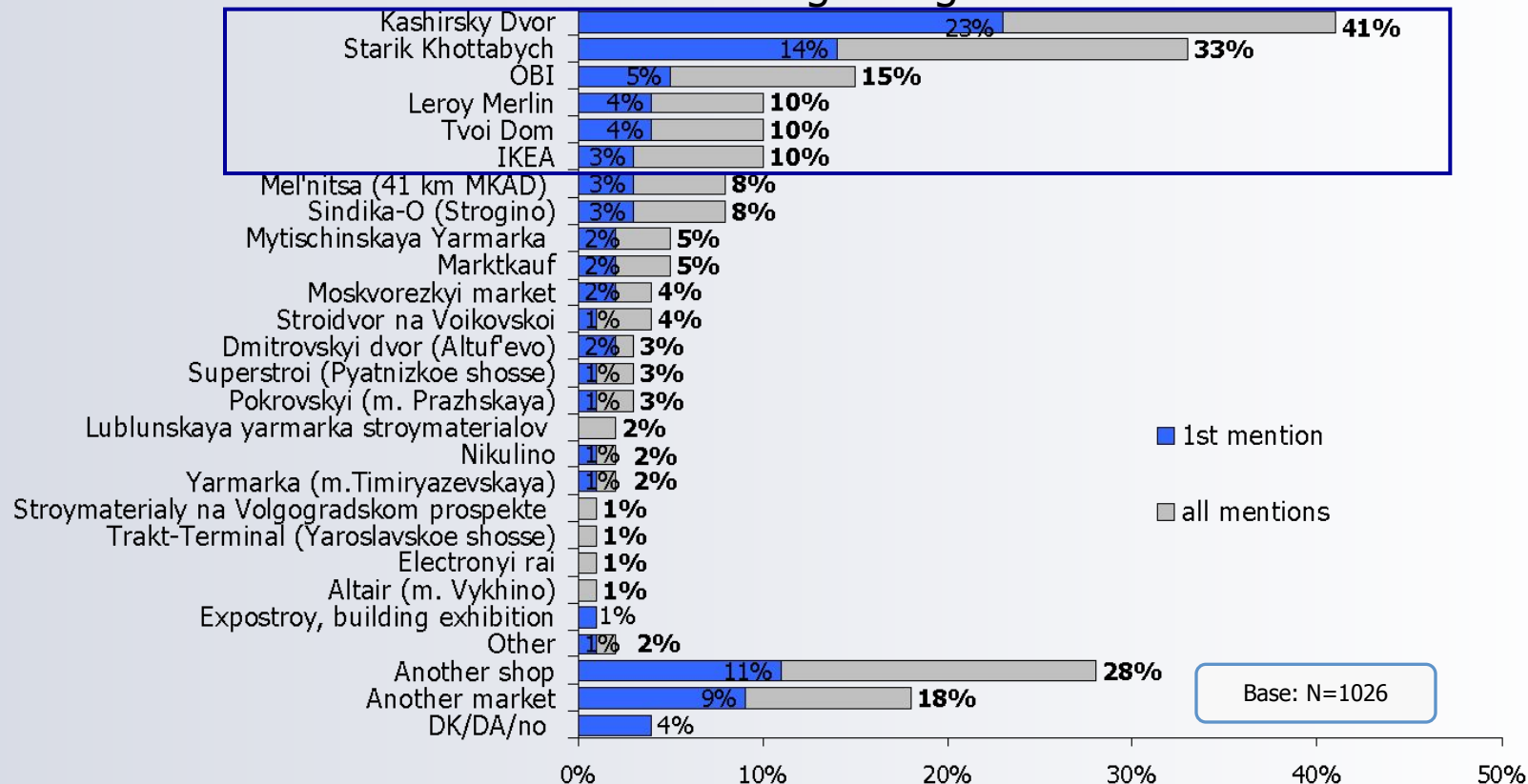
# Content

- Moscow & St. Petersburg DIY market
  - Awareness
  - Purchases
  - Loyalty
  - Satisfaction with POP
  - Assessment of POP
  - Evaluation of stores & markets
  - POP image
  - POP for key categories
  - Competitors strengths & weaknesses
  - Consumer behavior

# Moscow DIY market

# Moscow DIY market

## Spontaneous awareness of retail POP selling DIY goods

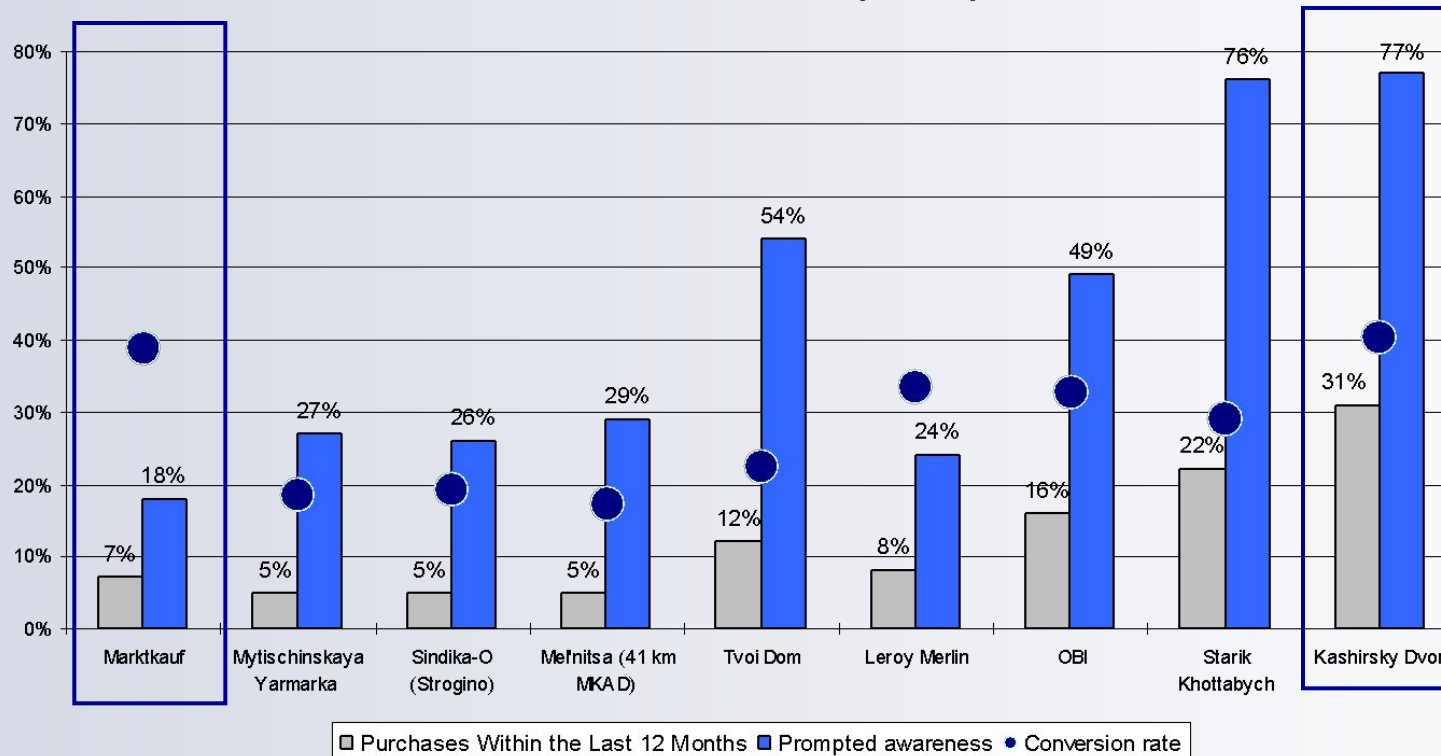


- Muscovites know lots of DIY POP.
- KASHIRSKIY DVOR and STARIK KHOTTABYCH are better known than competitors (41% and 33%).
- Difference between OBI and LM is not critical, in spite of the fact of strong marketing support from OBI.



# Moscow DIY market

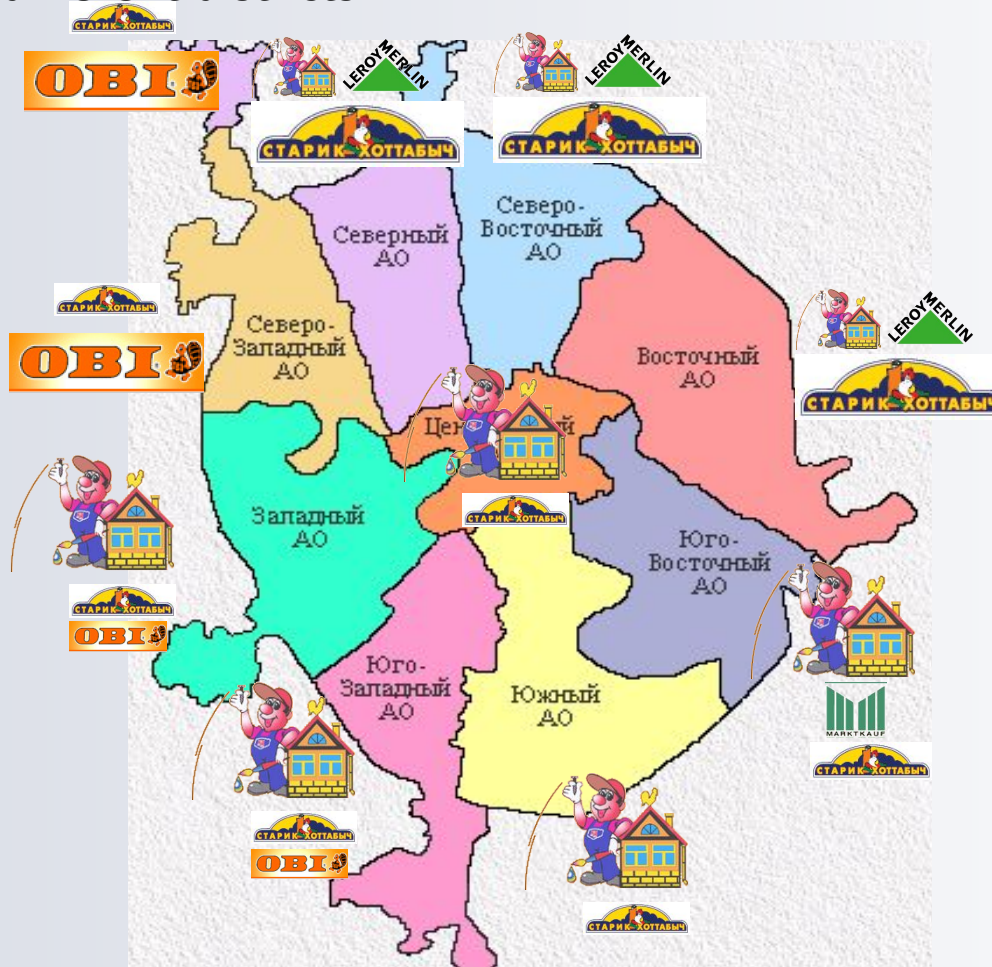
Purchases within the last 12 months and prompted awareness



- **KASHIRSKIY DVOR and STARIK KHOTTABYCH** are not the absolute leaders of the market – prompted awareness is not close to 100% or at least 90%, but they are known better than others
- **KASHIRSKIY DVOR and MARKTKAUF** have the highest % of people who know and buy there.

# Moscow DIY market

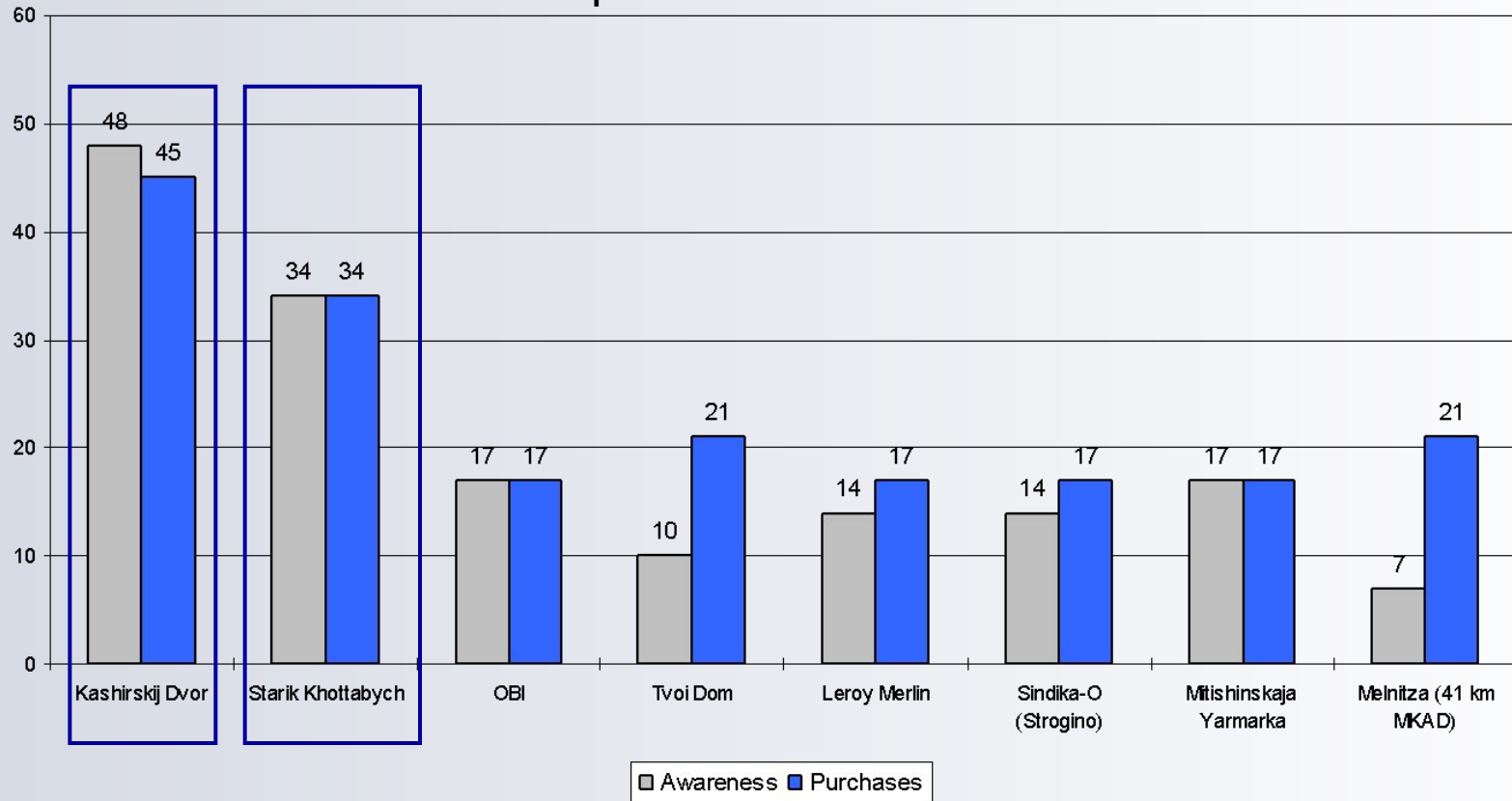
Awareness in different districts



- KASHIRSKIY DVOR and STARIK KHOTBYCH are the leaders in the most part of districts.
- LM and OBI have good local awareness.

# Moscow DIY market

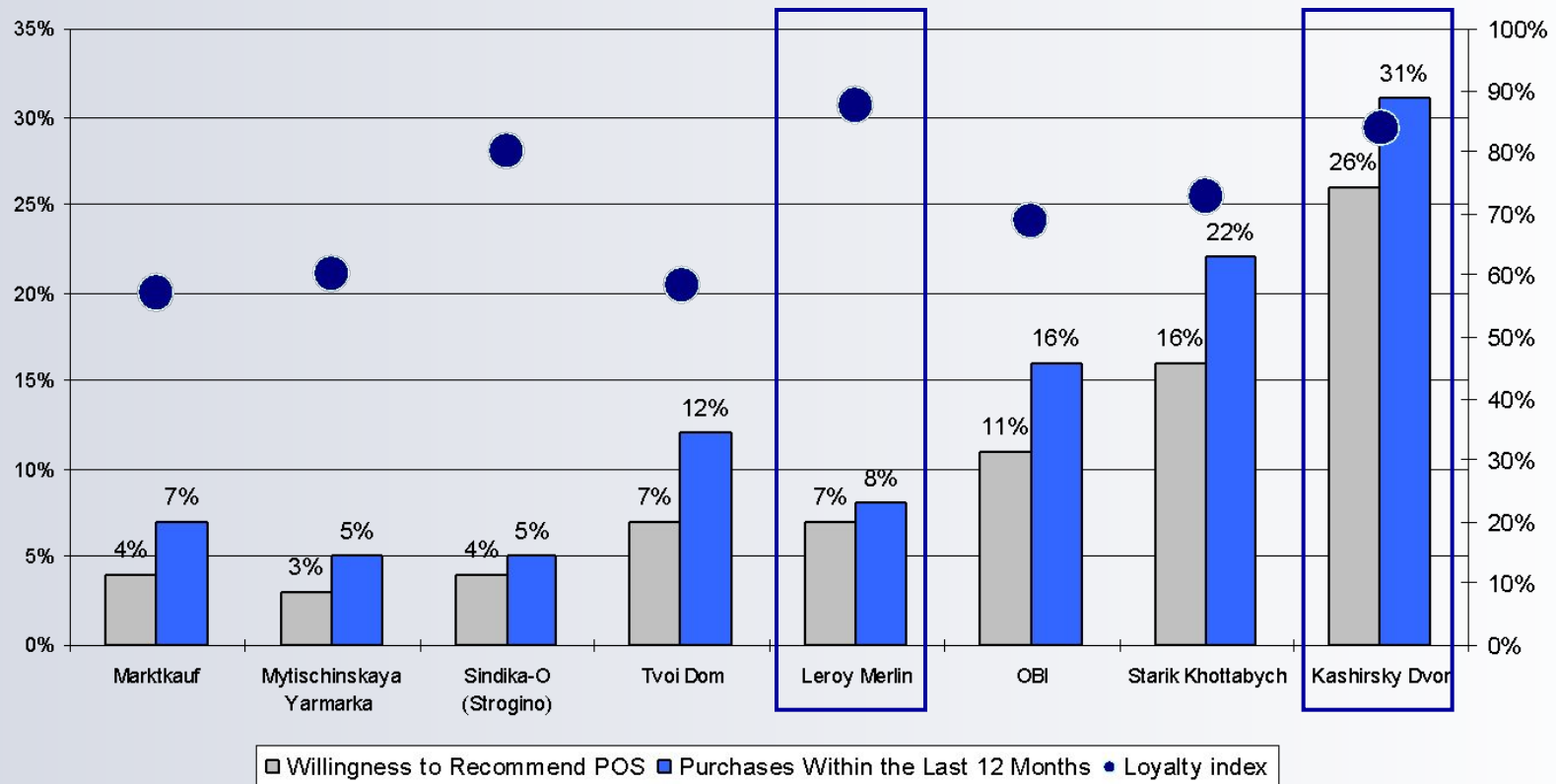
## Professionals' awareness and purchases



- **KASHIRSKIY DVOR and STARIK KHOTTABYCH are the best known POP amongst professionals/trade.**
- **But at the same time the open markets (Sindika-O (Strogino), Mitishinskaja Yarmarka, Melnitza (41 km MKAD) play quite an important role as well.**

# Moscow DIY market

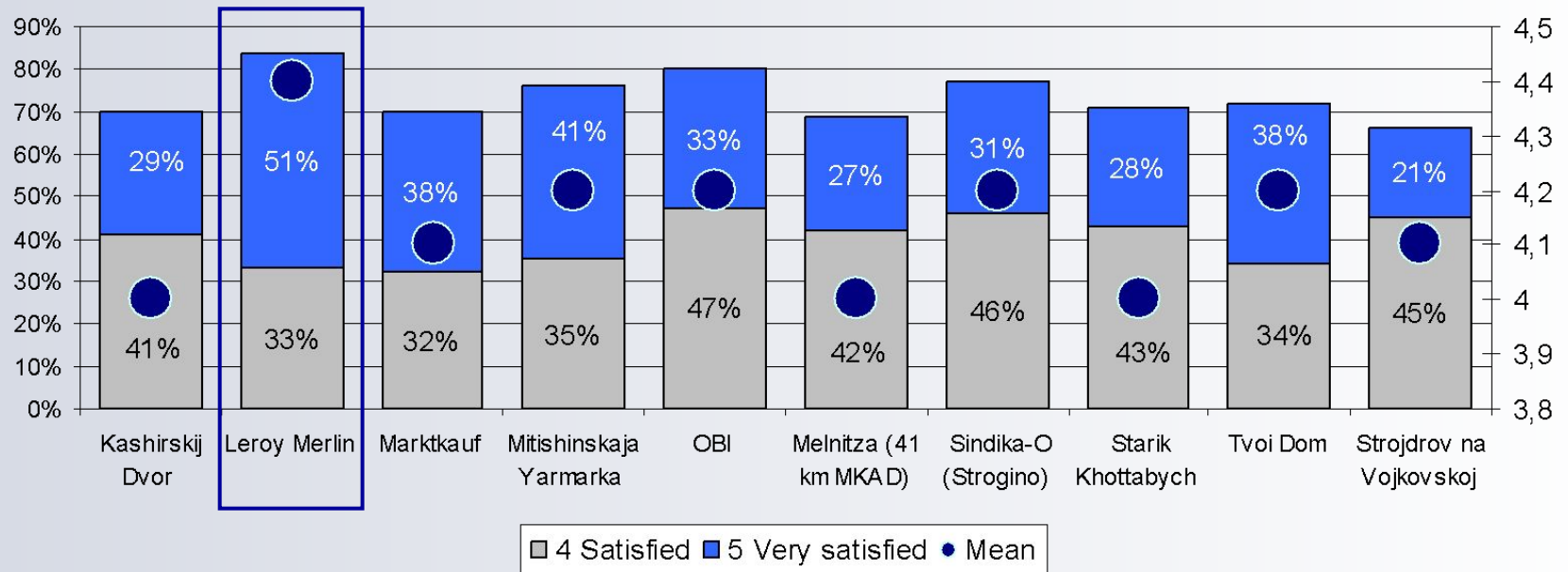
## Willingness to Recommend POP



- **LEROY MERLIN and KASHIRSKIY DVOR have the highest loyalty index. People are satisfied with the visit to these POPs and would recommend it to nears and dears.**
- **The main issue for LM is low awareness.**

# Moscow DIY market

Satisfaction with POP – top two boxes

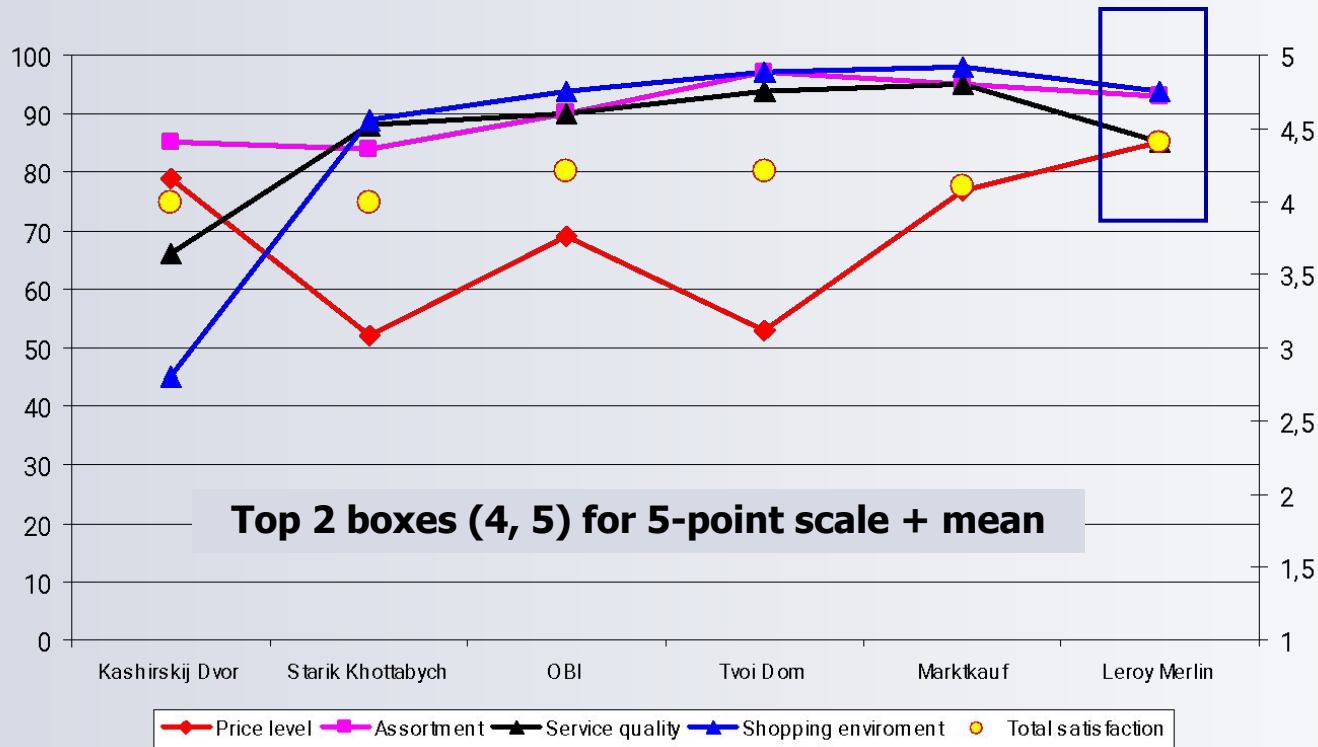


- **LEROY MERLIN** has the highest overall satisfaction level.
- **OBI** has good marks but mainly "4", not "5". There is an opportunity for them to improve.

B5. How satisfied are you in general with the outlet \_\_\_\_\_? Please, use a 5-point scale, where "5" stands for "completely satisfied" and "1 means "absolutely unsatisfied".

# Moscow DIY market

## Consumer Assessment of POP



- All marks/grades are rather high (generally more than 4, except for prices).
- Range is evaluated high in all POP except SK. Prices are not good at OBI, SK, Tvoi dom. Service quality is not good at KD and OBI. Shopping environment is not good at KD.
- Generally LM is evaluated better than others.

# Moscow DIY market

## Evaluation of Stores vs. Markets

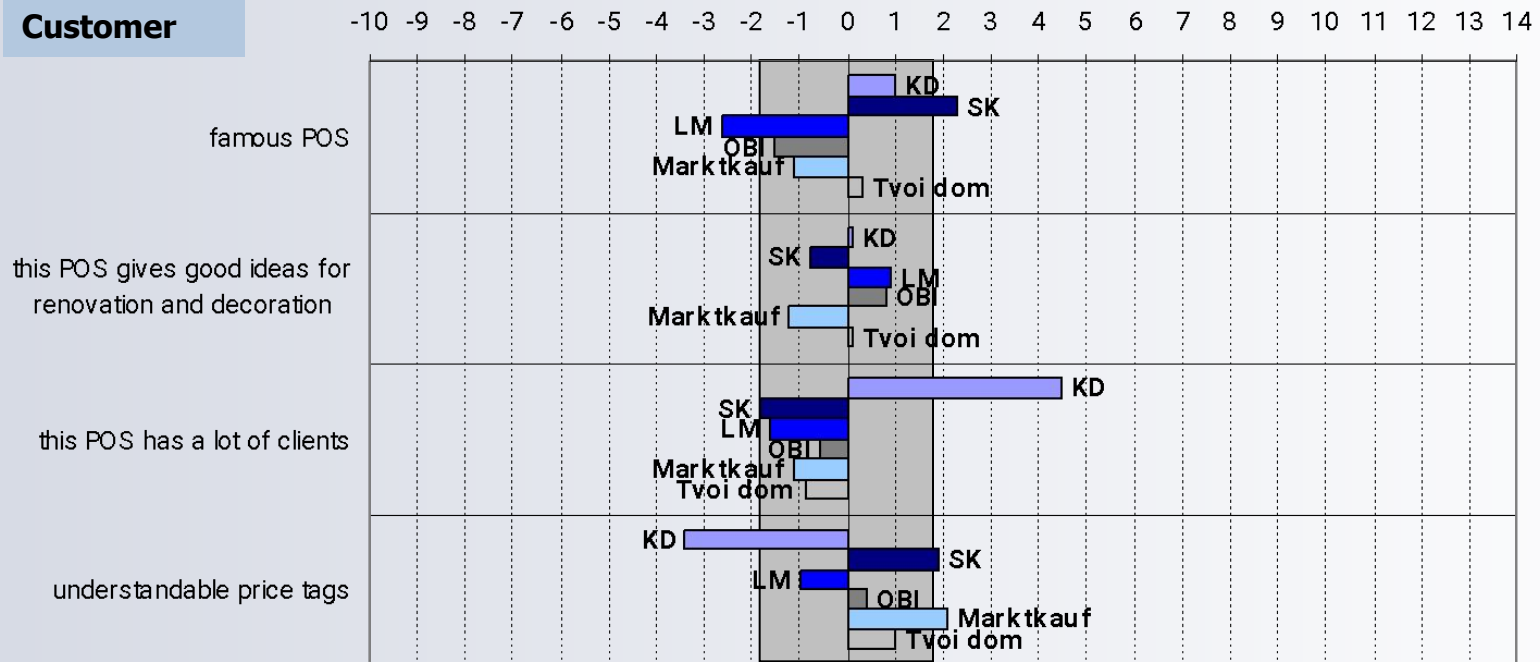


- **Markets win on price, stores on service and quality. Range is equal. Thus, it's important to beat markets on price and we could be a real winner.**

# Moscow DIY market

## POP image

### Customer



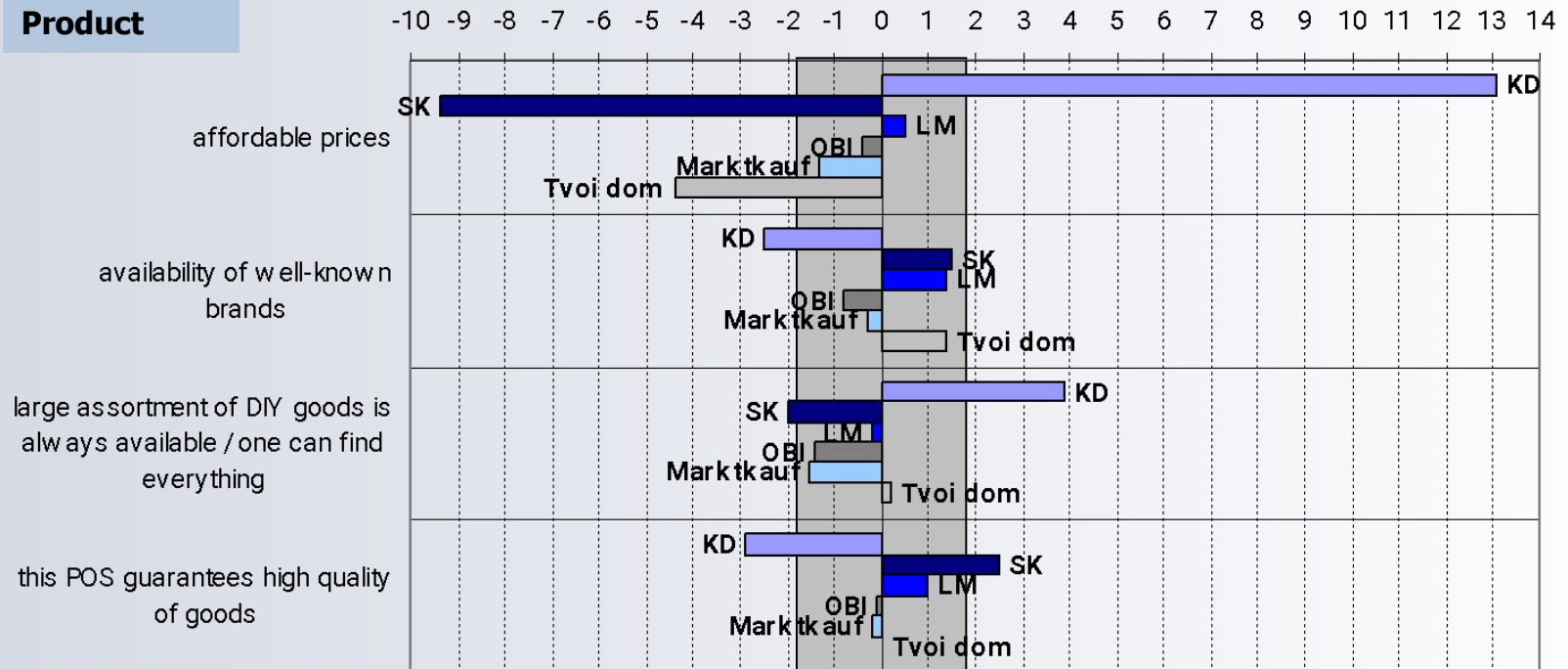
- **SK is a famous store.**
- **KD has lots of clients but has no understandable price tags.**
- **LM is not associated with "famous POP" statement.**



# Moscow DIY market

## POP image

### Product

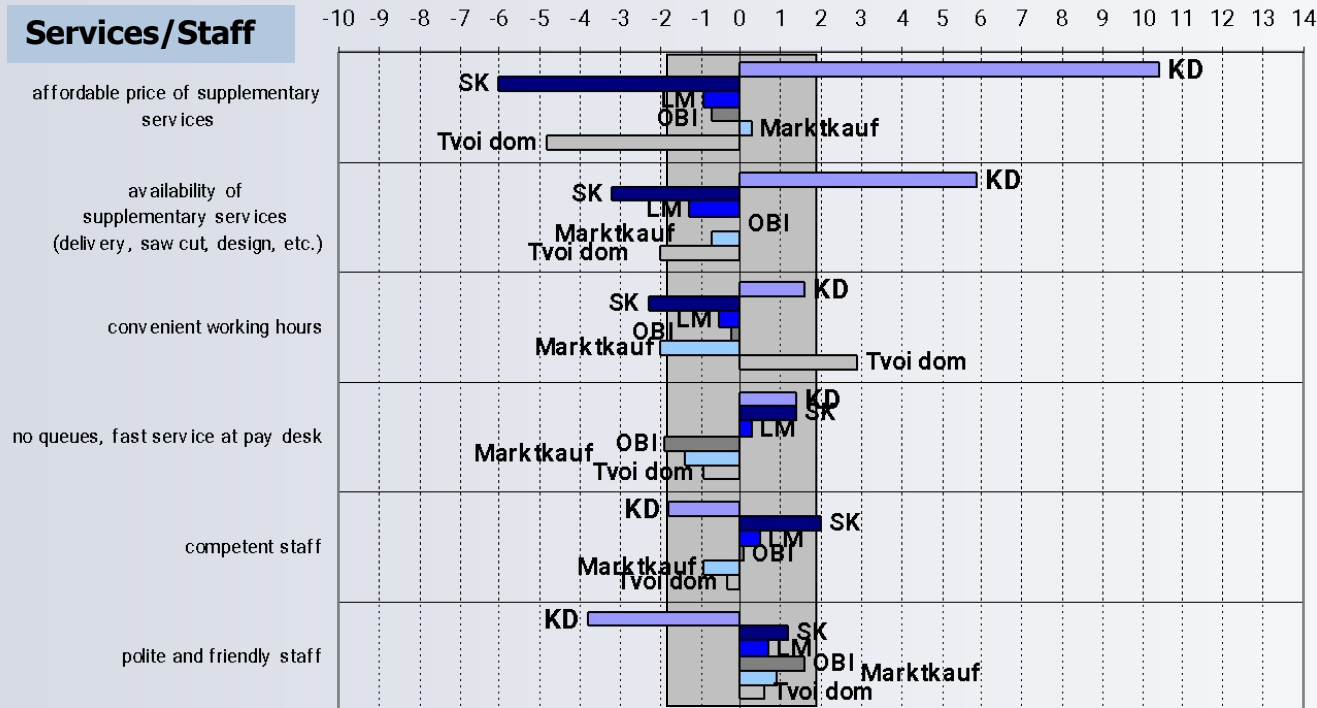


- **KD is strongly associated with affordable prices and large assortment, but does not guarantee high quality of goods.**
- **on the contrary, SK wins on quality, but is not associated with "affordable" POP.**

# Moscow DIY market

## POP image

### Services/Staff

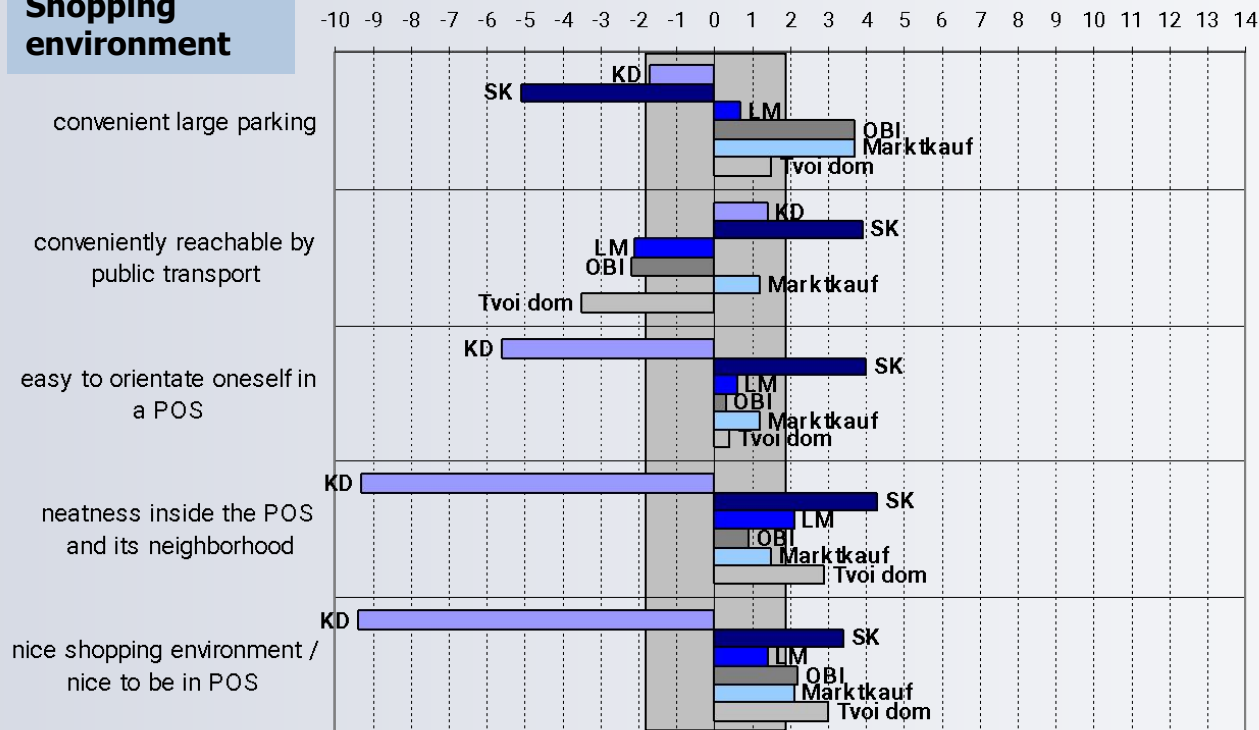


- **KD is strongly associated with good availability and prices of supplementary services, in contrast to SK.**
- **No POP is characterized as POP with competent and polite staff.**
- **Tvoi Dom has the most convenient working hours.**

# Moscow DIY market

## POP image

### Shopping environment



▪ SK has the best shopping environment except convenient large parking, in contrast to KD

# Moscow DIY market

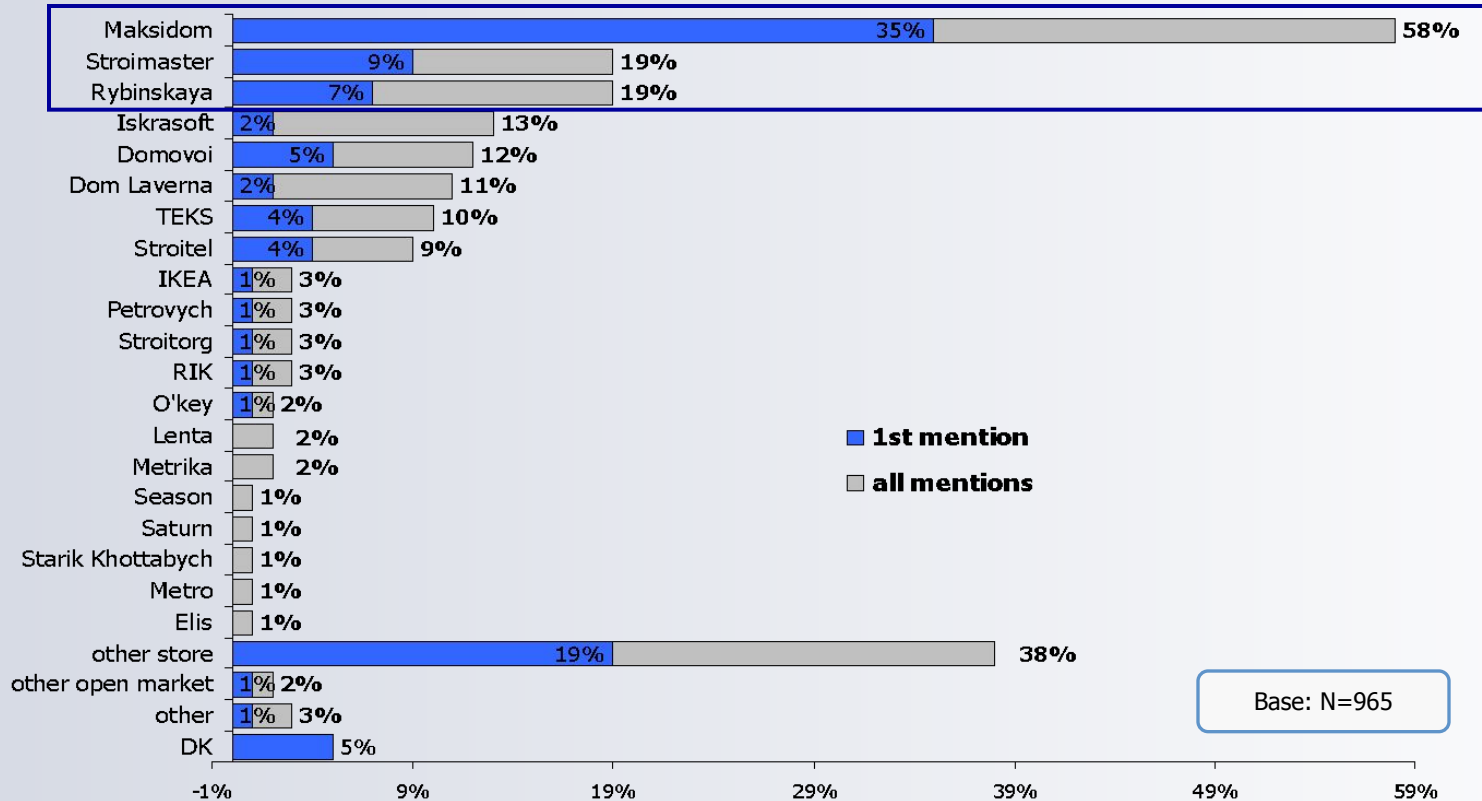
Where people buy the key product categories

Categories		Competitor #1	Competitor #2	Competitor #3
Building	Construction materials (dry mixtures, filling material, priming material)	Kashirsky Dvor	Starik Khottabych	Mel'nitsa (41 km MKAD)
	Wood (timber, lining, chipboard, window-sills, plywood)	Kashirsky Dvor	Sindika-O (Strogino)	Mel'nitsa (41 km MKAD)
Deco	Decorative household goods (sofa pillows, curtains, photo frames, etc.)	Kashirsky Dvor	Starik Khottabych	Marktkauf
	Finishing materials (wallpaper, paints)	Kashirsky Dvor	Starik Khottabych	OBI
	Household goods (ironing boards, baskets for linen, etc.)	OBI	Marktkauf	Kashirsky Dvor
	Lighting (chandeliers, lamp-brackets, lamps)	Kashirsky Dvor	OBI	Tvoi Dom
Flooring	Ceramic tiles (for walls, floor)	Kashirsky Dvor	Starik Khottabych	Leroy Merlin
	Linoleum or synthetic carpeting	Kashirsky Dvor	Starik Khottabych	OBI
	Parquet, laminate, doors	Kashirsky Dvor	Leroy Merlin	OBI, Starik Khottabych
Garden	Garden plants and equipment	OBI	Kashirsky Dvor	Marktkauf
Hardware	Electric and hand tools, hardware	Kashirsky Dvor	OBI	Sindika-O (Strogino)
	Electrical installation (wires, sockets)	Kashirsky Dvor	OBI	Tvoi Dom
Showrooms	Kitchen	other stores	Leroy Merlin	Starik Khottabych
	Sanitary ware and plumbing (e.g. bathtub, tubing, faucets, toilet, etc.)	Kashirsky Dvor	Starik Khottabych	OBI

# **St. Petersburg DIY market**

# St. Petersburg DIY market

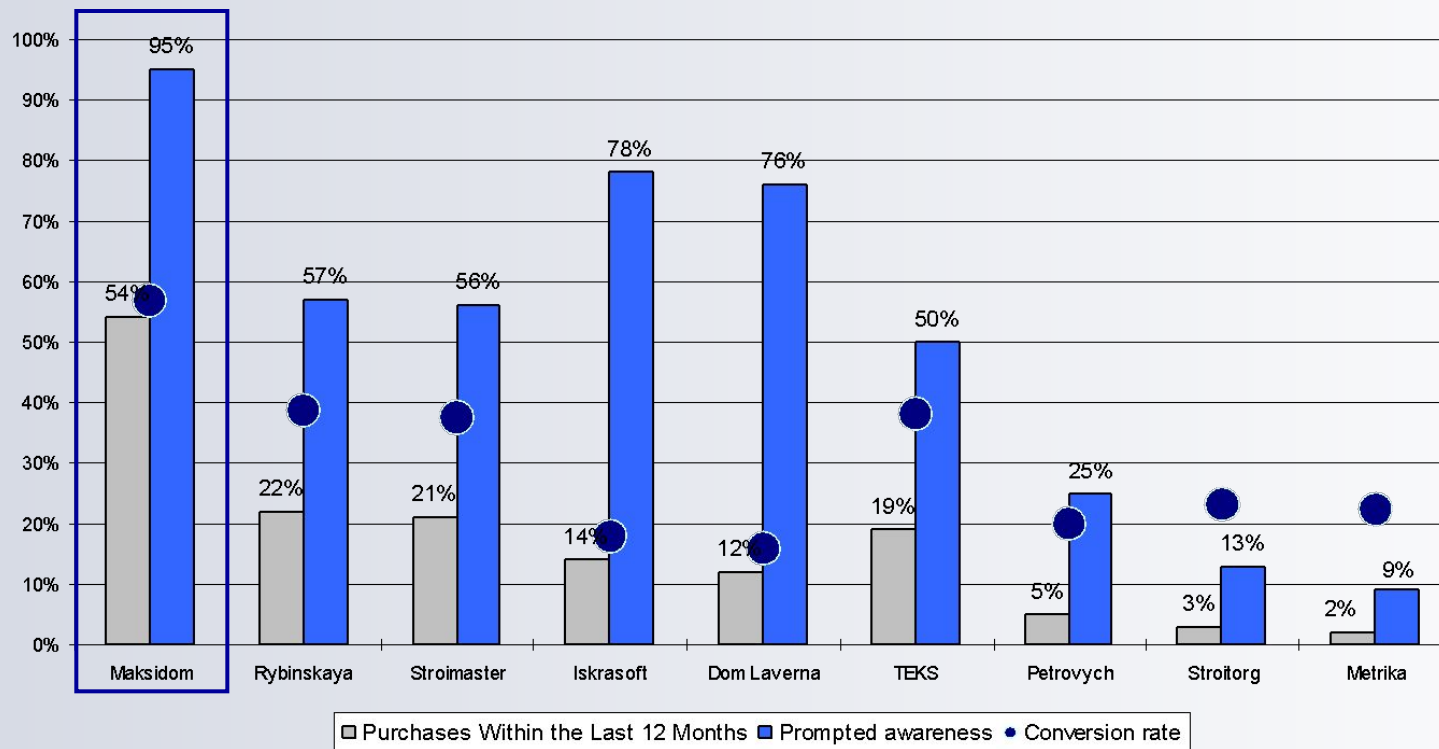
## Spontaneous awareness of retail POP selling DIY goods



- **MAKSIDOM** is an absolute leader with 58% spontaneous awareness. It has great level of first mention – 35%.
- Other POPs are not so popular.

# St. Petersburg DIY market

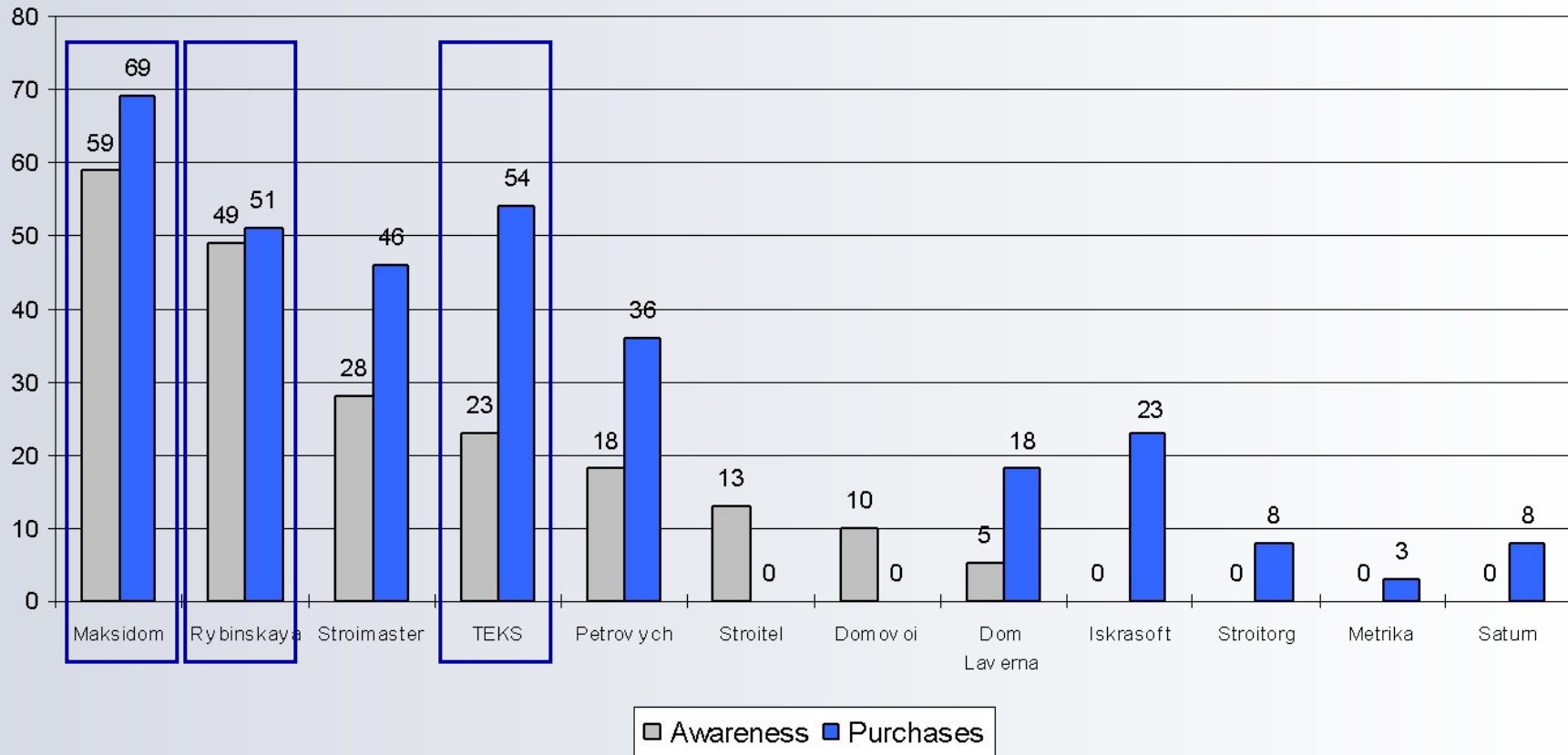
Purchases within the last 12 months and prompted awareness



- **MAKSIDOM is the absolute leader of the market – prompted awareness is close to 100%.**
- **In spite of high level of prompted awareness of ISKRASOFT and DOM LAVERNA people don't buy there.**

# St. Petersburg DIY market

## Professionals' awareness and purchases

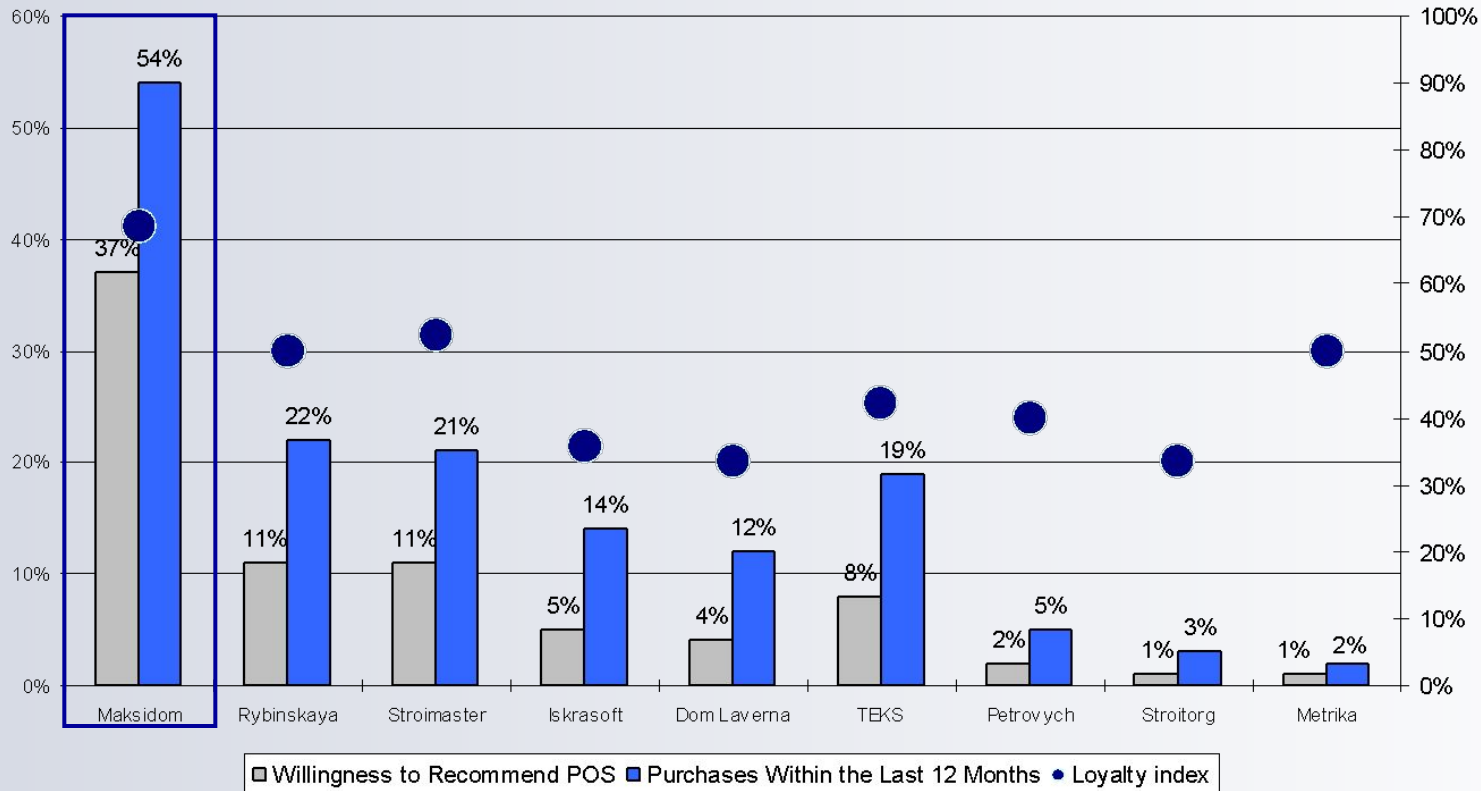


- **MAKSIDOM and RYBINSKAYA** are the best known POS amongst professionals/trade. But in terms of purchases **TEKS** is also one of the most popular POP.
- But at the same time the storehouses like **PETROVICH** and **SATURN** play quite an important role as well (share of trade there is about 30%).



# St. Petersburg DIY market

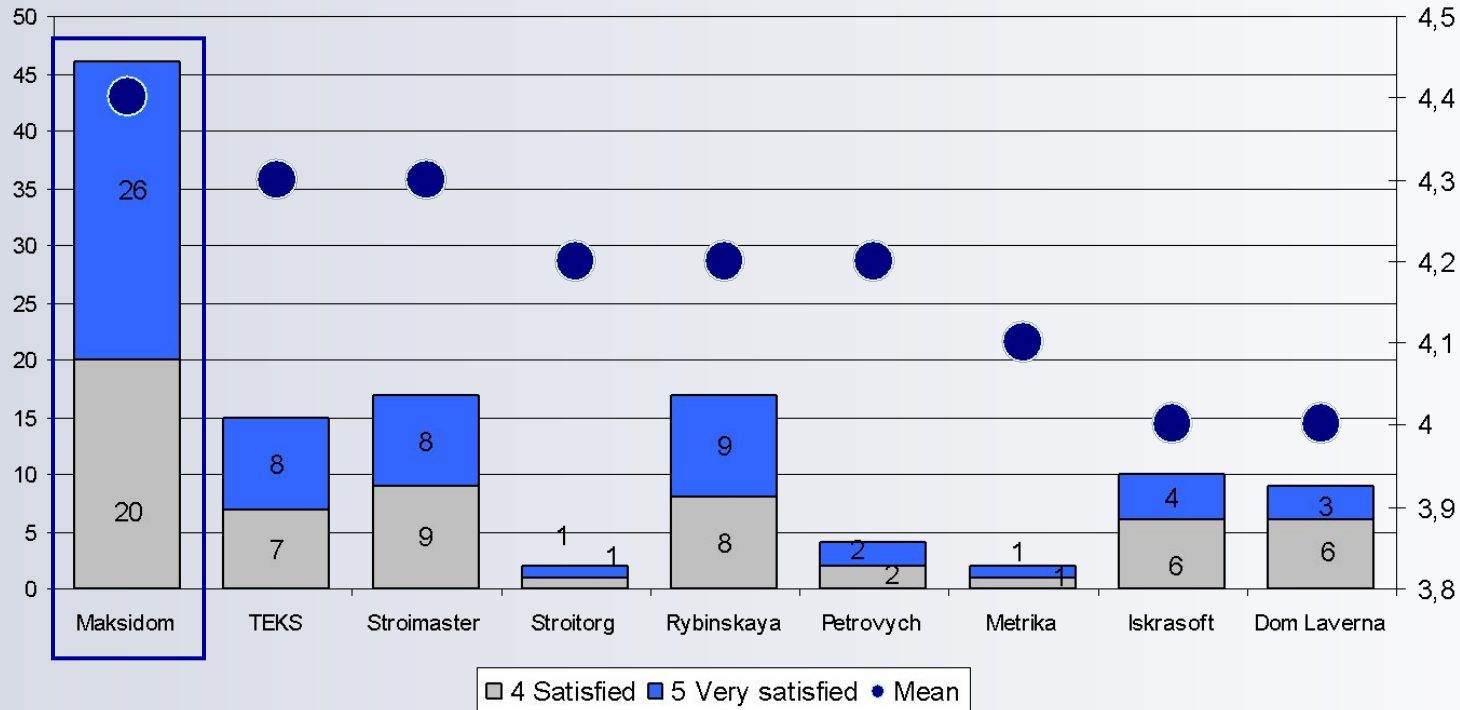
## Willingness to Recommend POP



- **MAKSIDOM** has the highest loyalty index. People are satisfied with the visit to this POP.
- Other POPs (**RYBISKAYA, STROIMASTER, METRIKA**) have very good loyalty indices (50%) as well.

# St. Petersburg DIY market

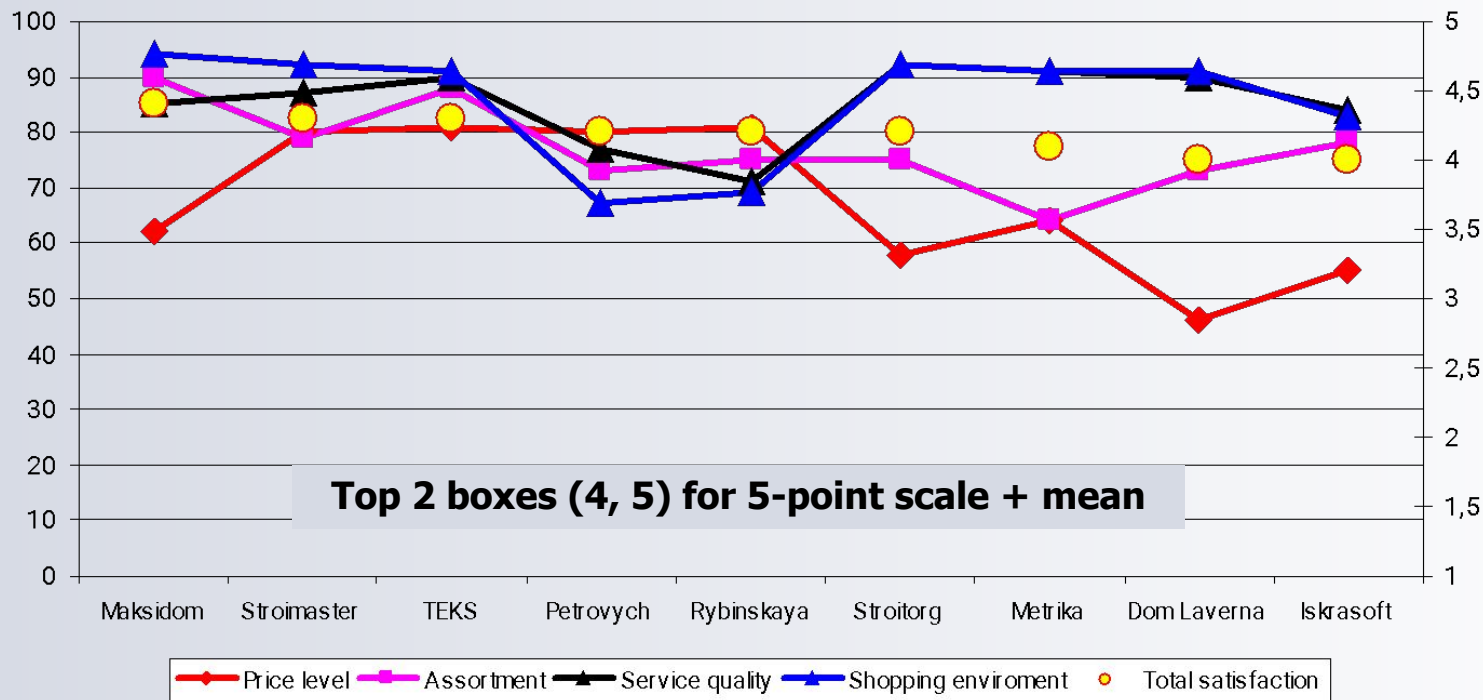
Satisfaction with POP – top two boxes



- **MAKSIDOM** has the highest satisfaction level.
- The levels of satisfaction of **TEKS, STROIMASTER, RYBISKAYA** are on the same level, but much lower than **MAKSIDOM** level.

# St. Petersburg DIY market

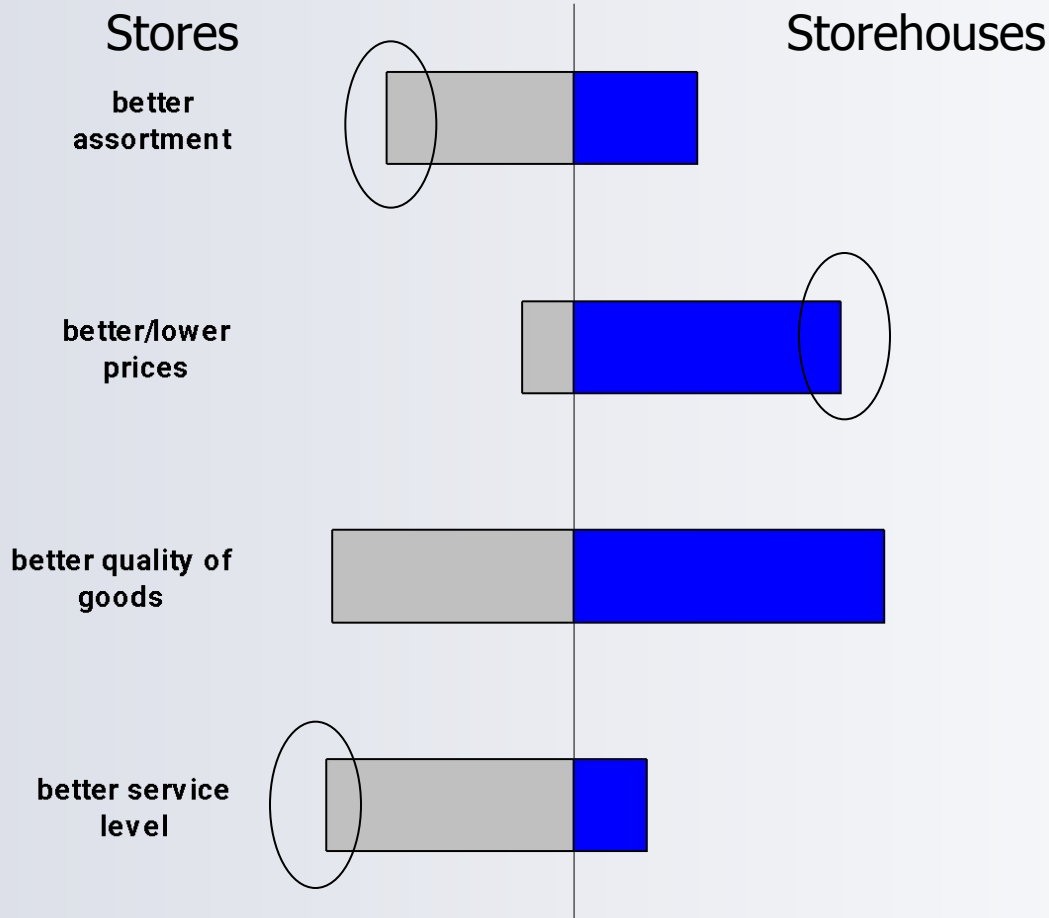
## Consumer Assessment of POP



- All marks are rather high (generally more than 3,5, except prices).
- Shopping environment is evaluated highly in all POS except PETROVICH and RYBINSKAYA. Prices are not good at MAKSIDOM, STROITORG, DOM LAVERNA, ISKRASOFT. Service quality is minimum at PETROVICH and RYBINSKAYA. Range is not good at METRIKA, but it could be because of low awareness about this POP. Prices are evaluated differently in RYBINSKAYA and METRIKA (but in reality they are equal).
- Generally MAKSIDOM is evaluated better than others.

# St. Petersburg DIY market

## Evaluation of Stores vs. Storehouses

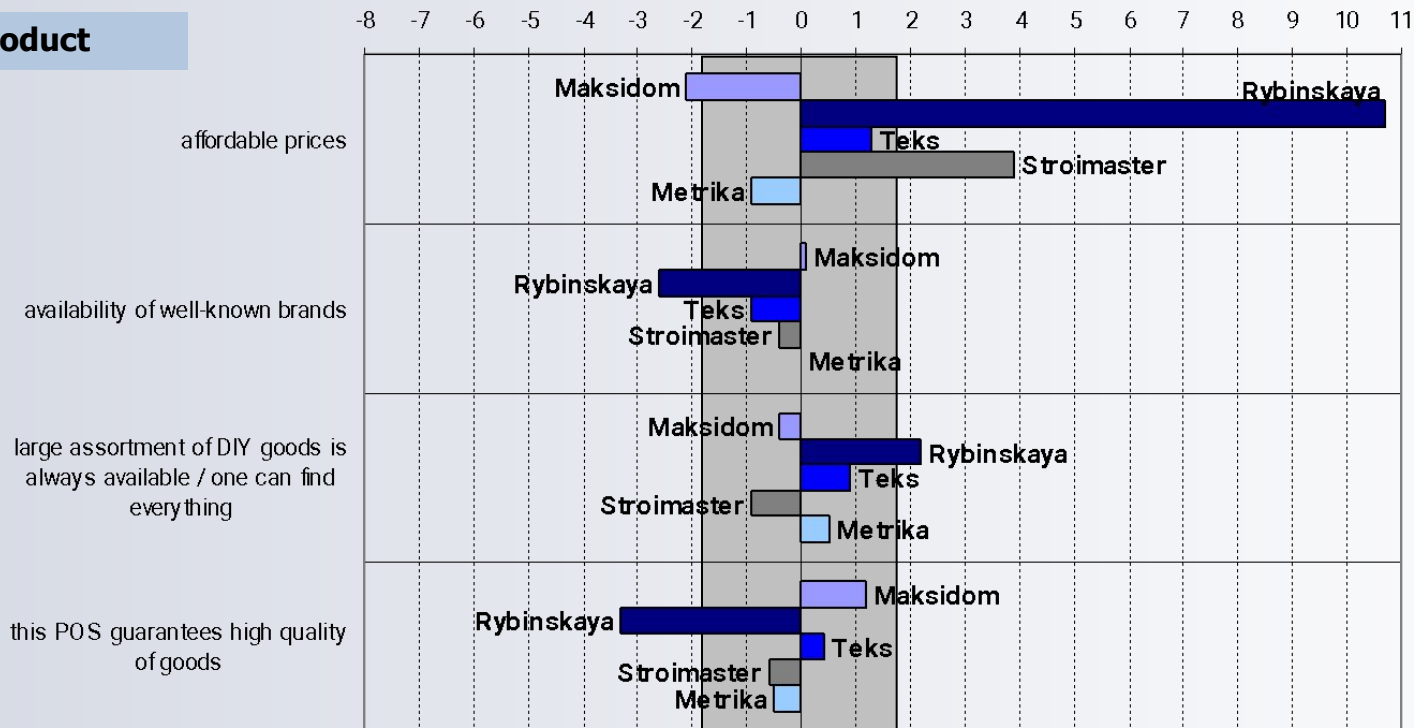


- **STOREHOUSES win on price, STORES on service and range. Quality is equal. Thus it's important to beat storehouses on price, provide better services and we could be a real winner.**

# St. Petersburg DIY market

## POS image

### Product

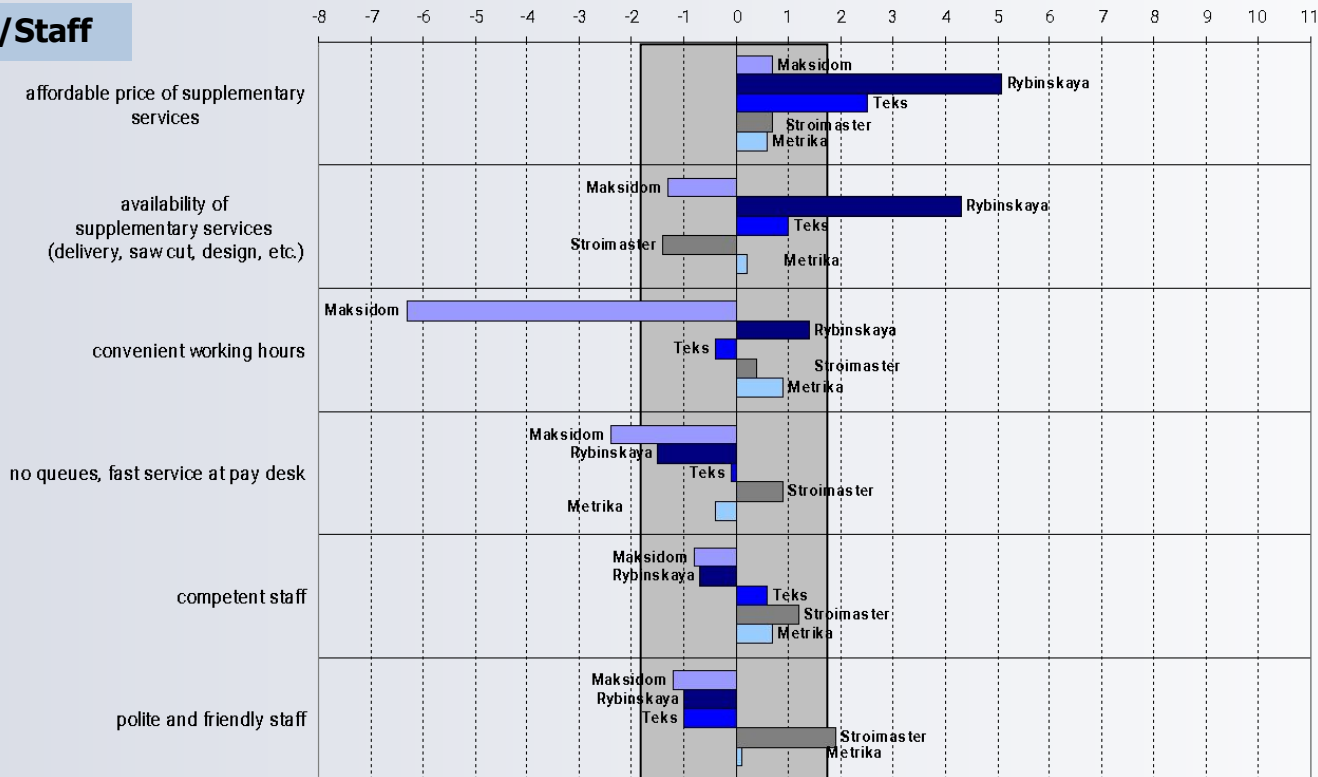


- **RYBISKAYA** is strongly associated with affordable prices and large assortment, but does not guarantee high quality of goods and does not have well-known brands.
- **STROIMASTER** also is associated with affordable prices.
- **MAKSIDOM** has no affordable prices.

# St. Petersburg DIY market

## POP image

### Services/Staff

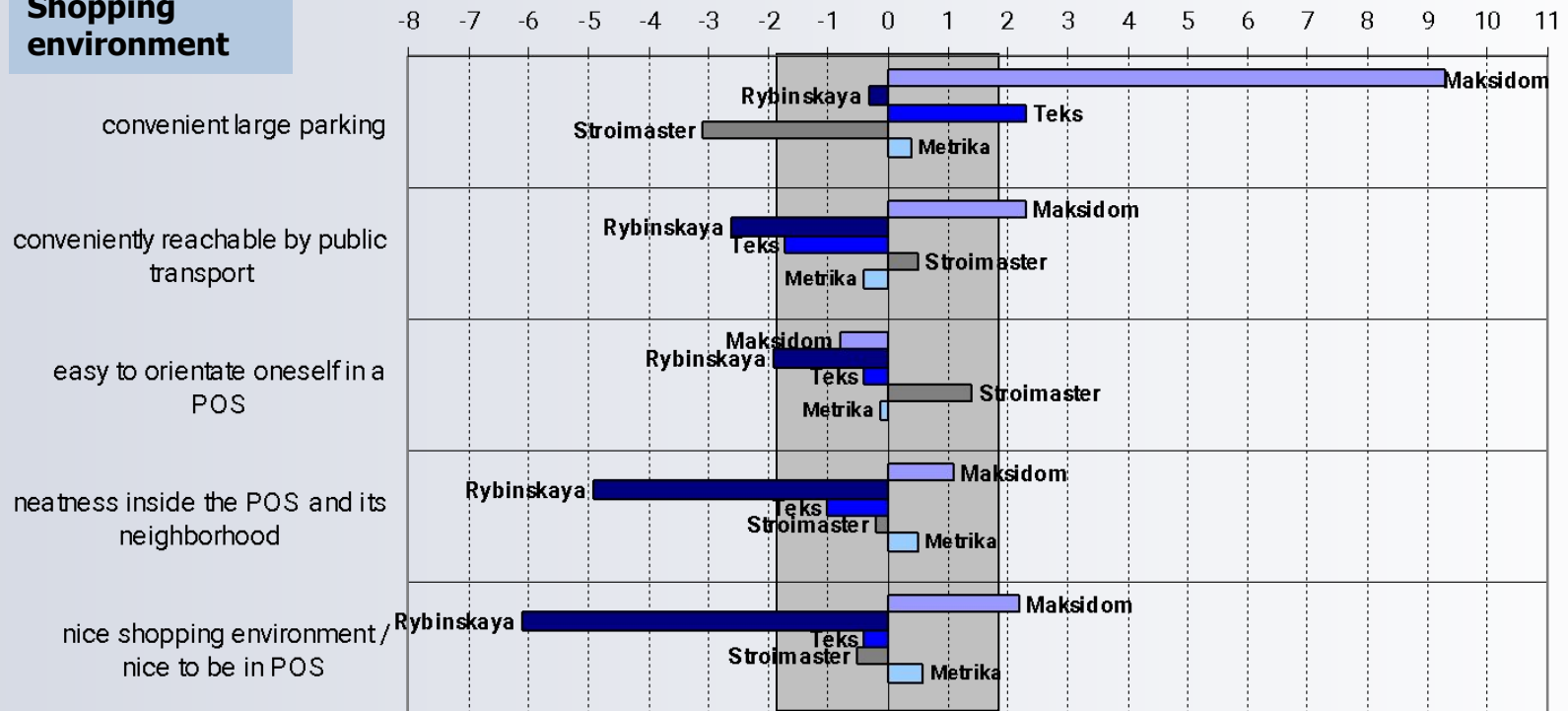


- **RYBINSKAYA** is strongly associated with good availability and prices of supplementary services, in contrast to SK.
- **No POP** is characterized as **POP** with competent and polite staff.
- **MAKSIDOM** has the most **IN**convenient working hours and problems with queues. It's an opportunity for us to beat them.

# St. Petersburg DIY market

## POP image

### Shopping environment



- **Generally RYBINSKAYA has the worst shopping environment.**
- **MAKSIDOM is characterized by large parking and nice shopping environment.**
- **Other POP have no specific attributes.**

# St. Petersburg DIY market

Where people buy the key product categories

Categories		Competitor #1	Competitor #2	Competitor #3
Building	Construction materials (dry mixtures, filling material, priming material)	Maksidom	TEKS/Stroimaster	Rybinskaya
	Wood (timber, lining, chipboard, window-sills, plywood)	Rybinskaya	Maksidom	TEKS/Stroimaster
Deco	Decorative household goods (sofa pillows, curtains, photo frames, etc.)	Maksidom	TEKS/Stroimaster	Dom Laverna
	Finishing materials (wallpaper, paints)	Maksidom	TEKS/Stroimaster	Rybinskaya
	Household goods (ironing boards, baskets for linen, etc.)	Maksidom	TEKS/Stroimaster	Dom Laverna
	Lighting (chandeliers, lamp-brackets, lamps)	Maksidom	TEKS/Stroimaster	Dom Laverna
Flooring	Ceramic tiles (for walls, floor)	TEKS/Stroimaster	Maksidom	Rybinskaya
	Linoleum or synthetic carpeting	Maksidom	Iskrasoft	TEKS/Stroimaster
	Parquet, laminate, doors	Maksidom	Rybinskaya	TEKS/Stroimaster
Garden	Garden plants and equipment	other POP	Maksidom	
Hardware	Electric and hand tools, hardware	Maksidom	TEKS/Stroimaster	Rybinskaya
	Electrical installation (wires, sockets)	Maksidom	TEKS/Stroimaster	Rybinskaya
Showrooms	Kitchen	other POP	Maksidom	
	Sanitary ware and plumbing (e.g. bathtub, tubing, faucets, toilet, etc.)	Maksidom	TEKS/Stroimaster	Rybinskaya

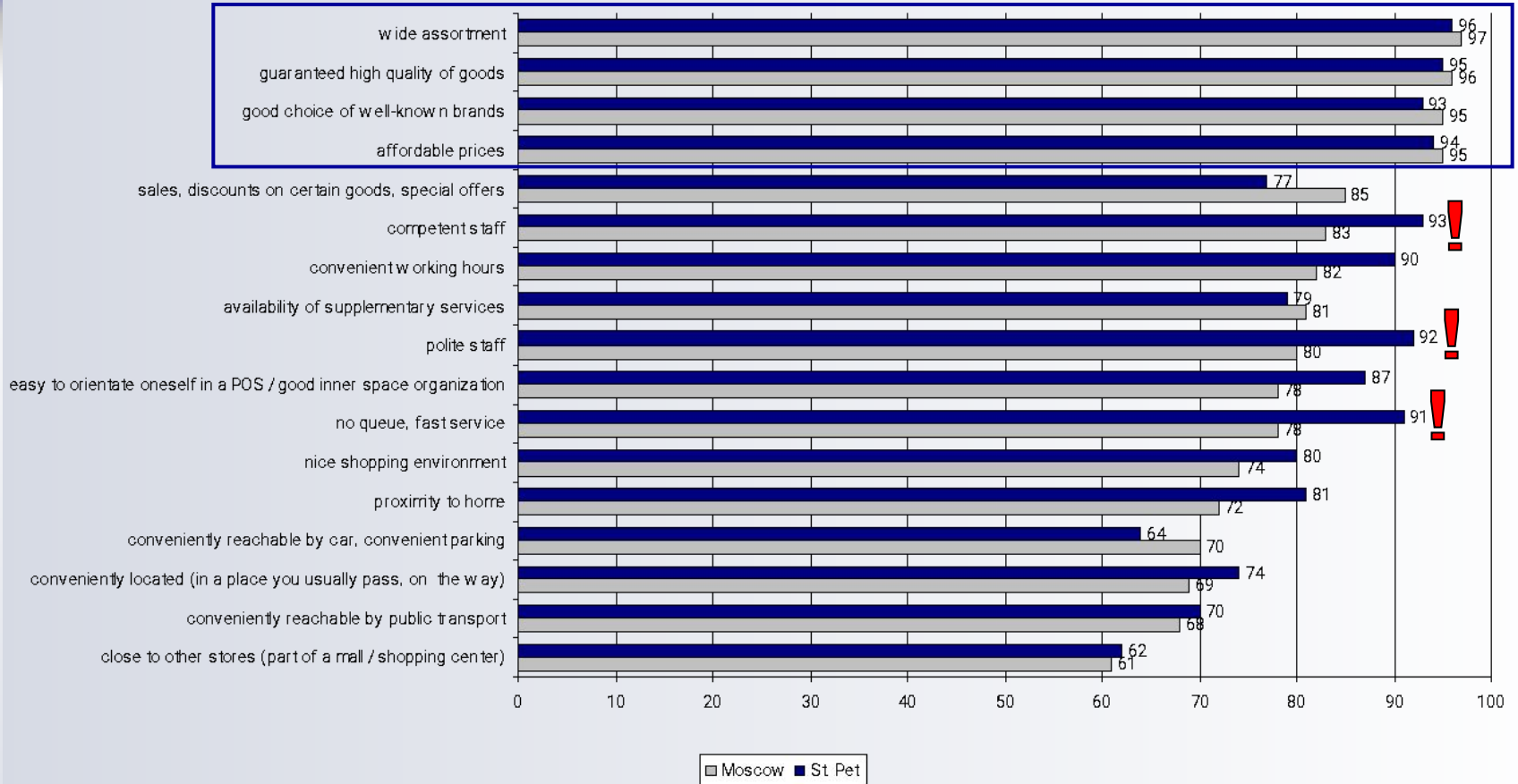


# **Moscow vs. St. Pet DIY market**

Consumer behavior

# Moscow vs. St. Pet DIY market

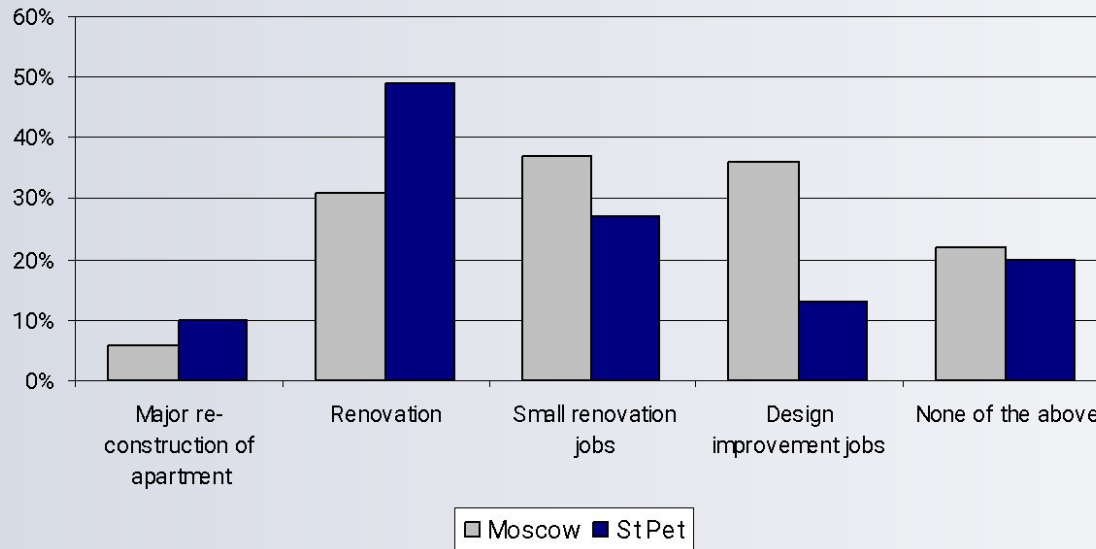
## POP Choice Criteria



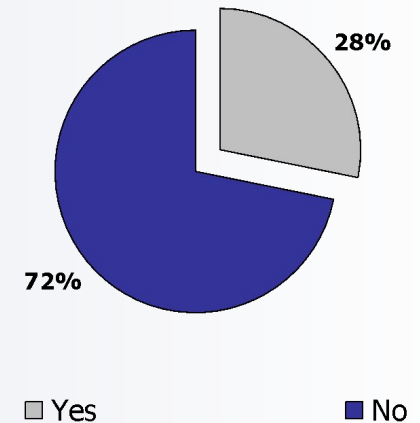
- The most important choice criteria in both cities: assortment, quality, brands, prices. Then follow special offers, staff, services. So the first four is a must, but higher rating for staff and services are very important to get the customers.
- In St. Pet STAFF and SERVICE are more important than in Moscow.

# Moscow vs. St. Pet DIY market

## Renovation within 12 months



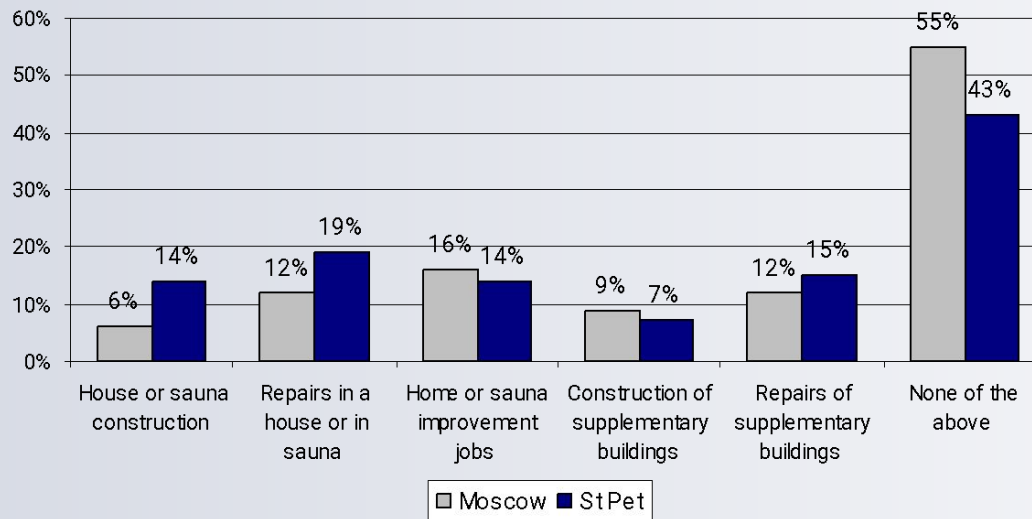
## Professional involvement



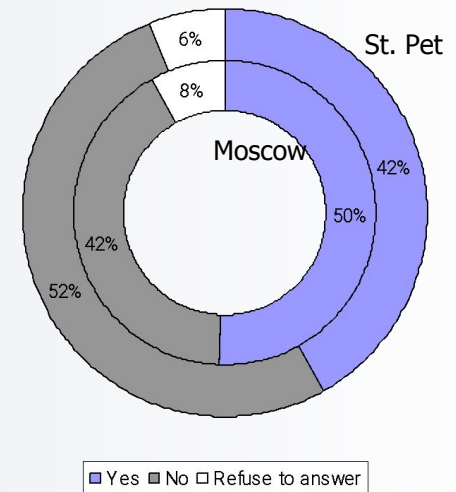
- **About 80% of respondents made renovation within the last 12 months.**
- **Only about 30% made renovation with professionals' help (in Moscow and St. Pet).**
- **11% plan to make renovation during next 3 months in Moscow and 27% in St. Pet.**

# Moscow vs. St. Pet DIY market

## Renovation works at dacha (last 12 months)



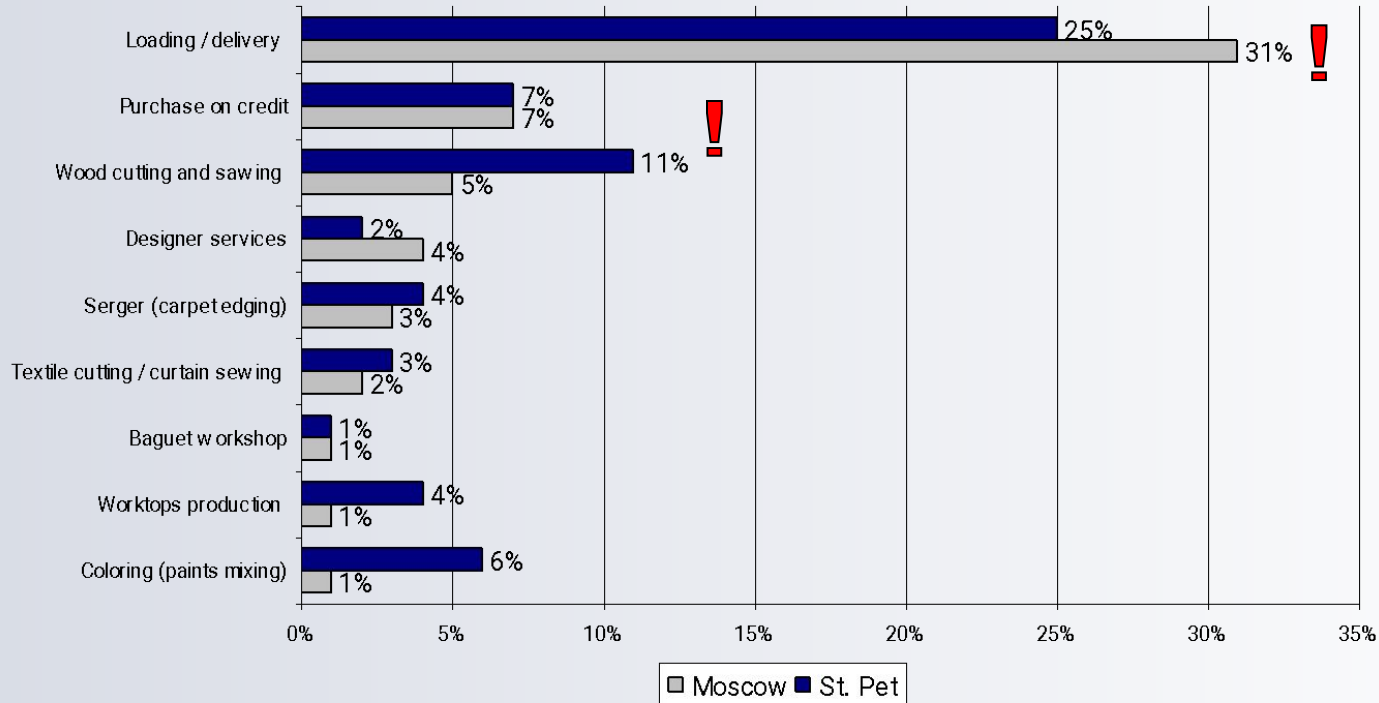
## Dacha ownership



- There are more dacha owners in Moscow.
- But in St. Pet people made more renovation works at dacha.

# Moscow vs. St. Pet DIY market

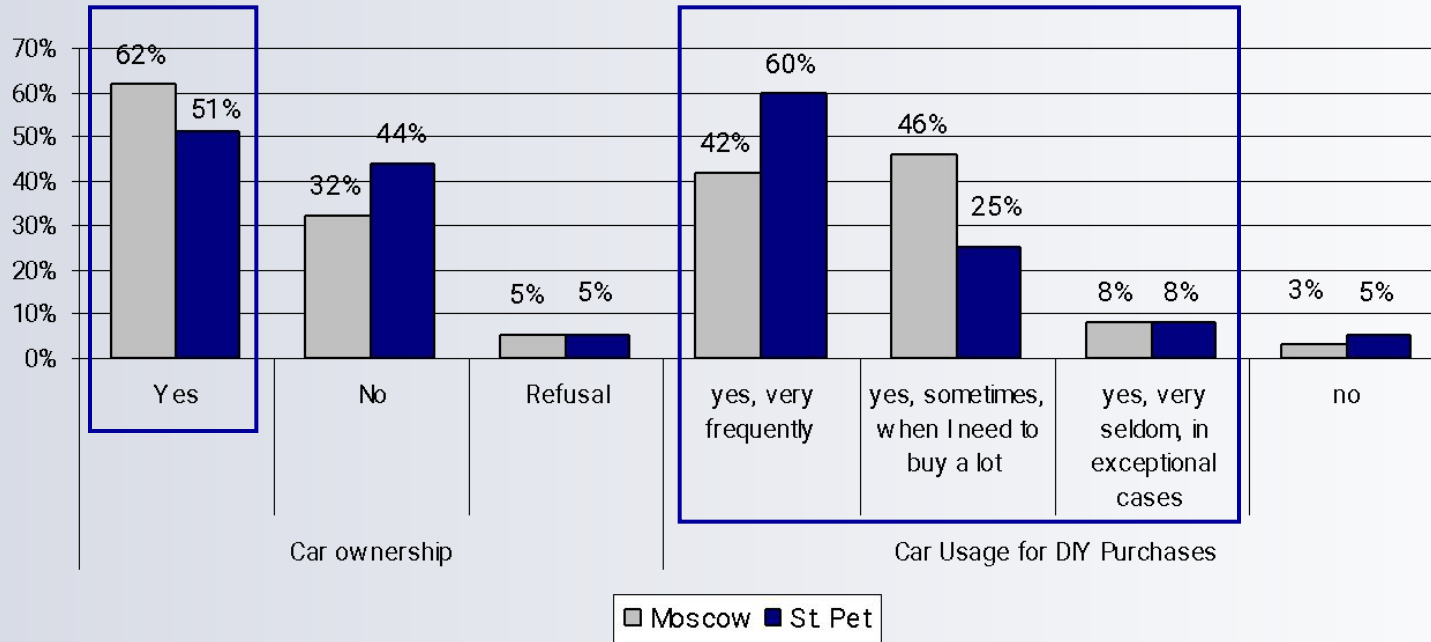
Usage of supplementary services offered by POP



- **DELIVERY** is the most popular service in both cities. **PURCHASES ON CREDIT** is #2.
- Generally all services are more popular in St. Pet than in Moscow.

# Moscow vs. St. Pet DIY market

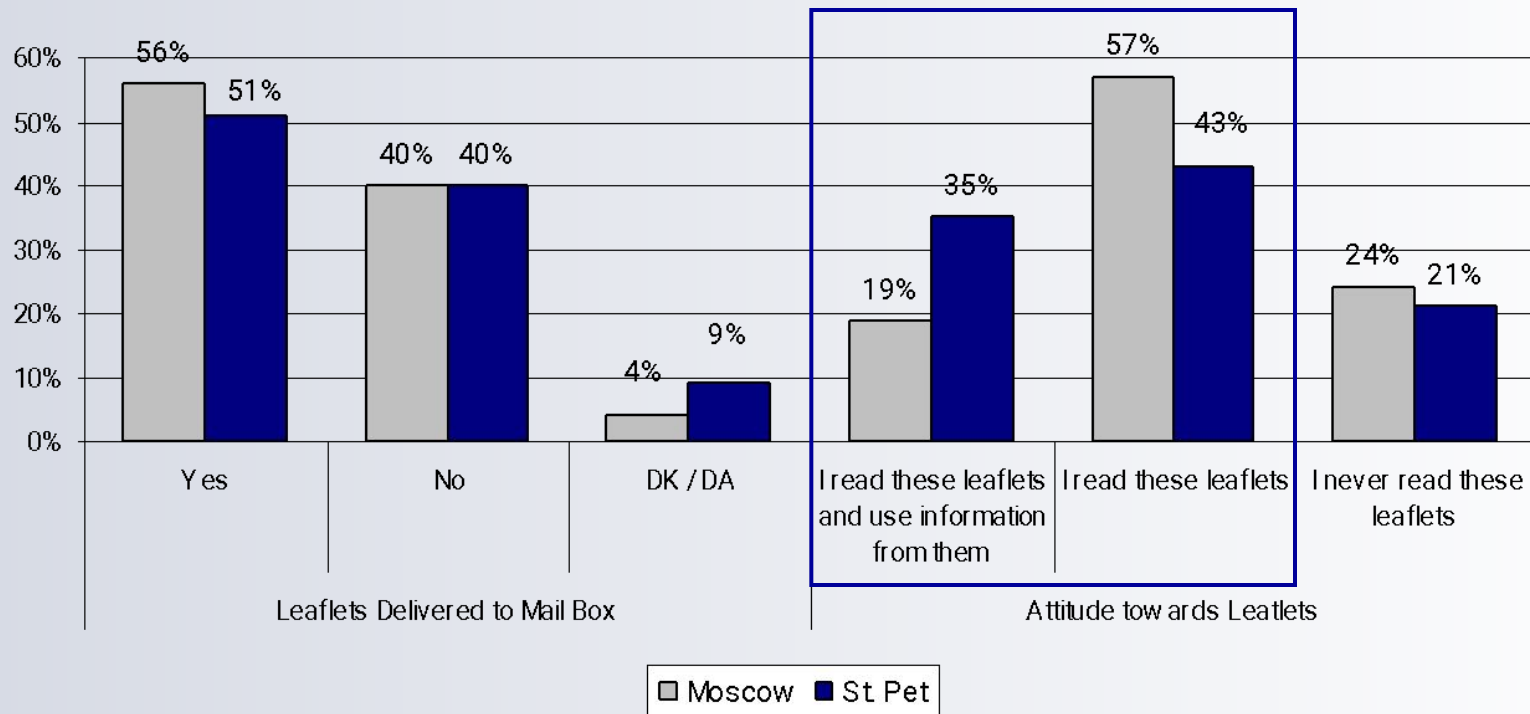
## Car ownership and Car usage for DIY purchases



- Most of respondents in Moscow have a car, and 50% - in St. Pet.
- Almost each respondent, who has a car, uses it for DIY purchases. So car parking is a critical success factor.

# Moscow vs. St. Pet DIY market

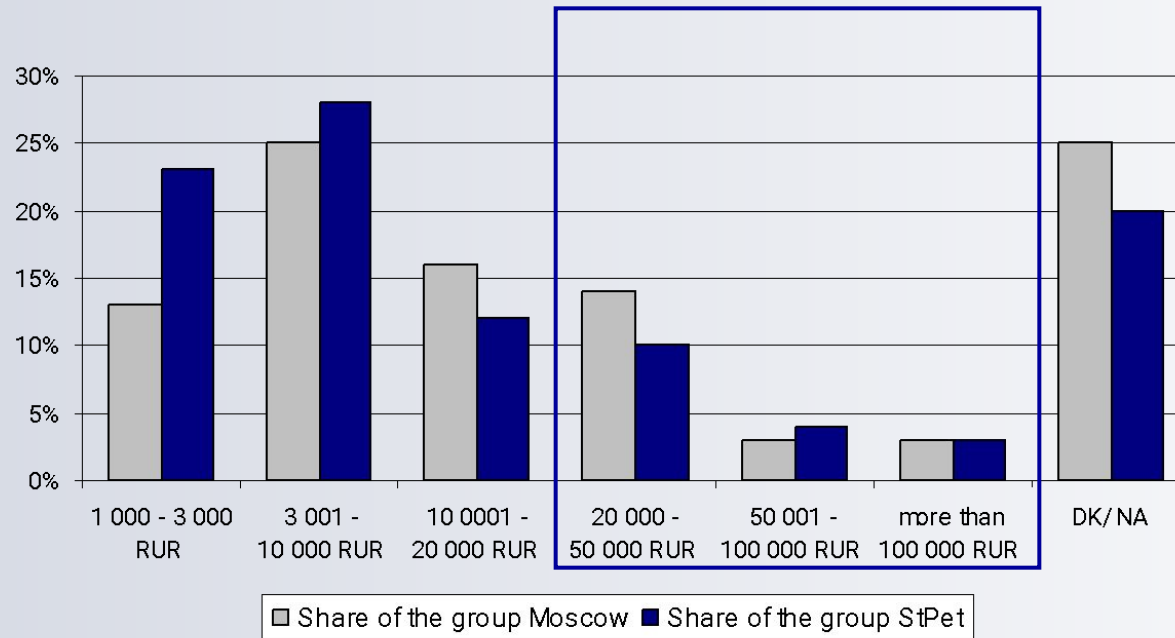
Leaflets delivered to mail box and attitude towards leaflets



- About 50% of respondents in both cities receive leaflets.
- In Moscow they are mostly from IKEA, OBI, SK. In St. Pet – from MAKSIDOM, IKEA, ISKRASOFT.
- Generally the attitude towards leaflets is positive.

# Moscow vs. St. Pet DIY market

## Spending for DIY goods

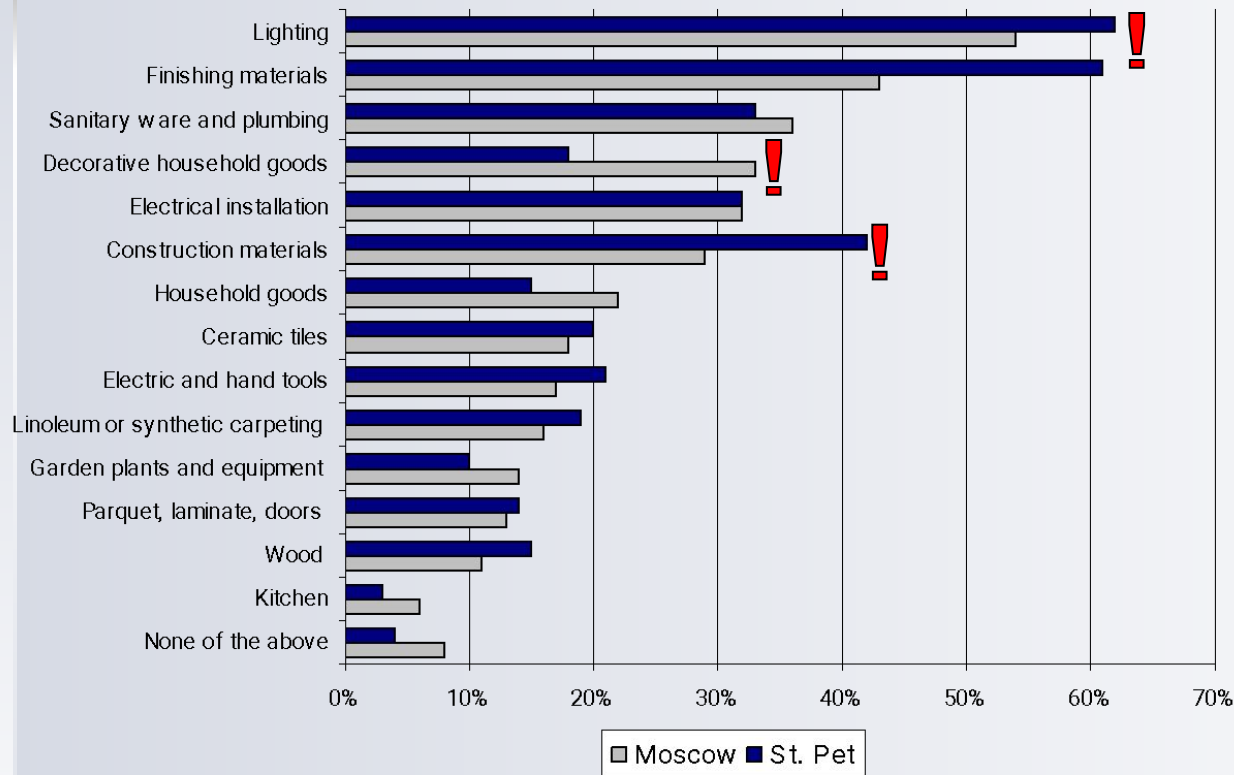


- **Average spending is about 19 800 RUR in Moscow and 16 700 RUR in St. Pet.**
- **Consumers, which spend >20 000 RUR, make more than 73% of total spending. Thus market is driven by projects not individual purchases (Moscow and St. Pet).**



# Moscow vs. St. Pet DIY market

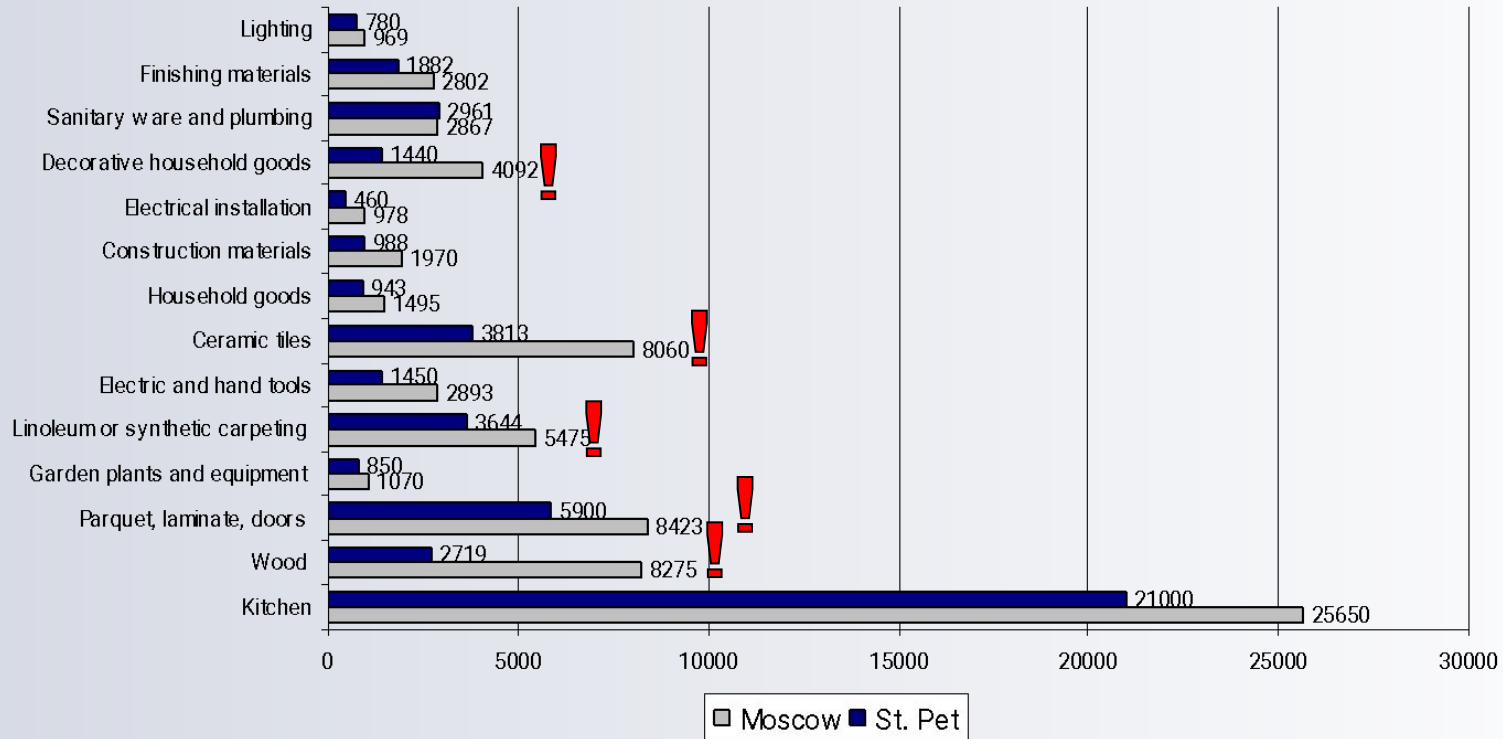
Category purchases within the last 12 months



- The most popular purchased categories are **LIGHTING** and **FINISHING MATERIALS**.
- In **St. Pet** these categories are more popular than in **Moscow**, as well as **CONSTRUCTION MATERIALS**.
- **DECORATIVE HOUSEHOLD GOODS** are more purchased in **Moscow**

# Moscow vs. St. Pet DIY market

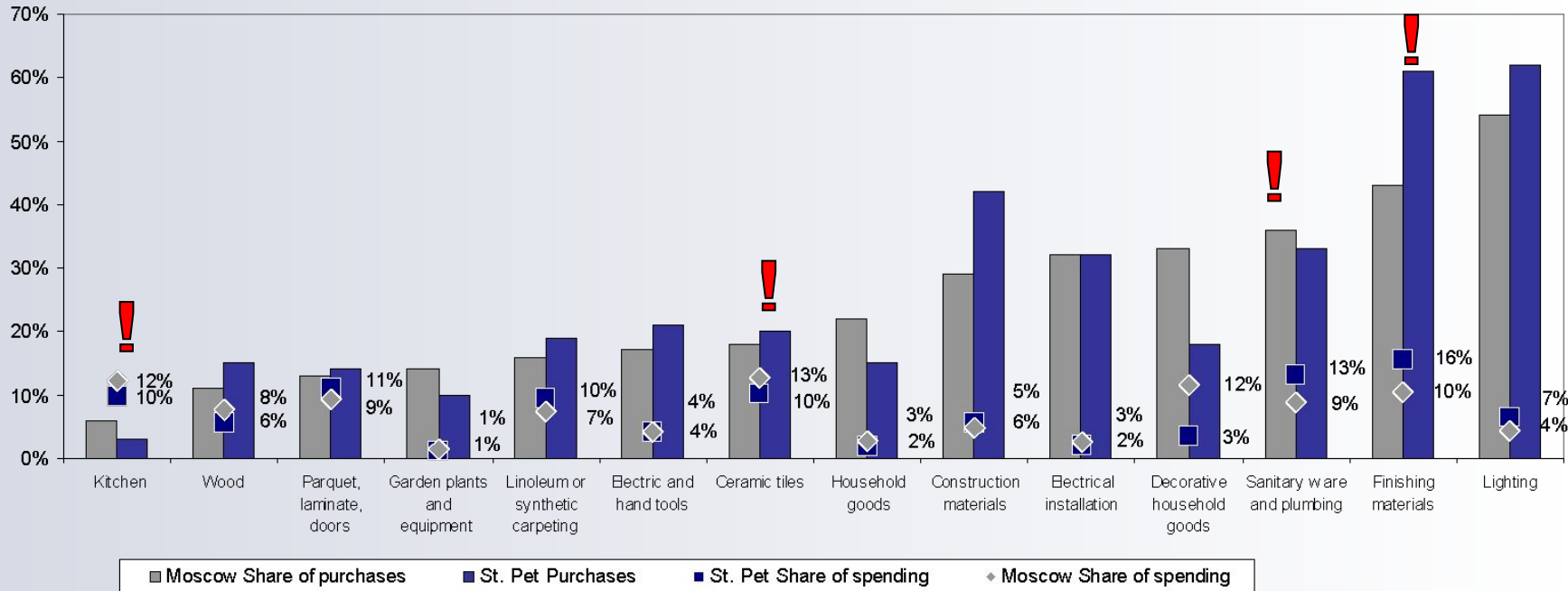
Category spending, median RUR



- Respondents in Moscow spend more money for CERAMICS TILES and FLOORING than in St. Pet, as well as for DECORATIVE HOUSEHOLD GOODS and WOOD.
- The most expensive category is KITCHEN.

# Moscow vs. St. Pet DIY market

## Category share of spending



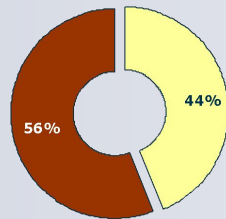
- In spite of the fact that the most popular categories is **LIGHTING**, it gives only 4-7% and of total spending for category.
- The most valuable categories are **CERAMIC TILES, KITCHEN, FLOORING, SANITARY** and **FINISHING MATERIALS**.
- The difference between Moscow and St. Pet is **DECORATIVE HOUSEHOLD GOODS** – in Moscow it is more valuable category; **SANITARY** and **FINISHING MATERIALS** is more valuable in St. Pet.

# Appendix

# Moscow DIY market

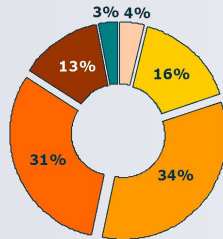
## Sample description

**Gender**



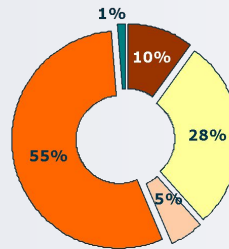
□ male  
■ female

**Household Size**



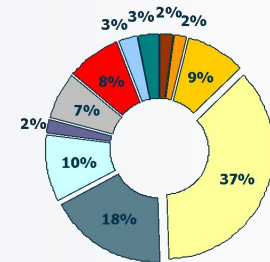
□ 1 person  
□ 2 persons  
□ 3 persons  
□ 4 persons  
■ 5 and more persons  
■ DK/NA

**Education**



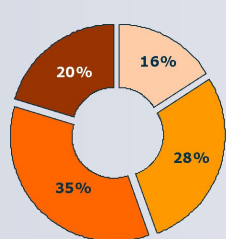
■ secondary  
□ secondary vocational/specialized  
□ uncompleted higher  
■ higher  
■ DK/NA

**Occupation**



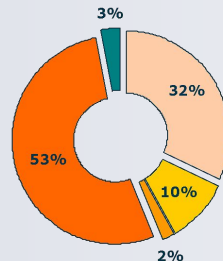
■ self-employed  
■ top manager  
■ middle manager  
■ specialist with higher education without managing functions  
■ office-worker without higher education  
■ qualified worker / foreman, master  
■ unskilled worker, general worker  
■ pensioner (non-working)  
■ housewife, ind. maternity leave  
■ temporarily unemployed, looking for a job  
■ DK/NO

**Age**



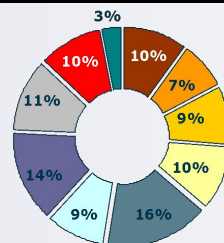
□ 25-30 y.o.  
□ 31-40 y.o.  
□ 41-50 y.o.  
■ 51-60 y.o.

**Children in Family**



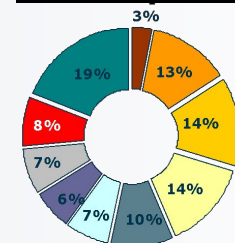
□ 1  
□ 2  
□ 3  
■ none  
■ DK/NA

**Moscow Districts Covered**



■ North  
■ North-West  
■ West  
■ South-West  
■ South  
■ South-East  
■ East  
■ North-East  
■ Central  
■ Zelenograd

**Income per capita**

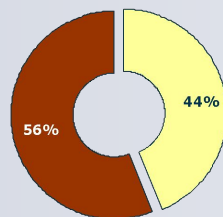


■ less than 3,000 RUR  
■ 3000 - 6,000 RUR  
■ 6000 - 8,000 RUR  
■ 8000 - 10,000 RUR  
■ 10,000 - 12,000 RUR  
■ 12,000 - 15,000 RUR  
■ 15,000 - 20,000 RUR  
■ 20,000 - 30,000 RUR  
■ more than 30,000 RUR  
■ DK/NA

# St. Pet. DIY market

## Sample description

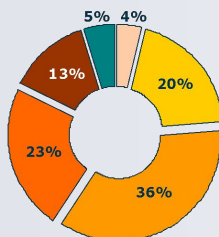
**Gender**



□ male

■ female

**Household Size**



□ 1 person

□ 2 persons

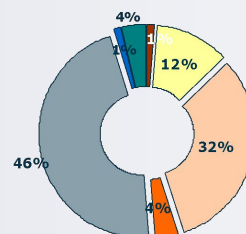
□ 3 persons

□ 4 persons

■ 5 and more persons

■ DK/ NA

**Education**



■ incomplete secondary

□ secondary

□ secondary vocational/specialized

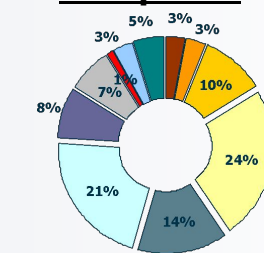
□ incomplete higher

□ higher

■ academic degree

■ refuse

**Occupation**



■ Businessman / self-employed / farmer

■ Top manager/Head/owner of a firm

■ Middle manager

■ Specialist with higher education without managing functions

■ Employee with secondary education

■ Skilled blue collar/unskilled blue collar

■ Retired, invalid

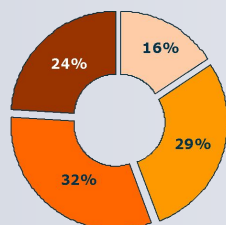
■ Housewife, incl maternity leave

■ Student, pupil

■ Unemployed, looking for a job

■ Refuse

**Age**



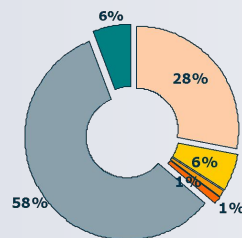
□ 25-30

□ 31-40

□ 41-50

■ 51-60

**Children in Family**



□ 1 child

□ 2 children

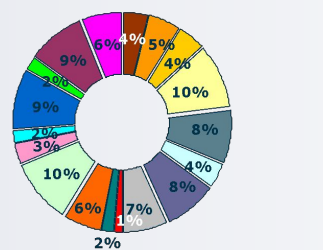
□ 3 children

□ 4 and more

■ None

■ refuse

**St. Pet. Districts Covered**



■ Admiraltejskij

■ Vjiborgskij

■ Kirovskij

■ Krasnogvardejskij

■ Kronshadskij

■ Moskovskij

■ Petrogradskij

■ Primorskij

■ Frunzenskij

■ Vasileostrovskij

■ Kalininskij

■ Kolpinskij

■ Krasnoselskij

■ Kurortnij

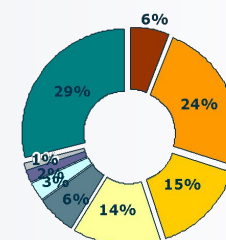
■ Nevskij

■ Petrodvorzovij

■ Pushkinskij

■ Central'nij

**Income per capita**



■ below 3000 rbl

■ from 3000 to 6000 rbl

■ from 6000 to 8000 rbl

■ from 8000 to 10,000 rbl

■ from 10,000 to 12,000 rbl

■ from 12,000 to 15,000 rbl

■ from 15,000 to 20,000 rbl

■ from 20,000 to 30,000 rbl

■ over 30,000 rbl

DK/refuse