

The Position of Retail Chains in the Georgian Food Market

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Abstract:

The aim of the study is the description of the competition on the food market in Georgia, its strengths and weaknesses, as well as the expression of the development of market shares in the given market. The three most commonly used methods (market share, concentration coefficient, Herfindahl–Hirschman index) were chosen for quantification. The market for food products in Georgia has long-term strong competition, which motivates chains to reduce the price of products. None of the monitored companies meets the criterion of dominance on the food market in Georgia, as none of them reaches approximately 40% of the market share (according to the sales indicator). Only two companies (Carrefour and Spar) out of 10 come from abroad and are among the TOP 5 food chains in Georgia. In the last three years, Nikora has remained the market leader. Some chains were forced to leave the Georgian market (Populi, Ioli, etc.) because they were unable to adapt to the strong competitive pressure.

Keywords:

Competition, food, Georgia, market concentration, retail chains.