Chapter 9: Changing face of the Czech retailing in post-communist transformation: risks of extreme polarization under globalization pressures

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1. Introduction

One of the most important features of the current Czech retailing is the increasing importance of strong international retail chains and associated foreign direct investment inflows, cooperation and integration tendencies of small entrepreneurs as a reaction to the chains' expansion and internationalization and globalization trends in the retail sector. Globalization may be understood as the process of interconnecting of production and markets. As its consequence, among the TOP 10 companies in the Czech retailing, there is only one Czech company left, the rest of the crucial players are international retail chains.

Concentration tendencies in retail activities are also clear in changing spatial patterns of retailing. Numbers of new outlets are growing, but among them large-scale stores are dominating. The second half of the nineties has brought a dynamic development also in the shopping and general consumer behavior of the Czech society. In a short it has got through perhaps 50 years of usual retail development in just 15 years and this has considerably affected also consumer behavior distorted by previous lack of shopping opportunities under the communist regime. The consumption has become globalized and shopping today represents a new form of leisure activity. The current trends in consumer behavior are examined through structured interviews collected in a number of shopping malls and information concerning leisure activities is used from phone-interviews.

The paper thus considers and analyzes the most important changes in the Czech retailing in context of globalization, based on the long-series of market research data. The paper focuses on the role of international retail chains, changing spatial structure of retailing and changing preferences for the shopping place (i.e. general shopping behavior). The globalization of the Czech retailing may thus be approached from the three different points of view:

(1) the internationalization and globalization of retailing and its practice through the ownership and organizational structure (mainly the TOP 10 retailers),
(2) the concentration tendency in the spatial organization of the retailing and the rapid growth of large-scale retail formats and vehement adoption of foreign trends in the retailing,

(3) the globalization of shopping behavior and changes in shopping styles of the Czech shoppers, reflected also in changing preferences for the main shopping place of the Czech households.

Thus the first part of the paper introduces a theoretical background to the most important transformations of retailing in the Central and Eastern European (CE) countries and to the general trends in research of retailing as well. The second part is concerned with the development of ownership structure and growing internationalization of the Czech retail sector in the post-1989 period. The third part deals with the physical structure and the newly emerged large-scale retail formats in the Czech Republic. The fourth section considers some problematical aspects related to the increasing importance of these large-scale outlets and stresses the changes in shopping behavior of Czech shoppers. The fifth part of the paper is concerned with data on consumer preferences for a particular shopping format considering the discount store's increasing importance. The last part draws conclusions on the different processes of globalization and internationalization in the changes of the Czech retailing in the transformational period.

2. Globalized transformations of retail and retailing

The retailing sector is without any doubt one of the most visible globalized economic branches. Hand in hand with the trends to growing internationalization and unification of the consumer's preference as well, more and more research in this field is being published. Similarly, courses in retailing, marketing, management and retail geography are proliferating within number of university curricula.

The international studies generally focus on the general aspects of globalization processes (Dicken 1998) and the internationalization of retailing is documented in a number of case country studies (see for example Sternquist 2005; Coe and Hess 2005). There is also an increasing number of works on consequences of the highly competitive international retailing on local economies (Guy 1996; Endresen 2007 or Weatherspoon and Reardon 2003). Nowadays the export of the best practice in business, marketing strategies and logistic systems seems to be even more important than the export of goods itself. The biggest companies not only export their know-how and retail formats, but they also gather experience in foreign markets and use it on their home market. Global diffusion of the best strategies is therefore providing evidence of the fact that the internationalization is a two-way process – process involving both import and export activities (Higgins 2000).

The scope of the current research interest moves into other interesting areas closely connected with the retailing sector. One of the key areas considered in this paper is the spatial planning and retail impact assessment. Recent massive development of large-area commercial capacities has introduced the question whether their building has to be regulated. This research area is well covered in the developed countries with a long history of a free market functioning (see England 2000; Guy 1998; Birkin, Clark and Clark 2002; Guy 2006). However, in the countries with emerging market economy (in post-communist CE countries), this research theme has been rather neglected. In most of the EU countries, municipalities decide about locations of commercial units exceeding certain size. Similar measures have been introduced also in some countries with post-communist economies, in which (as in the Czech Republic) this phenomenon appeared only recently. Current situation in the Czech Republic is alarming. Cities and municipalities themselves decide on locations of new commercial objects. Unfortunately, they differ significantly in their approach. Some choose rather a liberal approach and interfere very little in building of large-area units, others tend to be more restrictive and try to plan locations and building of new projects. The Czech Ministry of Industry and Commerce tried to fill the existing legislation gap in 1998 by publishing a methodical guide called *Development and Optimization of Dimensions of Retail Chains in the Area* (Rozvoj a optimalizace dimenzí maloobchodních sítí v území), the so-called "yellow book". This guide should help local and regional authorities to regulate the future development in accordance with the needs of local citizens. It points out to the necessity to base planning activities of commercial network development on analysis of shopping opportunities, projecting structure of commercial areas in future (capacity calculations) and it also serves as a tool for regulating the development of retail facilities (real-estate policy, participation in development projects and documentation on physical planning).

Another of the research areas is the one of shopping behavior (Golledge and Stimson 1998; Jones and Simmons 1990; Dennis, Newman and Marsland 2005). This scientific field reaches far beyond the scope of the geography or economy, introducing number of interesting interdisciplinary works (Guy 1987; Dennis *et al.* 2002; Sojka and Giese 2003; Landry, Arnold and Stark 2005; Brewis-Levie and Harris 2000; Gilboa and Rafaeli 2003 etc.). The changes in the shopping styles are even more accentuated in the countries where the change to "free" (liberal) market system has occurred rather recently. In the Czech Republic, the introduction of a free market system took place at a rapid pace. In January 1991 price subsidies were abolished on the majority of products, which caused the steep increase of prices. This led into consumers' reduced consumption and fewer purchases, subsequently a new market equilibrium had been established (Sternquist 2005). It can be stated that the more recent was the change, the quicker was the ambition to reach the "western" shopping style, however within different economic conditions and with dramatically lower buying power of the "new shoppers". The Czech shoppers used to shop on a daily basis, generally purchasing only some few items. Durable goods were sold in state-owned department stores, while there was only one network of stores. Nowadays, the Czechs are adopting the "western" models of shopping behavior faster than other CE nations. They are using cars for shopping more often (24 % of shoppers compared to 15 % in Hungary, 13 % in Slovakia and 12 % in Poland) and they attach more importance to the leaflets of different retail chains (79 % of Czech compared to 70 % of Hungarians, 66 % of Slovaks and 48 % of Poles), they are also more aware of the campaigns and advertisement. The position of shopping in peoples' lives is changing and shopping is emerging as a leisure activity (see also Spilková 2003; Newby 1993; Shields 1989; Underhill 1999 and Underhill 2004). The objective measure of the shopping behavior change can be focused in the shopping format preference (SHOPPING MONITOR 2005/06). This issue is also considered further in the paper, reflecting the similar characteristics of this transformation within all the CE countries, e.g. the similarity with former Eastern Germany (Kulke 2006).

3. Internationalization and the changes of ownership structure in the Czech retail during the post-1989 period

Due to the post-1989 changes (Hampl *et al.* 1999) in the Czech Republic, conditions in the internal trade sector have changed crucially and retailing, as a part of the trade sector, has undergone considerable changes becoming one of the most dynamic sectors of the national economy (Table 1).

Table 1 Year-to-year index of retail trade takings growth in the Czech Republic

Index	93/92	94/93	95/94	96/95	97/96	98/97	99/98
in %	125.5	112.3	114.8	115.5	99.2	93.2	106.1
Index	00/99	01/00	02/01	03/02	04/03	05/04	06/05
in %	104.3	104.5	103.0	104.9	102.5	104.0	106.1

Source: Czech Statistical Office.

The Czech retailing in the nineties can be characterized (i) by the disintegration of large state companies (not only in the retailing sector), (ii) by the type of estate transformation, (iii) by newly emerged business organizations, (iv) by the inflows of foreign direct investment, (v) by a great increase in retail sales areas, (vi) by increasing numbers of employees in trade, services and retailing, (vii) by the modernization of the retail net and (viii) by improving operating staff level and technological functioning of large-scale retail outlets (Spilková 2003).

In the first half of the nineties mainly the atomization of the retail outlet net occurred due to arise of a great number of new small retail outlets. Subsequently, in the second half of the decade, there was the development of retailing marked by emergence of retail chains (owned predominantly by the foreign companies) and there also was a decay of ineffective outlets in the small municipalities. Drtina (1996, p. 14–15) points out that "The retail net inherited from the prior era was characteristic by its low capacity (1/3 of the "western" standard), low quality (outlets in bad state) and unsuited structure (few large-scale outlets)."

Privatization processes caused radical changes in the ownership structure. Particularly the so-called small privatization contributed to a quick transfer of ownership and tenant rights of the smallest outlets from the state property to the private owners. This transfer has enabled a rapid acceleration of enterprising in the retailing and services sectors. In 1991–93 there were about 2,500 outlets privatized in Prague. The small privatization brought not only the initial atomization of the retail net, but also the change in assortment of small outlets in the city centers (for example an obvious shift to luxury goods and specialized outlets in Prague).

The beginning of the nineties was also the moment when first international retail chains came to operate in the Czech Republic. First international retailers started with the construction of smaller retail formats such as supermarkets (in 1991 there came Delvita, Billa or Penny Market). However, first hypermarkets of the international retail chains were not established before 1996 (the first one was Globus). Nowadays, one can observe a strong internationalization process of the retail market which can be documented by the share of the TOP 10 retail companies on total retail turnover. In the Figure 1, there is only one Czech retail company among the TOP 10. The internationalization in the retail is an inevitable feature and stands for the response to changing competition conditions worldwide. The internationalization allows the companies to grow and lower risks by widening the portfolio of their national markets. In this comparison, American retailers are the strongest actors. However, they remain focused on their enormous national market. That is why European retailers are more active in terms of the speed and responses to the globalization pressures.

The Figure 1 indicates the shifts in the rankings of the TOP 10 retailers in the Czechia. In 2006 there took place the highest increase in takings of the TOP 10 (14 % increase) since the beginning of the transformation. These ten biggest retailers currently dominate 63 % of the food market. Moreover, it has also been the year of dramatic changes. The rankings of the TOP 10 retailers were affected by the demise of three big retail chains from the Czech market – Julius Meinl (taken over by Ahold), Carrefour and Edeka (taken over by Tesco). The last retailer to leave the Czech market

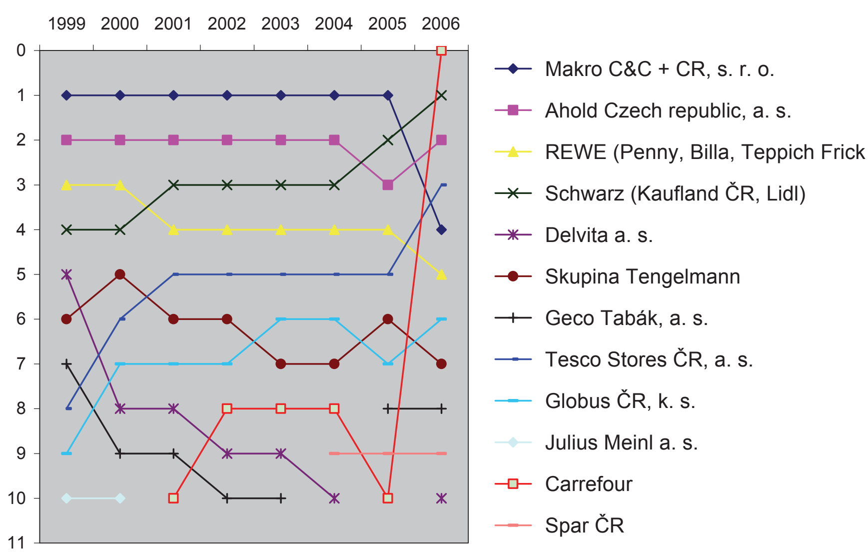

Figure 1 The TOP 10 retailers in the Czech Republic – the shifts in turnover ranking. Source: INCOMA Research.

is Delvita (taken over by Billa) not being able to step out from a vicious circle of long-lasting losses. The merge processes has become evident also in smaller retail chains (for example the demise of Droxi drogerie, a drug store chain).

This huge concentration process of the Czech retail market is a typical feature of the "western" retail markets where only a small number of retailers dominates the market. The retailers thus have to fight for consumers not only through the price, but also by the quality of goods, its freshness, wider choice, etc. However, this is still not the case of the Czech Republic, where there are still many retailers and prices are the most important indicator and motivational factor for the vast majority of shoppers. In consequence, discount store tends to strengthen its position and cheap chains open more and more outlets including in large and also smaller cities.

4. The physical structure of the retail net and its development during the transformational period

In the first half of the nineties changes in the physical structure of the retailing were not so dramatic. According to Drtina (1996, p. 14–15), these changes led to "… the reconstruction and widening of current sale spaces and activation of spaces that had not been used for retail enterprising aforetime (city market halls, factory halls, ground floors of habitation buildings etc.). Increases of the sales area were noticed mainly in big cities, but rarely represented any larger volumes." The extent of new construction had been minimal as a result of both subjective reasons (lack of capital, unclear strategies of retail companies) and objective constraints (areas not prepared for construction, fanciful price demands of property owners, unprofessional potential investors and unfavorable depreciation policies of the state).

The construction of new stores essentially has not begun till the second half of the nineties. New greenfield outlets emerged at the outskirts of big cities and then also in their central parts. Besides numerous supermarkets of particular retail chains, first hypermarkets and also discount stores, wholesale cash & carry stores and other modern large-scale retail outlets (first shopping centres) emerged (for a definition of particular retail formats see the Appendix). These outlets caused the greatest increases in the total sales area.

As stated above, the first large-scale formats to grow in the Czech Republic were the supermarkets. Currently, there are about 640 supermarkets in the country still representing the most numerous retail format in the country. The concept of discount store emerged later, and so far, there are about 520 outlets of the discounter type in the Czech Republic. Meanwhile, it seems very likely that the supermarkets are on their decline and the number of newly constructed supermarkets will be rather small. There are still some regions (e.g. parts of Moravia) however, where the density of discount stores is relatively low and there are still enough suitable locations for expansion of the retail discount chains.

An innovative role among the various retail formats is being played by hypermarkets. Initially, the number of hypermarkets grew rather slowly (in 1995 there were no "real" hypermarkets in the Czech Republic). Their growth started to intensify in the 1998 and peaked in the 2000 when there emerged 31 new hypermarkets in the Czech Republic. Another peak in the continual increase of new hypermarkets was reached in the 2006, after a temporary slowdown. In 2006 again 31 new hypermarkets were established in the Czech Republic (see SHOPPING CENTER & HYPERMARKET 2006). Still, this trend partly results from the construction of small compact hypermarket units, usually developed within smaller cities (see below). Their contribution to the market share of the particular chain is therefore small in average.

Given this, the Czech Republic is currently a country with the highest number of hypermarkets per million of inhabitants (19 HMs/million of inhabitants) in the Central Europe. It is followed by Slovakia (16), Hungary (9), and Poland with only 6 hypermarkets per million of inhabitants (see AC Nielsen 2002).

Another retail format, formerly unknown to Czech customers, is the shopping centre which truly stands for a new phenomenon in the Czech society. There is a great diversity in the category of shopping centres in the Czech Republic. Some of them are formed by a hypermarket and several small shops only, but there are also large complexes with shopping galleries composed of luxury shops, with cinemas and restaurants or food courts.

The first complex shopping centre in the Czech Republic was Centrum Černý Most in Prague. The first part of this project was put into operation on 30th November 1997. Besides hypermarket and hobby market, it also contained a shopping gallery with many shops. A year later other new large shopping centres were opened: Shopping Parks in Brno and in Prague (magnets IKEA and Tesco hypermarket), Borská Pole in Plzeň with the hypermarket Carrefour and the Shopping Centrum Spektrum in the commercial zone Průhonice-Čestlice in the outskirts of Prague (see Spilková 2003). At the beginning of 2003 there have been 127 shopping centres and in 2006 already 206 shopping centres larger than 5,000 square meters. The expansion of large shopping centres can be anticipated to continue also in the near future. The current trend

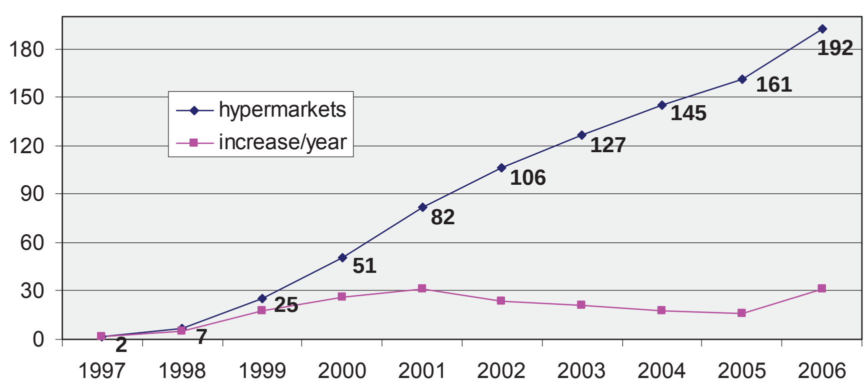

Figure 2 Development of hypermarkets in the Czech Republic. Source: INCOMA Research, GfK Prague.

may be characterized by the development of more luxury centres and also by increase in the scale of the new centres. On the Czech market, there are precisely ten shopping centres with more than one hundred tenants (the biggest one with 200 tenants) and another thirty centres with 50 and more tenants. The largest shopping centre in the Czech Republic – The Centrum Letňany in Prague has the area of 125 thousand square meters (after recent reconstruction).

It is important to note that most of these centres may be classified as "out-of-town" projects built on "greenfield site" in the outskirts of cities. However, the new developments are recently developed in closer proximity to the city centers. Among the most discussed "inner-city-developments" is the shopping centre Nový Smíchov in the former building of Tatra Smíchov factory, representing a successful example of revitalization of former industrial spaces wedged into the inner city.

As the biggest Czech cities become saturated by large-scale retail formats, the focus of new development shifts towards smaller cities. These locations witness the emergence of new retail formats – smaller hypermarkets and smaller shopping centres appropriate to the size and purchasing power of the population in non-metropolitan areas. Smaller formats are advantageous both for the customers and for the retailers. The great advantage is the possibility of their construction in smaller cities and towns which, according to their size and purchasing power, does not meet the conditions for a successful hypermarket operation. At the same time they are competing successfully with other flexible chains, mainly those of smaller discounts stores. Last but not the least, the smaller formats allow to save the construction costs (see KPMG 2006).

5. Problematic aspects of large-scale commercial development and changing consumer behavior patterns

The development of the large-scale commercial concept also brought some specific problems that have raised the attention of retailers and planners as well as other participants in the city development process (see Hillman 1973; Guy 1998). The most frequently discussed problems regarding suburban shopping centres are: (i) the decline of city centers and outflow of commercial functions to the limits of city, (ii) traffic problems, particularly the problem of parking, (iii) liquidation of small retailers by strong international retail chains, (iv) architect viewpoint of newly constructed outlets and centres, and also (v) radical changes in the shopping behavior of the Czech customers.

Problematic aspects of the large-scale outlet development are rather a new topic in the Czech economic and geographic literature (Szczyrba 2000; Drtina 1998). Let us now turn to changes in the shopping behavior that indisputably accompany the development of large-scale commercial concepts. The frequency of shopping is decreasing (an apparent shift towards so-called "weekly shopping") and an increasing part of population uses cars for shopping. Drtina (1998, p. 34–35), using the results of reports elaborated by INCOMA Research and GfK, observed that the preferences for supermarkets and hypermarkets tend to increase with the size of settlement, education and income of households and by contrast is decreasing with age.

Table 2 Modelling of the shopping behavior formation of buyers in transforming economies

Stage A	Stage B	Stage C
	Spatial pattern of retailing and shopping	
– small, insufficient outlets with basic goods, convenience stores, small self-service stores, – unified shopping centres with small specialized stores, in central parts of cities bigger shopping centres with wider assortment – customer seeks goods (the only reason for comparison shopping is the lack of goods in particular stores)	– introduction of larger outlets (supermarkets, hypermarkets) – better facilities both in the outskirts and in the central parts of cities – preference for large-scale outlets increases – more outlets within one shopping complex, complementary services – comparison shopping due to the previous lack of shopping possibilities – every outlet in the shopping centre seems attractive to buyers (unplanned movement in the shopping centre)	– construction of large-scale outlets – large and complex shopping centres with leisure and diversified services – proliferation of smaller, specialized outlets – central parts of the city specialize in luxury goods – the effect of anchor stores within the shopping centres – influence of entrance and exit points on shopping and intensity of pedestrian flows – planned comparison shopping – organized shopping behavior, economy of movement in the shopping centre
	Shopping	
– low choice, same prices and same goods, shallow assortment, no variety of products – high frequency of shopping (daily) – one-purpose shopping – lower use of car – occasional lack of goods, insufficient supplying of stores – no emotional response to shopping, lack of stimuli – no effective marketing strategies, factual absence of advertising	– sufficient supply of goods, wider choice – better supplying of stores – lower frequency of shopping, emergence of the "weekly shopping" – prevailing purpose shopping, however, emerging impulse shopping – traditional leisure activities (shopping is more "fun", but still no "fun shopping")	– wide choice of all goods – effective supplying systems and logistics – wide assortment – many options for one type of product – multi-purpose shopping – high usage of car – shopping combined with other activities (meetings, leisure, sport, services, entertainment, catering) – many stimuli affecting the shopping behavior (advertising, environment) – new trends – fun shopping, leisure shopping, experience shopping
	Customer	
– the same outlets are used by all the age and socio-economic groups – no differences between the week days and their frequency of shopping	– diversification of buyers into different market segments using different stores – rational behavior, comparison of prices, quality of goods, services etc. among different shops	– big differences in the frequency of shopping between week days and weekend (or during the day) – differences between market segments in their patronizing of particular stores – lesser comparison of prices, influence of marketing and shopping environment

Source: Spilková 2003

Based on the results of an empirical-behavioral survey (Spilková 2003), when shopping behavior has been observed in situ and shoppers were asked on their shopping habits, it can be documented that for Czech consumers, the shopping centres are still considered to be a novelty and their shopping behavior has not yet evolved to the stage typical for the "western" countries, where the large-scale commercial concepts were gradually introduced ever since the second half of 20th century. However, it is obvious that the Czech customers are vehemently adopting these foreign trends. Table 2 shows a generalized glance on the different stages of the shopping behavior development in the post-communist countries with transforming economies. The shopping behavior of the Czech shoppers can be found somewhere between the stage B and C of the model (however, approaching the stage C very quickly). Further, the large shopping centres became visible part of daily life and will be of increasing influence upon the spatial organization of retail.

Another important aspect of the changes of the shopping behavior is that shopping has become kind of new tourism or "hanging out" (see Shields 1989). Shopping centres presently provide popular destinations of family trips. This trend is called "fun shopping" or "experience shopping". It is not only a matter of shopping, but also a way of spending leisure time. The shopping centres are becoming not only commercial, but also social centres and offer various entertainment activities (cinemas, bowling, game rooms), relax (relax salons, personal services), sporting activities (fitness, swimming pools, courts) etc.

Based on the results of a phone survey on the leisure activities of the Czech population, it can be reported that one fourth of the shoppers appears to spend on average more than two hours in their favorite shopping centre, one half of the shoppers spends one to two hours in the centre. However, there is only a minority of the shoppers that visit the shopping centres for less than one hour. It appears that most of the time is spent in the complex shopping centres that incorporate big shopping mall, catering services or food courts, and multiplex cinemas (SHOPPING MALL 2006).

Despite the radical changes forming a new consumer society in the Czech Republic and the criticism from various citizen and ecologic organizations and anti-globalist movements in general, Czechs are quickly becoming accustomed to the shopping centres. In addition, it is necessary to mention that Czechs are assessed as the consumers with one of the highest "shopping IQ" according to The Future Foundation survey (The Future Foundation 2006). This survey was oriented on economical behavior of consumers, their ability to control oneself when shopping, the inclination to try new products or to compare prices (from internet with the stone store prices) and on the information search before the purchase itself. Only customers in Poland and France have scored better according to this survey.

6. The shopping format preference

The changing behavior of the Czech shoppers can be further reflected in the monitoring of shopping format preference, when the customers are asked about the main

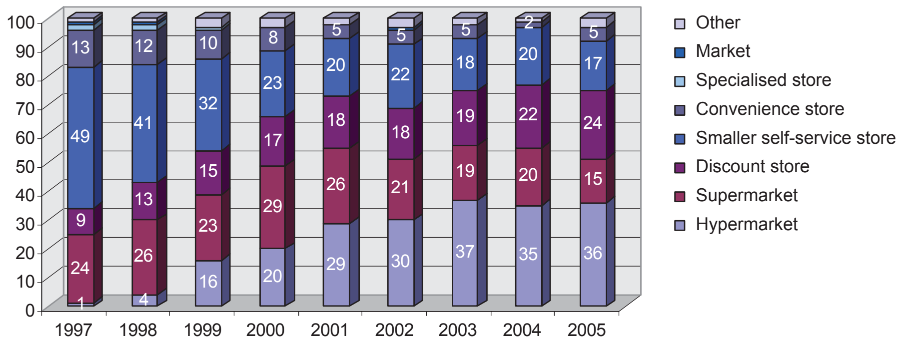

Figure 3 The preference of particular retail formats in Czech Republic (1997–2005). Source: INCOMA Research, GfK Prague.

shopping place of their household. This survey is periodically conducted by the company INCOMA Research. In the Figure 3 there are indicated gradual changes in preferences, shifting from the preference of typical shopping formats of the former period (smaller self-service stores, convenience stores) to the newly emerged large-scale shopping formats. It is important to note that in this group of large-scale formats, the smaller types, such as supermarket, prevailed until the year 2000.

The supermarkets started to be confronted by the growing pressure of the hypermarkets that were, approximately since the year 2000, preferred by the customers (especially those with car). Their number grew rather slowly (in 1995 there were no hypermarkets in the Czech Republic) and their growth intensified in 2000. Also the preference for hypermarket rose significantly in the same period from the 20 % of shoppers in 2000 to 29 % in 2001. The preference for the hypermarkets culminated in 2003 when the hypermarket was the main shopping place for 37 % of the customers.

At the same time a new important agent entered the competition among the retail formats, that is the discount store. The year 2003 was the first year when discount store and supermarket amounted for the same percentage of customers. Since 2003 the supermarket format is being defeated by the discount store which is continuously gaining in importance in the terms of the customers' preference. By the end of 2005 the discount store was the most preferred shopping place for 24 % of the Czech customers. These findings are in accordance with the results of a similar research carried out by Kulke (2006, p. 27–39) on retail formats and location preferences in Germany.

The customers in the developed European countries (but now also growing number of the Czechs) tend to prefer supermarkets, hypermarkets and large shopping centres over small shops. Discount retailers are becoming more popular since they offer quality goods at lower prices. Another important advantage seems to be that they are established in locations easily accessible by car, with sufficient number of parking lots. Accordingly, the discount store chains also appear to achieve the highest loyalty level among the Czech customers. The hypermarkets are chosen as the main shopping place of households mainly due to the easy accessibility and wide assortment choice.

On the contrary, the price level and quality of operating personnel are not the most important characteristics of the hypermarkets (see AC Nielsen 2002).

The two most preferred retail formats at present are the hypermarkets (usually incorporated within bigger units – shopping centres) and the discount stores. Since the reasons for the choice of these two formats differ significantly mainly in terms of price consciousness, one can observe an emerging cleavage in the Czech consumer society. There is still a group of customers who prefer lower price and easy accessibility irrespective of the qualitative aspect or the atmosphere of shopping. On the other hand, there is the second big group of consumers considering shopping as a complex experience. This group does not care much about the price and the most important appears to be the accessibility by car and a wide choice of products. The shopping is frequently combined with other activities (gathering, social activities, entertainment, sport, catering, etc.).

The latest trend is represented by the emergence of new retail formats. Retailers are attracting customers by concentrating on more different services (store, gas station, fast food) into one location. It seems that currently only the retailer who is capable to combine these new store forms with traditional shopping forms (based on comfortable choice from a wide assortment and opportunity of consultation with the salesperson) is ready to success.

In brief, the retail chains formerly oriented on the hypermarkets and other large-scale outlets shift their activities towards smaller, more compact stores. In these stores, they attempt to offer more comfortable shopping and complementary services.

7. Conclusions

The Czech retail trade has undergone a considerable transformation during the last fifteen years. The ownership structure of trade companies, net of retail outlets and the whole offer of goods and services have been affected by this transformation. As a consequence of these changes the qualitative aspects of the retailing and shopping in general have improved significantly. Modern large-scale retail formats entered the retail market in the Czech Republic and consumer behavior of the Czech shoppers changed dramatically. It is obvious that the Czech retailing sector has been globalized. This globalization process can be conceptualized either in terms of the internationalization of the retail trade in the interconnecting of markets and the growing role of the international retailers within the Czech market. Among the TOP 10 companies in the Czech retailing, there is only one Czech company left, the other key players are the international retail chains. Moreover, the concentration of the organizational structure became accentuated during the 2006 when three of the former TOP 10 retailers had to leave the Czech market because of serious troubles in enterprising due to high and turbulent competition.

Another approach to globalized post-communist retailing can highlight the changing spatial structure of the retailing. One can also assess the concentration tendencies of the retail net and the dynamics of new store construction. In general, after the initial atomization of the retail net, the trend was to reduce the number of points of sale and increasing their average size. New retail formats emerged in the Czech retail market, such as supermarkets, hypermarkets and discount stores. Another great step, mainly in the qualitative aspect of shopping, was the introduction of the complex and large shopping centres. The current tendencies do not lead to unrestrained building of new shopping centres, but to the expansion and improvements of the old ones that will be increasing in area for the shopping, but primarily for other facilities for entertainment, sport, culture, administration, etc.

One can also indicate the consumer behavior changes which also adopts international practice and trends very quickly. The consumer behavior has got through perhaps 50 years of usual gradual development in just 15 years and this has considerably affected it, being distorted by the previous lack of shopping opportunities. These changes are reflected not only in a different approach to shopping – shopping as leisure, shopping as fun, but also in changing preferences for particular retail formats.

The globalization of services is thus an obvious feature of the post-communist and also of the post-industrial transformation in the Czech Republic and other CE countries. However, in spite of approaching the globalization predominantly from an economic point of view, the geography of retailing may be effective in uncovering the globalization of services also as the globalization of the space and place of providing services. The main shopping place shifts to postmodern spaces of consumption and leisure and the shopping styles become globalized as well. Last, but not the least, the globalization of services nowadays is reflected also in the globalization of the consumer him/herself. Here, the post-communist countries, in reaction to the previous lack of shopping opportunities and experience, adopt the "globalized" shopping styles and behavior even more vehemently than their counterparts in the more developed countries. Thus, the globalization truly means the world-wide stretch of production, but the interconnecting of consumption and experience as well.

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