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### 05 TROPOLIS IN THE US

Tropicana Products has introduced smooth fruit blends for the US market. The range, named Tropolis, comes in CherryWorld, AppleWorld and GrapeWorld flavours. It has no added sugars, artificial sweeteners or high fructose corn syrup, and no artificial flavours, colours or preservatives. The range is sold in selected Kroger and Targets stores.

### 06 ENTER TINY C

UK growers' co-operative Freshgro has launched carrot snack packs aimed at both adults and children. The sliced Chantenay carrot packs are available in 80g pots as well as a multi-pack design of four 65g snap packs. The kids version features a colourful design incorporating cartoon character Tiny C.

## RETAIL COMMENT



### Italy sets its grocery retail apart from Europe

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With a population of almost 60 million, Italy is one of the most populated countries in Europe. Economically and politically, it is a country of two halves, with the key economic region located in the north, while the south – the so-called Mezzogiorno referring to everything south of Rome – continues to be underdeveloped despite decades of financial investment.

It is therefore hard to operate profitable, large-scale operations in the south due to the lack of local spending power. Given this and only moderate growth from a relatively low level, massive growth in the national retail market is not to be expected unless there are some fundamental improvements in the south, involving everything from better infrastructure, reduced unemployment and improved legal security through to higher wages. Such fundamental reforms should easily outweigh the growing importance of the discounters, which have recently had a stronger influence on national pricing patterns.

The Italian grocery trade is characterised by the lowest level of market concentration in the EU, with the top five players – exclusively made up of Italian and French retailers – capturing

only around a quarter of the market for total grocery sales. There are many small outlets and the sharp north-south wealth divide is also felt in terms of retail concentration, which is higher in the north than in the south.

Italy continues to be a supermarket-focused country and traditional retailing is in decline, like everywhere in the EU. However, with the aim of protecting small businesses, the government has set up bureaucratic hurdles to control the opening of large outlets. So far, several local groups and companies have managed to defend their market positions. As a result of the fragmented nature of the market, buying groups are particularly numerous in Italy. Around two-thirds of the Italian grocery market is in the hands of such organisations, while almost every large player in the country has associated itself with a buying group in order to strengthen its position. As in grocery retailing, numbers are decreasing due to considerable concentration and regrouping. Italy is no doubt a market with great potential, including attractive investment opportunities for foreign grocers, but it is not expected to take off in the near future.

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