

Kunc, J., Križan, F., Novotná, M., Bilková, K., Sikos, T.T., Ilnicki, D. and Wyeth, R.: Thirty Years of Retail Transformation in V4 Countries. Warsaw, De Gruyter Poland, 2022. 200 p.

The economic and social turn that happened in the world economy from the beginning of the 1990s has brought significant changes for the post-socialist countries of East-Central Europe (ECE). The regime change in 1989–1990 raised new challenges for the countries, while the effects of globalisation have become more and more apparent in the region. Under these circumstances, the countries of ECE had to transform their economic structures from planned to market-based economies, including the institutional system, the ownership of companies, foreign and trade policies, regulations, and sectoral reorganisation in industry, agriculture and even the retail sector in the given countries. Several books and articles have dealt with the effects and process of regime change, some of which are summarising the performance of specific sectors.

The recent book is an international collaboration of seven authors that aims to present recent developments in the retail industry in the Visegrad countries. It is a niche scientific work, which gives an overview of four countries' retail sector in the last 30 years, as only some short and mid-term reports (from e.g.,

Euromonitor, GfK, FAO, and different e-commerce reports) dealt with this issue previously, but no comprehensive analysis was made.

The volume starts with a short introduction about the background of the analysis and the initial situation the countries started to develop from in the 1990s. In the authors' opinion, "retail belonged to those economic sectors in which the transformation experienced a very dynamic and intensive development" (p. 7). The authors emphasise that both globalisation and internationalisation have made a huge impact on the development of retail stores in ECE, especially after the change of their regimes at the beginning of the 1990s. Big international supermarkets have appeared in every country but with different intensity, and they have significantly contributed to the changes in consumer behaviour.

The book has a sum of 200 pages, from which – not considering literature – the chapters cover 171 pages. After the brief introduction, we get insight into four countries' retail sector characteristics, and we can check the differences among them from the perspective of local researchers and in quite similar structure in each chapter.

Chapter 2 (by KUNC, J. and KRIŽAN, F.) takes the reader on a journey through the world of Czech retail transformation from the beginning of the 1990s. The chapter starts with a brief historical background and gives a good interpretation of the following sub-chapters. It emphasises that the transformation in the retail sector of Czechia (and the Czech part of the former Czechoslovakia) was quite significant. Before 1990, the socialist regime and command economy regulations prevailed in the country. Hence, the spatial distribution of stores did not reflect the purchasing power of inhabitants at different locations, and many cities suffered from insufficient services. The transformation was significant in both qualitative and quantitative terms. At the beginning of the 1930s, the number of stores was above 170,000 stores, which dropped until the end of WWII to nearly 82,000, and kept declining until 1989 to about 43,000. Not only the number of stores but also the average sales area was quite small in comparison with Western Europe. During the regime change, the need for qualitative improvement was the most emphasised in the agglomerations of Prague, Brno, and Ostrava.

After 1990, two processes started parallel with each other: the opening of new private businesses and stores, and the privatisation of former state-owned properties. The reader can experience the main phases of transformation in the Czech retail sector, noting that these are not fully separate from each other but rather parallel and overlaying processes. The early



stage of transformation brought about atomisation, with privatisation and the number of stores doubling, which was followed by (or partly going along with) intensifying internationalisation with the stores of retail chains as Tesco, Lidl, and Penny Market entering the Czech retail sector. The biggest wave of internationalisation happened between 1991–1998. Until 2009 and thereafter, the Czech retail sector experienced dynamic growth regarding the number of stores, sales area, and the number of employees, along with diversification. A special paragraph deals with the formation of networks and larger business units (supermarkets, discount stores, hypermarkets, and shopping centres) which developed mainly after 1995.

The chapter ends with two summaries. The first one gives insight into retail activity in rural regions (mainly settlements with less than 500 inhabitants), and emphasises that government support programs were successful and not so many closures happened. The second summary is about retail parks that host individual economic units at a common location, and the creation of which is recently very intensive in the Czech Republic. (In 2020, 23 retail park projects were completed or expanded while 14 brand new retail parks were built).

From my perspective, one of the most interesting parts deals with the diffusion of stores and scrutinises whether it was centralised diffusion (following the urban network's hierarchy) or contact diffusion (as in the case of Lidl). It is also interesting that the biggest wave of shopping centre openings took place between 2005 and 2008, following predominantly an out-of-centre policy and green and brownfield investments, reaching on average 5,000–20,000 m² sales areas. The chapter ends with insights into the impacts of Covid-19 on the sector and emphasises the emergence of e-commerce. Chapter 3 (by KRÍŽAN, F. and BILKOVÁ, K.) is dedicated to retail in Slovakia and starts with the notion that a common feature of these post-socialist countries is that the transition to the market economy was not easy because of the lack of political, legal, and economic structures of the market economy. This is also true for Slovakia, where the transformation of the retail sector was very intensive and both structural and functional changes happened. The chapter gives an overview of the process in three stages and presents a complete picture of the last nearly 80 years. After WWII, huge nationalisation started in the Slovakian part of former Czechoslovakia and privately owned retail units, making up almost 80 percent of the whole network in 1948, was fully nationalised until 1960. Parallel with this and differently from Czech areas, a small increase happened in the number of stores until 1989. But like the Czech retail sector, the Slovakian one experienced a low density of the retail network and small sales area per inhabitant, so the composition of business units was not ideal. In spatial terms, Slovak retail concentrated in the towns and larger villages before privatisation.

The authors guide the reader through the transformation process that started after 1989, when thousands of new retail units were opened, and the first hypermarket was settled in the country as a sign of globalisation. Besides, a huge wave of privatisation started in the same period, resulting in the restructuring of retail sales. By 1998, more than 90% of the revenue concentrated in private sector companies. From the second half of the 1990s, globalisation became even stronger, which resulted in changing consumer behaviours and the spatial concentration of retail.

A special paragraph deals with the formation of retail networks (supermarkets, discount stores, hypermarkets, and shopping centres), which in the case of Czechia developed mainly after 1996 in terms of supermarkets and 1999 in terms of hypermarkets. An interesting fact in the chapter is that “only 13 percent of Slovakia's current shopping centres were opened before 2003” (p. 66). The biggest boom in shopping centres happened between 2006 and 2010, in the first years predominantly with greenfield, and later with brownfield investments, in most cases along an out-of-centre strategy, and with a sales area of 5,000–20,000 sq. m on average (similarly to the Czech case). The chapter presents the spatial diffusion of stores and notes that as an effect of globalisation, selected specialised stores has started to concentrate in space and this process is still lasting nowadays.

The fourth and longest chapter (by SIKOS, T. T.) describes the transformation of the retail sector in Hungary. It begins with explaining the historical background and shows that in 1940 only 27 percent of the country's stores concentrated in the capital city Budapest, but the share of Budapest was 45 percent from employees and 60 percent from turnover, so the distribution of shopping-related indicators was not equal. The store creation process speeded up in the 1960s, together with an increase in the floor space of shops. Most of the total turnover fell on state-owned shops, but the share of these radically decreased from 76.5 percent in 1952 to 62 percent in 1980 in favour of cooperative forms of ownership. The share of private turnover was extremely low before the regime change.

After 1989, significant changes happened in Hungary's retail sector, as both a wave of privatisation occurred and foreign chains started to gain importance. The author mentions that the Coop network was established in 1995 with 465 stores, which significantly contributed to the transformation of retail. The chapter also contains the major data about mergers and acquisitions (like in the case of Auchan and Cora stores), and a hierarchy of the factors affecting the players in food retail, which is a valuable piece of the analysis. The reader can scrutinize the transformation of sales channels through the figures in subchapter 4.6, which emphasises how hypermarkets, supermarkets, and discount stores are emerging instead of independent small shops. This transformation has

led to a concentration of retail turnover and stores, as “the 3 largest store chains has generated almost 40 percent of total gross sales in 2019. For nine retail chains, this value already accounts for about 4/5 of the national turnover (81%)” (p. 87).

A significant and strong part of the chapter is a detailed overview of the spatial distribution of different shops and chains (i.e., Tesco, Lidl, Spar, Coop, CBA). A spatial distribution map shows the location of shops and the major hotspots and cold spots for every type of shop. We can see which store is concentrated in Budapest and its agglomeration, or in the major regional towns, and what kind of stores exist the spatial and economic peripheries. The next part of the chapter deeply examines the formation and character of shopping centres in Hungary. The author distinguishes between 7 generations of shopping centres from 1976 until nowadays. In the case of Budapest, the 10-year period of the third to sixth generations of shopping centres from 1996 to 2005 was the most intensive. For each generation, the reader can see some illustrative examples of the biggest shopping centres and their surroundings in the urban space. The last major section of the chapter deals with the effects of the Covid-19 pandemic on the retail sector, which gives deep insight into the impacts of this shock. The author emphasises that in Hungary, just like elsewhere, “the customers’ behaviour has changed as a result of the spread of the virus (panic buying, changing product preferences, and later revenge shopping)” (p. 116). The chapter illustrates different forms of habit change in various periods of crisis (before the pandemic, restrictions, vaccinations, and the end of the pandemic).

The fifth chapter (by ILNICKI, D. and WYETH, R.) presents the characteristics of the retail sector in Poland. After a brief introduction to the theory of retail research, the chapter presents the stages of retail development in Poland. In the era of a centrally controlled economy before the regime change, the absolute number of retail outlets increased significantly, by four times from 1950 to 1990, and the population per outlet decreased seriously. After the transformation, there was a fourfold increase in the number of stores due to the economic reforms of the Polish government. A short description of these reforms is a strength of the chapter (e.g., antimonopoly act, a new housing law, amendment of acts like acts on cooperatives). The reader can observe the importance of urban agglomerations and voivodeships (the highest-level administrative divisions in Poland) concentrating a large population, as here the number of stores is also the highest. The chapter illuminates spatial disparities between urban agglomerations and peripheral regions, as the “number of residents per store in 1998 varies on average to 68 in urban areas and 145 in rural areas” (p. 134).

The chapter goes on to discuss the current situation and shows that, although the number of stores signifi-

cantly decreased from 2000 to 2020, the average store area per retail unit has increased a lot in the same period. Parallel with this, the number of supermarkets and hypermarkets has increased, as it is presented in the subchapter on the chain structure of the Polish retail sector. An interesting part of this section is the analysis of maps on the spatial distribution of hypermarkets and supermarkets, which identify hot spots in the Polish landscape, with the highest concentrations in the most populous cities and towns. Until 2020, the Polish cities and communes (on LAU1 level) showed clear West–East differences in the number of supermarkets per 10,000 residents and indicated a strong trend of concentration after 2010.

We can observe a similar evolution of shopping centres as in the other three Visegrad countries, but the case of Poland is different in terms of having three intensive periods of shopping centre construction projects (1998–2001, 2008, 2014) with different intensities. The most typical shopping centres are those within a size range of 5,000–19,999 sq. m.

Probably the most “colourful” part of the chapter for the readers are the case studies of large-format retail chains like Tesco, Kaufland, Lidl, Dino, Netto and Intermarche, which predominantly show uneven geographical concentration along the West–East axis. The concrete examples of different stores provide apprehensible clues for interpreting the spatial distribution of the retail sector in Poland. The conclusion of the chapter gives a detailed overview of the chapter’s content, which highlights the essence of the retail sector’s transformation in Poland.

Chapter 6 (by KUNC, J. and KRIZAN, F.) is a quasi-overview of the whole region’s retail transformation. It summarises the main consequences of the process while giving a complex view of the sector. It is one of the most valuable descriptions for comparing different dynamics in the V4 countries. Although it is only 7 pages, it contains critical information. The authors emphasise that retail in the V4 has changed a lot in the past three decades, which has resulted in the functional and spatial transformation of the retail network. Successful privatisation and internationalisation happened in the whole area, and new large-space retail stores have entered these countries. However, the types of retail markets are different in each country, including “all-embracing internationalised retail markets in Poland and Hungary; an intermediate stage in the Czech Republic, and partly internationalised retail markets in Slovakia” (p. 167). Besides external internationalisation, internal internationalisation within the Visegrad Group has taken place. Globalisation has affected in the four countries not only the shopping centres (mainly resulting in the concentration of centres with an average area of 5,000–10,000 sq. m) but also the consumer behaviour. Although the transformation can be evaluated as successful, the average space of retail facilities is much

below the Western European average. The Covid-19 pandemic has brought about an increase in online purchases and the use of ICT tools, so the transformation of the retail sector will not stop in the future.

The book aims to provide a comprehensive insight into the Visegrad countries' retail sector transformation that started after the regime change and shows the case of the four countries. The theoretical and practical usefulness of the book is unquestionable. For easier understanding and transparency, the

whole book uses self-edited figures, maps, and tables, which give an illustrative picture of the topic. It contains important scientific findings for specialists dealing with territorial analysis and the retail industry, both nationally and internationally. The book is a good, easy-to-consume and enjoyable piece for the readers. I would recommend it to anyone with an interest in retail industries, including readers outside the academic sector.

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