

## Czech Republic

### Price sensitivity of Czech customers and the world economic crisis

**The world economic crisis is not only a matter of the "Great World" financial results: its driving force is consumer reaction, their willingness to shop, and most of all, their efforts to save on shopping.**

The first reaction of shoppers to the economic slowdown is to exhibit a certain degree of restriction in their shopping, and this has already been apparent during 2008. However, this has been more a postponement of shopping with a possible cutback on "excessive" expense so it represents more of an abstinence from shopping and not an entire change in shopping habits. A more realistic indicator of general and long term preferences on the part of the Czech consumer is, for example, their price sensitivity when choosing a shop.

The developments in price sensitivity have been monitored on a long-term basis by the project SHOPPING MONITOR (the largest annual survey of the development of shopping preferences in Czech households by the company INCOMA Research, a member of the GfK Group, whose latest edition of Shopping Monitor has just been released). Price sensitivity truly reflects the market situation: the share of customers for whom quality and other services are as important as low price has increased significantly since 2003. By the end of 2007, price sensitivity had again increased slightly at a time of rapid increases in some food prices, which is why evidence of the developments in 2008 and how the economic cool-down will affect shopping behaviour had been eagerly awaited. However, it has been found that price sensitivity has decreased, back to the level found in 2006, indicating that the crisis has not yet influenced Czech shopping behaviour significantly. We will wait to see how the Czech consumer will respond in the year to come, when long-term stagnation could be much more apparent.

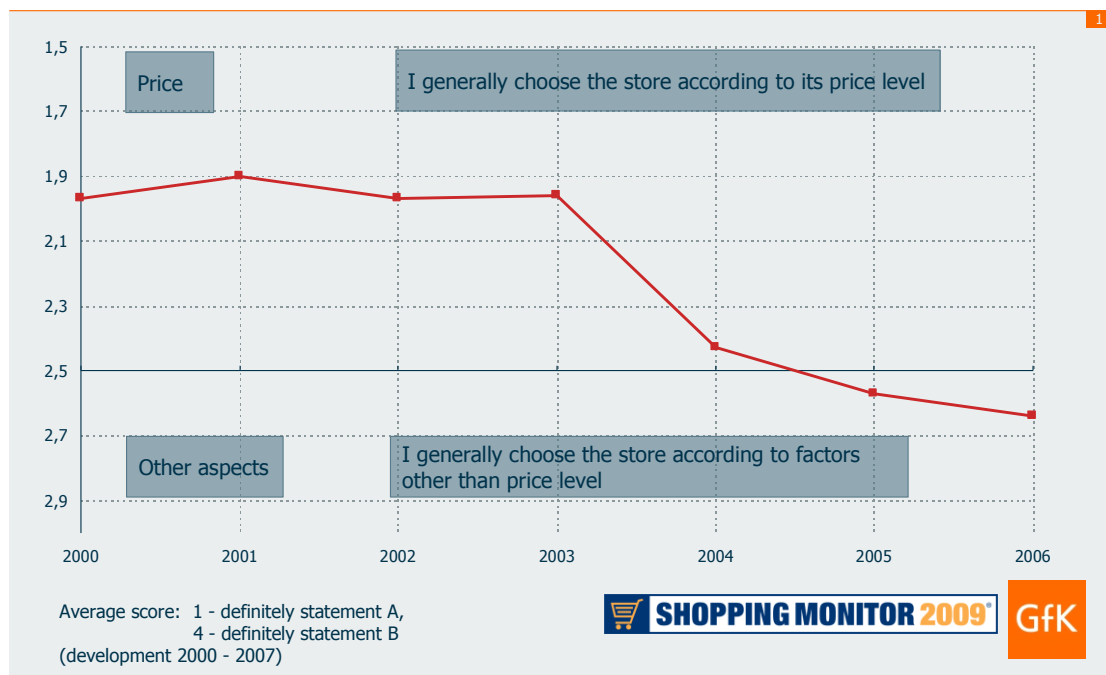
INCOMA Research

Price Importance

2008

### Price Importance

PARTICULAR CHAIN customers - active awareness





Technical parameters for the survey SHOPPING MONITOR 2009:

Author: INCOMA Research, a member of the GfK Group. A representative, whole country survey conducted in October and November 2008 with 1000 personal interviews in households, stratified random selection. The respondent is the person in the household who makes the most purchases of food and basic non-food ranges.

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