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BELGIUM'S POST-WAR RETAIL HISTORY

by

Walter VAN WATERSCHOOT
Patrick VAN KENHOVE

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Walter van Waterschoot (*)

and

Patrick Van Kenhove (**)

(*) Professor of Marketing and Distribution
University of Antwerp - UFSIA
Prinsstraat 13 B-2000 ANTWERPEN
e-mail: fte.vanwaterschoot.w@ufsia.ac.be

(**) Professor of Marketing and Distribution
University of Ghent
Hoveniersberg 4 B-9000 GENT
e-mail: patrick.vankenhove@rug.ac.be

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INTRODUCTION

After its independence in 1830, Belgium was the first Continental country to become highly industrialized. Despite its small size it has been the battlefield of the Romans in earlier history, of the Burgundians, Habsburgs, Bourbons and Bonaparts and more recently of the French and the Germans. The central location of Belgium and its proximity to the main European cities and streams, as well as its cultural and political openness, have made it nevertheless a natural trading center (Gijsbrechts, Swinnen and Van Waterschoot, p. 1). In the twentieth century it witnessed two occupations, which seriously undermined its well-being. This article concentrates on Belgium's retail history after the occupation during the second World War. It distinguishes between six periods, which in the opinion of the authors show some significant peculiar characteristics in comparison with preceding and following periods.

THE ERA OF 1945-1960:
A PROLONGED POST-WAR PERIOD

The visible effects of the recovery period after the second world war were not spectacular in terms of a renewal of the retail apparatus in the sense that it did not differ too much from the one before the war. The reason for this limited change was the existence of a law voted in 1937 forbidding the erection of new outlets employing more than five employees and also the enlargement of existing outlets of such kind. This Padlock Law as it became known had intended to protect independent retailers against larger scale competitors in the recession and mobilisation years of the late

thirties when Hitler's leadership in Germany had caused the worst of expectations with regard to Belgium's national safety and stability. Originally, the Padlock Law had been voted for just one year, but both threatening external circumstances and lobbying by organisations of independents - within amongst others the politically very influential if not dominant Christian Democratic Party - made it be prolonged year after year untill 1960.

As a result of the Padlock Law Belgium's very traditional, dense and dispersed pre-war distribution apparatus became artificially sheltered against economic forces, which otherwise would have put it on a sound basis. Such a reconstruction was nevertheless desirable from an economic point of view, considering the very traditional distribution structure of the country. The average Belgian shop shortly after the Second World War was very small indeed as indicated by the density of points of purchase: one retail or wholesale establishment per 29 inhabitants in Belgium in 1947, versus an average of one shop per 71 inhabitants in eleven other Western European countries at the time and one shop per 97 inhabitants in the United States (Jeanneney p. 12 as cited in Michel and Vandereycken p. 100). The typical distribution channel just before and after the war was very long, with at least one wholesale level next to the retail level. Often a shop was kept by housewives to supplement their husband's income. Next to an uncountable number of small-scale independent traditional service-shops, also a substantial set of traditional department stores were located in the inner cities (Gijsbrechts, Swinnen and Van Waterschoot 1995, p. 30).

Whereas the shopping infrastructure had not changed very spectacularly in the post-war years, major practical changes were taking place in everyday life which potentially offered the opportunity for new retail approaches - which had been developed already elsewhere, mainly in the U.S.A.. Throughout the fifties incomes e.g. rose markedly, new products were developed and marketed, new housing starts predominantly took place in suburban areas, the improving road infrastructure made suburban areas more accesible, car ownership increased rapidly, female employment was on the increase too and refrigerator and freezer ownership started to take off.

In 1954 the Padlock Law was partially relieved. From that moment on large scale selling surfaces were permitted to be established in cities of more than 50.000 inhabitants. Such cities, however, were administratively not numerous as the many suburban municipalities were not encorporated to assess the number of city-inhabitants. Practically speaking the removal of the Padlock Law encompassed only major cities like Brusssels and Antwerp, where indeed in the late fifties for example the first supermarkets were erected.

THE ERA OF 1961-1972:
THE OUTBREAK OF A DISTRIBUTION REVOLUTION

In 1961 the Padlock Law was completely relieved in the end. As a result the potential developments, which had artificially been surpressed, started to take place more suddenly and substantially than they would have otherwise. Instead of a very gradual evolution rather abrupt changes took place, which generally continued to take place in later years but to a lesser extent. For that reason the metaphor of a "distribution revolution" is used to describe this era.

INSERT TABLE 1 ABOUT HERE

The removal of the Padlock Law in 1961 gave rise to new distribution forms, especially those that integrated both retail and wholesale activities in one legal entity (Gijsbrechts, Swinnen and Van Waterschoot 1995, p. 30). A major example of this integration tendency is the rise of chain stores, which increased their market share in food distribution from around 3% in 1960 to around 18% in 1975 as shown in table 1. It should also be mentionned though, that this particular example reflects the combined effect of the succes of chain stores and of supermarkets as a new retail format. Most supermarkets in this era indeed made part of retail chains. A similar combined effect should also be mentionned with regard to the evolution of the

category "department stores" in food distribution as pictured in table 1. As a result of the pragmatic adaptation of the incorporation of new retail formats in the classification of the Belgian Committee on Distribution, expanding hypermarket sales have been grouped with shrinking food sales of suffering department stores. In non-food distribution department stores have lost ground both in reality and in statistics due to their inner city locations, old-fashioned buildings, high overhead costs and lack of parking facilities. All taken together integrated forms of distribution increased their market share from around 12% in food distribution in 1960 to around 25% in 1975. In non-food distribution the net-result of a similar evolution was much smaller: from around 12% market share to 13% in the same period.

Next to integration also association tendencies witnessed the period following the removal of the Padlock Law. Originally this took mainly the form of cooperations between independent wholesalers and/or retailers in defense against chain stores, particularly in the food sector (Gijsbrechts, Swinnen and van Waterschoot 1995 p. 31). The market share of food retail cooperatives rose from 1% in 1960 to 2,5% in 1975. Voluntary chains in food distribution on the other hand, already markedly existed in 1960, then capturing almost 9% market share. This early form of defense of the independents against mass retailers quickly gained monumentum in the early days of the fully liberated distribution sector. By 1965 voluntary chains reached a maximum market share of almost 16%, which, however, quickly dropped to around 7% in 1975 and even less afterwards. Supposedly too many weak entities were taken up in these groupings, which moreover found it hard to follow a common policy. Franchising - a more modern, powerful and less defensive - form of association doubled its market share between 1960 and 1975, although the still modest share in 1975 of less than 6% did not correspond to the advantages ascribed to the formula by specialists.

INSERT FIGURE 1 ABOUT HERE

As a result of both integration and association tendencies fully independent retailing fell back from a 76% market share in food business in 1960 to a mere 60% in 1975 (see Table 1). Figure 1 summarizes the resulting spectacular shake-out which occurred in terms of number of - essentially independent - food shops in this era, as measured by market research company A.C. Nielsen. As a much lower number of points of purchase satisfied an increasing demand, the average sales figure markedly increased. This average ,however, resulted from the steeply growing sales of new and major retail outlets, mostly owned by retail chains and the like, next to the staggering sales of smaller and more traditional sales outlets, mostly ran by independents. This observation is closely linked to the development of self-service as a selling technique, mainly in larger new retail establishments. In 1961 the country had only 279 self-service-shops against 3047 in 1970, which by then represented 8.7% of the number of food shops and 51% of the corresponding turn-over. In 1971 those figures still climbed at an unprecedented rate to 11% and 66% respectively, to evolve more smoothly afterwards. Next to the previous developments, also the number of (new) outlets owned by large retailers grew, thereby inevitably leading to a marked increase in market concentration - again mainly in food distribution. In non-food business the advance of integrated and associated forms of distribution was much less pronounced. The market share of independents of almost 88% in 1960 remained almost untouched at a level of close to 87% in 1975. In non-food business similar developments would take place as in food-distribution, be it more gently and more slowly.

THE ERA OF 1973-1980:
THE END OF THE GOLDEN SIXTIES

Although the tendencies described under the previous era definitely did not stop, but generally were still continuously taking place, be it in a more gentle way, the oil crisis of 1973 marked the beginning of a new era. Rising energy costs excerted strong pressure on prices. As a majority of wages was directly linked to prices under a formal price-index-agreement, wages started rising too and in their turn attributed to an inflation spiral. In 1974 and 1975 inflation amounted to 13% (see figure 2) and

undermined both consumer and business confidence. Also the growing awareness of the limitations of natural resources and economic growth marked a pessimistic psychological climate, which not only resulted from a staggering economy but also made it stagger.

INSERT FIGURE 2 ABOUT HERE

Throughout the sixties large retail firms had witnessed to a large extent both inside and outside their corporate buildings a mentality that "the sky was the limit". Rather suddenly the limitations of growth became obvious and retail firms started almost for the first time thinking in terms of market share. Higher market share indeed became a necessity to obtain sales increase. As a result growth objectives of retailers conflicted and led to fierce competition and still more marked concentration. Consequently small retailers became more endangered than in the preceding years and government like in the thirties took measures to protect them. In 1975 a procedure was established - often called the "new Padlock law" although of a completely other nature than the one of 1937 - which obliged retailers intending to erect a new retail outlet - from a certain floor surface on - to obtain a so called Socio-Economic Permit. This procedure did not literally forbid to erect new outlets, but its multi-phased, multi-criteria-based and more or less bureaucratic nature would at least slow down significantly the erection of new large retail establishments. Moreover, in actual practice it turned out that the procedure was more strictly applied in case of mass retailers in comparison with independent retailers.

The unprecedented concentration of retail sales also critically influenced the relationship between producers and retailers. In a setting where individual differences between retailers had been small and where their average size had been small too, the negotiation position of producers generally had been strong. As a result retailers had been often considered and approached as "passive agents", who had been supposed to pass on to consumers whatever they had been asked to and who also had

acted in this way. But, the increased concentration of retailers markedly influenced the balance of power between the two parties. Larger retailers in this era no longer accepted the traditional passive role of their less powerful predecessors, but on the contrary started to excert channel leadership.

One practical consequence of this development was the marked rise of retail brands as these were relatively more profitable for retailers, as a consequence of putting the name of the retailing firm on the package instead of the brand name of the producer. Brand preference ,so it was hoped, would lead to store preference and the absence of the producer's identity on the package would still strengthen the retailer's negiotiation position, resulting in relatively high retail margins. Obviously retail branding presupposed a vast retail organisation and therefore remained out of reach for smaller entities. One major example is Belgium's largest mass retailer GIB, which in 1978 introduced a line of 51 very cheap no-frills-products under the private brandname of "White Products" appealing to economizing shoppers. By the end of 1979 this line encompassed already 91 items, representing 3% of GIB's turn-over.

Another practical consequence of the markedly increased retail concentration, was the spectacular fall in the number of sales representatives of producing firms. Major retail clients were no longer contacted by sales representatives, but directly negotiated with higher management people. Transactions were prepared, implemented and followed up by specialised key account managers.

THE ERA OF 1981-1985: THE REAL CRISIS

Whereas throughout the previous era a crisis atmosphere existed in the minds of consumers and entrepreneurs alike, the economy as a whole kept growing be it at a lowering pace. As can be derived from figure 2, disposable incomes as well as consumption had not really declined after 1973, but had only gradually levelled off. In 1981 for the first time real incomes (as opposed to nominal incomes) really dropped and so did consumption, thereby marking the presence of a downturn in

objective figures. In 1981 also unemployment evolved rather suddenly still more badly than before. This gloomy evolution continued untill about 1985 thereby marking an era during which distributors reacted strongly, though not allways sensibly, to survive and even prosper.

Discounting as a marketing approach by retailers, consisting of continuously and systematically stressing very low prices, already existed prior to this period. In this era, however, it became a much more widespread phenomenon, often accompanied by a lowering of the quality of offerings. Moreover, prices were not only emphasized by genuine discounters - or with a synonym Every-Day-Low-Price-Retailers - like the German Aldi, which after the opening of its first supermarket in Belgium in 1976 quickly gained ground in those years operating 107 sales outlets in 1983. In this era also traditional High-Low-Price-Retailers - i.e. retailers who now and then selectively use price promotions to sustain their image and create store traffic like e.g. GIB - started to discount more systematically. As a result price wars began to characterise Belgian retail markets in those years. Store traffic was also sought still more extensively than before by means of private brands. More in particular no-frills products were emphasized more strongly, as they would appeal to the more than ever economizing shopper. The average shopper indeed turned out to become more of a "dual shopper" than ever, meaning that the more utilitarian and less expressive parts of his consumption basket were mainly bought on a price basis, and that only the more luxurious and expressive items were bought in a less price-sensitive way called "fun shopping".

Generally, however, pressure on prices and even price wars, together with still high energy and wage costs, squeezed retail margins and therefore the profit potential of retailers. As a result retailers intensively looked for ways to increase their profitability. Some well recognizable ways marked the efforts of large retailers throughout this era: rationalisation, diversification and internationalisation.

Rationalisation indicates that retailers try to lower their costs, weed out less profitable activities and generally try to obtain higher efficiency. For large-size retailers

lower costs are obtained by making maximally use of their increased buying and negotiation power. Lower prices make part of the negotiation process with suppliers as well as the rationalization of all sorts of aspects of distribution logistics by means of e.g. just-in-time delivery, decentralized delivery, ordering systems and stock keeping systems (Koopmans 1991, p. 67-68). Suppliers in turn searched for ways to strengthen their negotiation power e.g. by increasing their scale of operations. They also searched for organisational set ups, which maximally lead to complementarity and partnership. Key account management in this era became a genuinely popular organisational design in major companies, allowing thorough analysis of the needs and sensibility of (groups of) key accounts e.g. with regard to the composition of product assortments.

A phenomenon which, like the previous ones, is almost impossible to document on the basis of statistics and therefore also difficult to exactly locate on the time axis is the phenomenon of "parallellisation" or "scrambled merchandising". Scrambled merchandising, however, logically fits mainly - although certainly not exclusively - this era. Parallellisation means that retailers encorporate non-traditional elements into their assortments with an eye on increasing their return on investment e.g. the return on the square meters of floor space. An assortment of shoes might e.g. be extended with socks, sweaters, pull overs, waistbands and the like as a result in the similarities in consumption and/or way of buying. A tabacconnist would also sell papers, panties, sweeties, writing materials and the like. Scrambled merchandising resulted in less clear boundaries of retail markets, as well as in less clear positions of retail firms. As a result competition increased together with the need for more deliberate positioning and communication by retailers. Some retailers also tried to strengthen their position by avoiding scrambled merchandising and by on the contrary rather truying to specialize.

In the same train of thought as scrambled merchandising, large retailers searched for retail markets outside their original ones. In other words they became conglomerchants, owning and managing a set of (chain) stores in diverse areas, rather than just

a single one or a few in closely related areas. The portfolio of the largest Belgian retailer GIB for instance consisted in this era of the following retail formulae: Maxi-hypermarkets, GB-supermarkets, Nopri-supermarkets, Unic-supermarkets, Inno department stores, Sarma-department stores, Brico-Do-it-yourself outlets, Resto GB-restaurants, Quick-fast-food-restaurants, Pizza Belgium-restaurants (50% participation), Auto centers, Garden centers, Vision centers, Club book shops, Fnac (30% participation) book shops and Ikea Belgium shops (50% participation).

Provided the lack of growth possibilities within the traditional national boundaries, it is not surprising that large retailers searched for growth opportunities in other geographical markets. Whereas scrambled merchandising and diversification are difficult to sustain with hard figures, the internationalisation process of Belgium can be documented by means of the elaborate study of Steve Burt (1991). At least if one assumes that Belgium follows more or less closely, the same pattern as the four other countries, which together with it, form the core set of countries encompassing internationalizing retail firms. We are not aware of counterindications to reject this hypothesis.

INSERT FIGURE 3 ABOUT HERE

Burt (1991) has studied the process of the internationalisation of European food retailers over 40 years following 1950. More in particular he has made an inventory of the frequency of occurence of all such activities. Any type of international activity, regardless of its magnitude, has been taken up in his frequency measure: majority stakes in foreign companies, minority stakes, operational joint-ventures, franchise operations and so on. Diversification outside the food sector was not encorporated though. Neither were non-operational activies like the grouping of orders by companies to obtain economies of scale in purchasing. Figure 3 provides the evolution of international activities by European food retailers according to Burt. As already

mentioned just five European countries account for all such activities viz. Germany, France, the United Kingdom and Belgium. Assuming Belgium follows the average pattern of this group of countries, the actual evolution seems quite plausible. The fifties and sixties did not allow nor necessitate international expansion. In the early seventies saturation of the home market may have urged the earliest of such initiatives which were, however, quickly stopped presumably in view of the sudden worldwide pessimism about the economic future. The fact that the first peak in Burt's date occurs only in 1975 and not in 1973 may both be explained by his use of a three-year moving average, as well as by a short time delay in the reaction of retailers reflecting the impossibility to withdraw from accepted commitments. A similar impression of plausibility (and also a minor reserve as to the precision of the date) holds for the upheaval which is found around 1982 and the steady rise in international activities untill 1985, corresponding more or less with the era under study in this section. In the early eighthies indeed the Belgian home market showed little growth prospects. Also substantial further gain in market share by integrated retailers seemed unlikely. Fierce competition typified the Belgian national market. Moreover Belgian consumers could more and more be typified as demanding, spoiled and aging. Finally, the new Padlock Law did not particularly encourage the larger domestic retailers to further penetrate their own country. Next to the power exerted by these push forces, some pull forces occurred under the form of a perceived attractiveness of foreign markets. Some foreign markets indeed seemed to be promising, like the United States with its huge and relatively homogeneous and stable home market. A typical example of the era is Delhaize, which derived more than 70% of its consolidated turnover from the participation it had acquired in the American Food Lion. GIB for its part took a majority stake of 65% in the North American A-OK and a 25% participation in Scotty's. It also took minority stakes in do-it-yourself-retail chains in other countries: 25% in Homebase (U.K.) and 35% in Obi (France). In the restaurantsector GIB toke an interest in Sam's Quick (U.S.A), France Quick and Quick U.K.

THE ERA OF 1986-1992:
THE RUN UP TO THE EU

Also in 1986 and the ensuing years an imbalance between demand and supply of consumer products persisted: supply exceeded demand. The economy as a whole grew slightly but irregularly. Unemployment stabilized at a high level relative to the years preceding the oil shock of 1973 (see figure 2). The relatively high unemployment figure, however, now seemed to be accepted more or less by the public and also to be more or less under control by economic policy. Surveys in these years indicated a marked shift of consumer spending from traditional food categories to services like travelling, car services, personal and medical care as well as to financial services. Consumer mentality evolved still further towards an ego-orientation. Social norms increasinly lost their power. Tolerance and/or indifference about other peoples' behaviour on the other hand became more widespread.

The previous tendencies lead to an unprecedented fragmentation of consumer markets. The following quote by Bates (1989, p. 384) therefore applies very well to the Belgian retail market of this era: "The demise of the traditional middle class and associated values had lead to a wide range of different life styles, attitudes, brand preferences, and shopping patterns. This creates an expanded opportunity for tightly focused specialty stores". As in the previous era growth within the national boundaries occurred to the detriment of competitors. In this era, however, the risky tactical approach of price cutting was no longer the sole or predominant approach, but rather segmentation, targeting and positioning represented a more enlightened strategic market approach. Levy's following quote (p. 389) describes the idea also for Belgium quite well: "Retailers' traditional role has been that of a funnel through which merchandise passes from manufacturer to consumer. This role has become insufficient and obsolete in the face of radical changes sweeping the market place which require that retailers be able to create concepts geared to consumer demand, and market them through assortments and packaging that projects them to target customers". In the same train of thought retailers seemed to start perceiving personnel not only as a cost element, which should be utilized as carefully and efficiently as

possible, but also as a sales generating service component of their marketing mixes. It was in this period that self service shops - in fast moving consumer goods then holding over 90% of market share - started introducing servicing again for some categories of their assortment like for fresh food, where the dual consumer supposedly was quality- and service-sensitive.

The previous paragraph does not withstand the observation that also this period is characterized by a marked search for further mordernisation, rationalisation and efficiency. In this period indeed heavy investments take place in areas like computerization, information systems and scanning. In 1988 for instance already one-fourth of the turn over of fast moving consumer goods was registred by means of a scanning system. This development strengthened the negotiation position of retailers versus manufacturers, although the latter had strenghtened their position again as a result of higher concentration, which in turn was one more reason for large retailers to join international retail alliances. Not only the overall position of large retailers was influenced as a result of the introduction of scanning systems, but also their mutual positions. Industry observers for instance cite this as one major explanation of the spectacular increase in market share from 5.5% in 1987 to 8.4% in 1992 in the Belgian Nielsen universum by supermarket chain Colruyt. The lack of similar investments by G.I.B. on the other hand, is seen as one major explanation for its market share fall of 2.3% in the same period (Opdebeeck).

More still than the previous developments, however, we are of the opinion that the internationalization of Belgian retailing typifies the era from 1986 to 1992. Objective principle reasons pushing retail expansion out of Belgium were already given earlier: the saturation of the national market, expensive land and rent prices as well as the new Padlock law. One major indication of the saturation of the national market is the remarkably even density of retail outlets throughout the different regions, at least when measured relative to the number of inhabitants. The sparsely populated province of Luxembourg for instance in 1990 exactly equaled the densely populated

province of Brabant in this prespect as both possessed 36 retail outlets per 10,000 inhabitants (Gijsbrechts, Swinnen and Van Waterschoot 1995, p. 27).

On top of these push forces one should mention the removal of tresholds previously hindering retail expansion. More in particular the removal of borderline controls, the harmonisation of VAT-taxes within Europe as well as the standardisation of technical specifications should be mentioned. It seems, however, that the psychological effect of "1992" has largely exceeded its objective impact. The rise of international activitities of Belgium and of the other four hard core internationalizing European countries in the run up to 1992 ,as inventoried by Steve Burt (1991), may be called spectacular. It seems clear, however, that the main explanations must be sought in terms of an anticipatory movement and of psychological effects, since the real unification of the European common market evolves much more slowly and gradually than the magic year number of 1992 has suggested.

As to the specific international expansion by Belgian retailers, mention should be made of their growing interest in this period in South European retail chains. In this respect Belgian mass retailers - who often have originated from the French speaking part of Belgium - have shown similarity with French mass retailers, who themselves mainly entered south European retail markets, presumably for reasons of both cultural nearness and expected market growth. Delhaize for instance acquired a stake in the Greek Alpha-Beta supermarkets. Also Eastern European countries caught the attention of Belgian mass retailers, be it that the initiatives - like that of GIB in Poland and of Delhaize in Tsjecho-Slowakia - rather took the form of "educational acquisitions" (Aaker, p. 283) and "educational joint ventures" i.e. relatively small scale projects for information and anticipation purposes. As to the form of their international expansion Belgian - essentially food - retailers fit Burt's observation (1991) that this type of retailers rather expand under the form of acquisitions. GIB for instance further acquired stakes in British DIY-chains and French specialty store chains. Another example is the majority stake Delhaize obtained in this period in the American Food Lion.

The late eighthies also witnessed the rise of alliances amongst European mass retailers. As already indicated these alliances aimed at forming a counterweight against also concentrating manufacturers. On top of this major aim, however, these joint ventures also intended to facilitate the exchange of knowledge concerning product development, quality control, logistics and marketing and information systems (Lachotzki and Hazewinkel p. 8).

Finally, it should be mentionned that the Belgian market was (further) penetrated in this period by diverse foreign retailers. The German food discounter Aldi for instance expanded further within the low price segment of the food sector. Between 1981 and 1993 it increased its market share from 1.4% to 8.9% (Gijsbrechts, Swinnen and Van Waterschoot, p. 33). A similar development took place in the non-food sector where mainly Dutch chain stores like Hennes and Mauritz, Kreymbourg and P&C attacked the very price-sensitive segment of the clothing market or in the furniture market with Ikea. Other examples of increased foreign retail presence in Belgium are the also Dutch Blokker, Free Record Shop, Marks & Spencer, Rodier, Body Shop and Benetton.

THE ERA AFTER 1993:
HYPERCOMPETITION LEADING TO A NEW EQUILIBRIUM?

In terms of international activities the run up to 1992 seems to be followed by a relatively calm era, in which presumably a consolidation and defense takes place of acquired positions. In the early nineties several older tendencies within the national geographical boundaries of Belgian retailing itself, also seem to have leveled off. Market share of integrated forms of distribution seems to have stabilized and so has that of associated forms. Even franchising systems, which are so loudly applauded in textbooks and which are e.g. immensily succesful in the United States have not grown spectacularly in Belgian retailing, neither in the remote nor very recent past. Industry observers attribute its modest status to the typical Belgian preference for independence, aversion to meddlesomeness and the relative tolerance of grey market areas. Strictly independent retailers in food retailing have lost much ground in the

past, but the fittest seem to have survived as suggested by the current stability of their market share. Independents in non-food retailing as a category have never lost much market share at all. This observation , however, does not counterargue the fact that individual businesses within this category, like within others, may have been much less prosperous. The same remark holds for wholesale businesses. The well-being of wholesaling is obviously closely linked to independent retailing, as well as to some forms of associated retailing.

The previous observations do not imply though, that the post-1992 era does not contain any new element. More in particular consumers are one source of change and adaptation by retailers. As becomes evident from figure 2 consumer spending in 1993 again decreased and unemployment rose. Overall, however, the already demanding stereotypical consumer seems to have become even more demanding, thereby replacing the dual consumer. The early-nineties-consumer does not only want high quality or low prices, but more typically requires both high quality and low prices. Moreover, the ego mentality that was described in relation with the previous era has been influenced by the fear of a threatening environment leading to a relatively wide tendency towards "cocooning". The increased absence on the other hand of firm standards, norms, ideals and even objectives in life has lead to a greater prominence of a preference for immediate want fulfillment.

At the same time the willingness by consumers to undergo sacrificies in the form of time investment or transportation effort in the acquisition of economic goods and services, seems to have decreased. This idea is well summarized in the following quote by Bates (1989, p. 384): "Largely because of the tendency towards dual income families and families headed by a single adult, there is now a paucity of time for traditional shopping activity. This development has already manifested itself in a number of ways, including greater use of mail-order, the growth of shopping services and a general distaste for shopping. This provides an opportunity for additional mechanisms that make shopping easier or more interesting". Also the following quote by Salmon (p. 370) seems to describe the stereotypical consumer of the nineties quite well: "...time constrained consumers may typically find shopping more chore and less

pleasure than their predecessors. Instead, they want convenience. This can mean more shopping at home ... If they continue to shop in stores, then quickly finding what they want in-stock, obtaining efficient sales assistance if required, and minimizing checkout or transaction time may be their goals".

In the past-1992 era store loyalty generally seems to have (still) decreased. The choice of a point of purchase may result from a great many factors. Price promotions are a common example. The whimsicality of consumers seems to have made retailers still more aware of the economic advantages of maintaining customer loyalty. Technological innovations like chipcards and scanning, allow retailers to approach consumers more directly and individually and to develop new consumer loyalty systems - at least technically. The actual succes of different forms of direct marketing indeed still remains to be proven in view of Belgium's historical record. The oldest form of direct marketing, namely mail-order never gained monumentum. In the sixties and seventies it represented about 1.2% of retail sales. In the early eighties its share mounted to 1.8% in a few years time and then stabilized again. These remarkably low figures are supposedly due to the very dense and relatively modern and differentiated set of retail outlets. As to other forms of direct marketing: in 1994 direct mail expenses per capita, as well as telemarketing and marketing via electronic media, hardly reached half the European average, markedly below the corresponding figures of neighbouring countries. This is all the more remarkable given the advanced status of Belgium in all kinds of networks an the high spread of electronic media (Gijsbrechts, Swinnen and Van Waterschoot, p. 34).

The quality requirements by demanding consumers on the other hand, together with store space limitations, lead retailers to a more deliberate composition and even pruning of their assortments. Large retailers in fast-moving-consumer-goods for instance tended to reduce their assortment within a specific product category to just one very strong A-brand, one up scale retail brand plus one fighter brand which may either be a retail brand, a generic brand or C-manufacturer brand. As a result

several A- and C-manufacturer brands were dropped and the B-manufacturer brands vanished completely.

So the strengthened position of retailers has led to an increased share of retailer brands and to a necessity by manufactuers to still lower their selling prices and to increase the amount and magnitude of their trade promotions to obtain or maintain store space. At the same time hypercompetition lead to a rise in partnershipping between retailers and manufacturers, mainly under the form of so called "Economic Consumer Response" (ECR)-systems. Economic Consumer Response is a strategy of cooperation between retailers and manufacturers with an eye on eliminating unnecessary costs and adapting more efficiently to consumer demands. More in particular emphasis is laid on efficiencies in supply, composition of assortments, communication and product innovations.

CONCLUSION

Like most retail studies inside Europe, the emphasis of the present study is biased towards larger retailers and towards the food sector. The lack of availability of sound statistical material and of other extensive information of many sectors explains this bias. The authors are nevertheless convinced that several broad observations can rather safely be made about Belgium's retail history and current position. By the end of the twentieth century Belgium is typified by one of the highest population densities of the world. It also has the highest degree of urbanisation of all EU countries. At the same time its population paradoxically is the least concentrated of EU countries. Its stagnating and aging population, with a high proportion from foreign origin, next to the Dutch-speaking Flemings and French-speaking Walloons, represents a rather mixed society in cultural terms. Belgium's retail history after the second World War is closely linked to the evolution of the countries' demographic and geografic characteristics. In spite of the remarkable shake-out during the "golden sixties", which put the overcrowded retail apparatus on a sound economic basis Belgium with its 141 retail outlets per 10.000 inhabitants (or about 1 retail outlet per 71 inhabitants) Belgium in the last decade of the 20th century still has a remarkably high

retail density; well above its neighbours, but still well below southern European countries. This density is remarkably evenly spread out over the different regions, when measured relative to the number of inhabitants. The average scale per point of purchase is low, below the EU average. At the same time, however, Belgium is characterized by a pluriformity and modernty of retail formats that typifies economically advanced countries. Fierce price competition in major sectors like food, clothing and consumer electronics make the country not the most attractive one for marketers and retailers alike. The inroads which nevertheless have been made into the country by foreign retailers are therefore all the more remarkable and contribute to a situation of widespread hypercompetition. The utmost rationalisation and targeting of retailers and partnershipping with producers has therefore become a necessity to survive into the twenty-first century.

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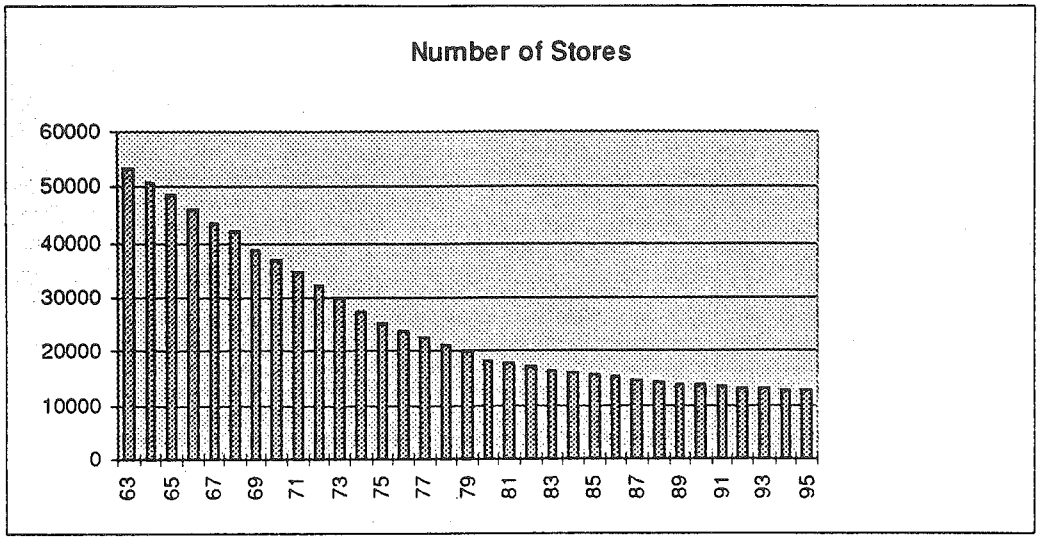
TABLE 1 - MARKET SHARE EVOLUTION OF SOME DISTRIBUTION FORMATS IN BELGIUM BETWEEN 1960 AND 1992

FOOD RETAILING	1960	1965	1970	1975	1980	1985	1990	1992
1. INTEGRATED RETAILING	11.9	14.1	17.4	24.8	31.0	30.3	32.4	33.7
a.o. Chain stores	2.8	4.5	9.9	17.9	25.1	23.6	21.8	23.5
a.o. Dept. stores	4.2	5.0	4.3	5.0	4.9	13.4	10.5	10.2
2. ASSOCIATED INDEPENDENT COMMERCE	12.1	20.1	16.1	15.3	14.4	17.2	17.5	17.0
2.1. Retail coop.	0.9	1.6	1.3	2.5	4.2	4.7	3.8	3.7
2.2. Voluntary chains	8.6	15.5	12.0	7.4	4.6	4.8	7.0	6.7
2.3. Franchise	2.6	1.5	2.8	4.9	5.6	7.7	6.7	6.6
3. NON-ASSOC. INDEPEDENT COMMERCE	76.0	65.8	66.5	59.9	54.6	45.4	50.1	49.3
NON-FOOD RETAILING								
1. INTEGRATED RETAILING	12.4	11.6	13.6	13.3	12.9	15.6	16.6	16.1
a.o. Chain stores	---	---	3.7	5.2	5.1	7.2	9.5	9.7
a.o. Dept. stores	9.9	8.9	7.4	6.3	6.1	6.4	5.3	4.9
2. ASSOCIATED INDEPENDANT COMMERCE	1.9	2.3	1.6	2.4	3.0	6.7	5.1	4.8
2.1. Retail coop.	---	---	---	0.8	1.0	1.0	1.3	1.2
2.2. Voluntary chains	---	---	---	02	0.3	0.1	---	---
2.3. Franchise	1.9	2.3	1.6	1.4	1.7	5.6	3.8	3.6
3. NON-ASSOC. INDEPENDENT COMMERCE	85.7	86.1	84.8	84.3	84.1	77.7	78.3	79.1

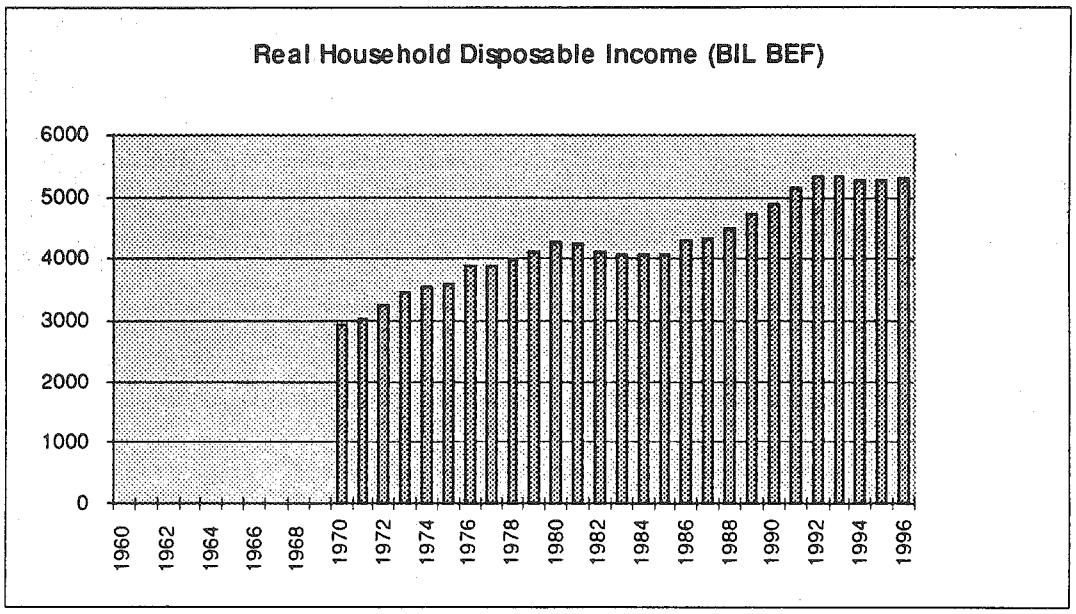
Source: Belgian Committee on Distribution

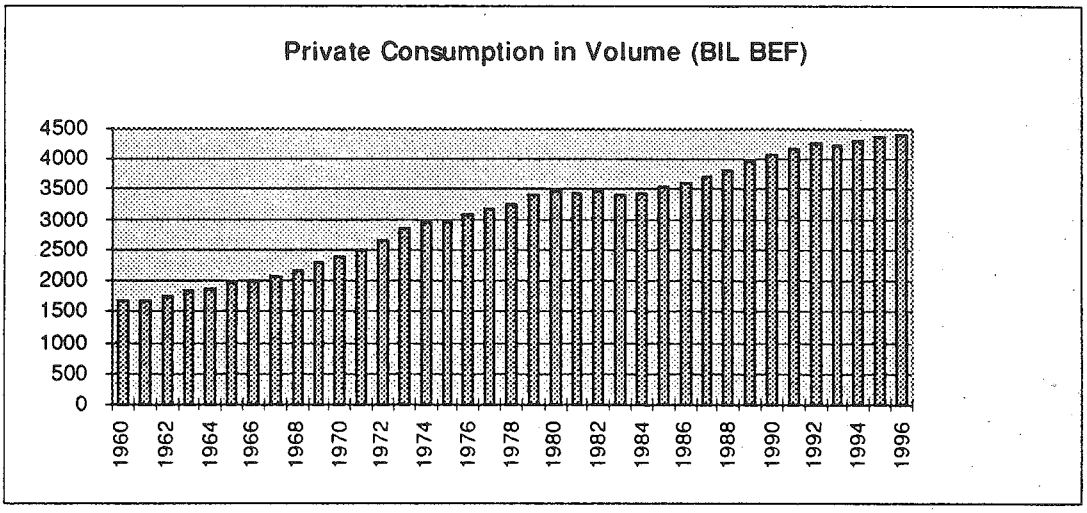
FIGURE 1 - EVOLUTION OF THE NUMBER OF STORES

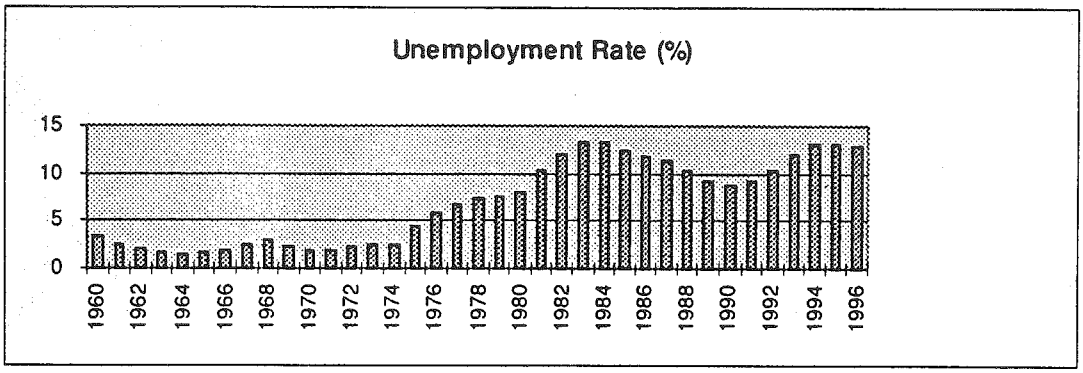


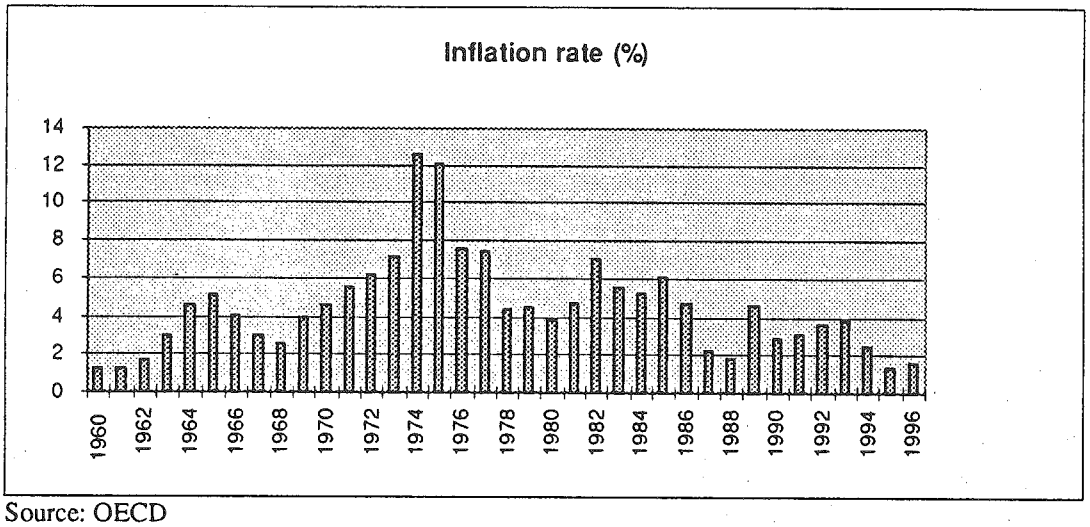
Source: A.C. Nielsen, Belgium

FIGURE 2 - MAIN ECONOMIC INDICATORS






Unemployment Rate (%)
15
10
5
0
1960
1962
1964
1966
1968
1970
1972
1974
1976
1978
1980
1982
1984
1986
1988
1990
1992
1994
1996


Inflation rate (%)
14
12
10
8
6
4
2
0
1960
1962
1964
1966
1968
1970
1972
1974
1976
1978
1980
1982
1984
1986
1988
1990
1992
1994
1996

Source: OECD

FIGURE 3 - THE EVOLUTION OF INTERNATIONAL ACTIVITIES BY RETAILERS FROM FIVE EUROPEAN COUNTRIES INCLUDING BELGIUM