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RETAIL COMMERCE & BIG RETAIL CHAINS IN GREECE: THE CASE OF DIY (DO IT YOURSELF) SECTOR AND THE EXAMPLE OF “IKEA”

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Abstract

In the middle of the world wide crisis and the adverse effects of credit crunch to global growth, the sectors which have the ability to adapt to changes, to market and consumer needs are those that can survive and develop. An indicative sector is “Do It Yourself” (DIY). The aim of this study is to analyse the retail commerce in Greece the penetration of the big foreign retailers focusing on the sector of “Do It Yourself”(DIY). It aims to investigate the global enterprises of DIY household sector, the changes they have caused in the Greek market and in consumers’ behavior providing an outline for DIY’s future development. For the successful completion of the present study relevant literature is reviewed, secondary sources are consulted and a collection from interviews of professionals of DIY sector is used. A case study is presented and analyzed, in order to support the study’s findings and claims. The main conclusion of the study refer to that although the economic crisis in Greece has influenced the retail sector and consumers’ behavior, however, the DIY sector for home improvement is developing, mostly because of its competitive advantage of “good quality & low price” goods and its ability to adapt to the current market conditions compared to the local producers who strive to survive.

Key words: DIY (Do It Yourself), retail, consumer

RETAIL COMMERCE & BIG RETAIL CHAINS IN GREECE: THE CASE OF DIY (DO IT YOURSELF) SECTOR AND THE EXAMPLE OF “IKEA”

1. INTRODUCTION

The penetration of foreign retail enterprises in the Greek market and the collaborations which have been made, have caused great changes in the structure of retail commerce. Retail is characterized by the presence of big centralized enterprises, which lead to the form of oligopolistic markets, following the global trends.

Due to the economic recession and the global credit crunch, people are generally reluctant to build or buy a new house and are instead focused on improving their home and living conditions resulting in DIY house ware and hardware growth. Despite the decline in construction activity, the DIY market is gaining market share in countries that are still under development. The sector of DIY has changed a lot in Greece and consumers have turned to alternative ways of purchasing. The traditional family-run business and the local specialists have lost their power, whereas big foreign chains have gained the market. These foreign retailers with the concept of ‘Low Price’ being their main competitive advantage became a trend, especially because of their low-cost products. The current economic crisis which affected the global market and especially Europe has influenced consumer behavior and companies’ strategies. New products and new commercial policies have been followed by those enterprises that penetrated in global markets, in order to survive and develop. Consumers have turned to more “value for money” products and solutions, especially regarding their home improvement and consequently, companies try to adapt their products and cover consumers’ needs with lower cost solutions.

The present study focuses on the foreign multinational enterprises in Greece, their influence on the market and the changes that they have brought in the DIY household sector and in consumer’s behaviour. Through the case of “IKEA” the expansion and the success of these retailers is presented. IKEA is a characteristic big DIY retail enterprise which has influenced the global and national markets.

2. RETAIL & MAIN CHARACTERISTICS

2.1. “Retail globalization” and “multinational” enterprises

During the last half of the twentieth century, many barriers to international trade fell and a wave of firms began pursuing global strategies to gain a competitive advantage. However, some industries benefit more from globalization than do others, and some nations have a comparative advantage over other nations in certain industries (Balafoutis G, 2011). The Retail & Consumer industry is among off the sectors that are most affected by globalisation, where multinational companies expand their network and increase the number of their subsidiaries (QuickMBA.com, 2010). Retailing is considered to be a global industry. With a greater emphasis being placed on private-label merchandise, retailers are working with manufacturers located throughout the world to acquire merchandise. (Levy M. & Weitz B., 2009). Some retailers invest globally in order to take advantage on to fast-growing consumer markets, especially when their home markets are stagnant – like Germany and Japan. Retailers expand globally in order to leverage their existing assets (Deloitte Touche Tohmachu Limited, 2011).The lessons from global retailing and the examples of global retailers, with the common used term “multinational firms” reveal that expansion far from the home market to international ones is a complicated and complex procedure (Tatoglu E, Demirbag M. & Kaplan G., 2003).

The best global retailers spend substantial resources and time in *learning about the local market*. This entails understanding supply chains, regulation, sources of merchandise, and, most importantly, consumer tastes and habits. The latter is the most challenging. Understanding a foreign culture is enormously difficult under the best of circumstances. (Hofstede F., Wedel M. & Steenkamp M., 2002). A *motivated workforce* is a key factor for success not only in multinational companies, but in all retail firms. Motivation is important because of its significance as a determinant of performance and its intangible nature (Mishra, Sita, Gupta & Bindu, 2009).. Bent and Freathy (1997) mentioned that a key to organization's competitive performance has been the successful motivation of staff (Bent, R. & Freathy, P., 1997). In order for a multinational company to succeed, *developing local relationships* is crucial. Also, a global retailer has to be *prepared to make big mistakes*, to learn and change-adapt. And finally, retailers have to be prepared to *invest on a large scale*. To achieve rapid growth, successful retailers will be wise to seek out new territories (Deloitte Touche Tohmachu Limited, 2011). Central and South America with Brazil and Argentina, Africa, Asia, India, Eastern Europe and Russia, are some of the new emerging markets with great prospects of growth. These are the new destinations where global retailers are now turning their interest (A.T. Kearney Global Retail Development Index 2011).

2.2. Retail sector in Greece

In Greece, retail commerce has changed a lot, especially within the last ten years (Skordili S., 2004).The penetration of foreign retail enterprises in the Greek market and the collaborations which have been made, the institutional changes regarding the operation of domestic retail and the expansion of big domestic chains have caused great changes in the structure of retail commerce. The penetration of the multinational giant Carrefour, in the field of super-markets and Ikea in the home improvement were of the most significant developments, followed by other global retailers, such as Saturn, Media Mark & Fnac (electronic-multimedia field), Zara and Pull & Bear (apparel field) are some of the most indicative ones. (Retail business, 2011).The traditional pattern of the local retailer who offered a narrow range of items has changed to an area where consumers have at their disposal a great variety of goods and solutions (Retail business, 2011). As a consequence, consumer's behavior has also followed the above changes and the creation of a new generation of "Western consumer culture" abandoning the traditional purchasing methods was inevitable. Consumers today derive value from their purchases and the new retailing formats provide them with a total experience. (Teller C., & Reutterer T., 2008).

Greek commerce has been influenced by many market changes and new classifications in the structure of employment, indicating the changes in the structure of the Greek production model. Low entrepreneurship and high rates of owned businesses, where usually the owners are responsible for all the operating things without extra employees were soon abandoned for salaried employment. Employees' rights are more protected, working hours, wages, working environment, medical and private insurance are among off the high priorities of all the human resources departments of big retail chains nowadays (Aranitou V. & Sagias I., 2011).

3. RETAIL & THE DIY SECTOR

3.1. Do It Yourself (DIY) sector in Greece

Do it yourself (DIY) is a term used to describe building, modifying, or repairing of something without the aid of experts or professionals. The DIY market has a presence of

more than 70 years worldwide and with a remarkable performance in Europe and America. During the years the market has changed significantly following the trends of global retail. In North America, Western and Centre Europe, as well as in all developed economies the DIY market has already a significant market share in retail trade and the biggest retailers are involved in this sector. According to the latest Retail report of 2011 of Deloitte Group of Companies and also the official statistics centre for DIY, European Federation of DIY Manufacturers (FEDIYMA), the top ten global retailers in the world are big multinational enterprises who have expand their business internationally.

The DIY sector in Greece recorded a delayed development compared to other European countries, where the particular market is characterized by large market shares. The situation has changed the last decade, as the changes in Greek retail and consumer behaviour have been rapid and determinant for the future of the market.

The Greek consumer is likely little handyman. In a survey of the French Economic Committee for the Greek DIY market and retail in 2006, it appears that while three of four Greek undertake small DIY jobs (small repairs, painting, gardening) when it comes to more complex work, they appeal to the specialist (plumber , electrician etc.). This is mainly due to the low level of technical knowledge of Greek handyman. Finally, till 2005-6 there are no specialized newspapers, with few exceptions (Frager E, Kotsovassilis M, Takvorian M, & Pikri M, 2006).

The low cost of local labor was far, another obstacle to the development of crafts. As a measure, the local workforce has been replaced by foreign labor, cheaper, for which the household is using Greek for repairs and maintenance considered more complex. The market for distributors is a tool for local business and small retail outlets in each district of Athens or Thessalonica, where "the handyman"-technicians can get the tools they need at a low price. "The handyman" team is either not supplied with sophisticated equipment for the investment required or the machinery is large relative to the number of uses it will perform (Frager E, Kotsovassilis M, Takvorian M, & Pikri M, 2006).

3.2. Greek DIY retailing and factors of development

The last decade was crucial for retail trade in Greece and for the DIY market which has been under great changes and growth. The development of the **construction** sector after 1995, because of the private and public investments, was a major factor in the improvement of DIY. The rise in **prices** was 15% in 2000, 17.6% in 2001 and 16.2% in 2002. In 2003 and 2004 the increase was more moderate (one digit). The year 2005 confirms the stabilizing high price level. The period 1995-2004 the real estate market has grown strongly. Demand for new homes has surged 134% increase across the country and 164% in the Athens area. All these combined with the **new infrastructure** (airports, bridge of Rio-Antirrio, highway works) had contributed to the rise of constructions and new dwellings (Frager E, Kotsovassilis M, Takvorian M, & Pikri M, 2006).

In the above period, Greek households expected higher prices for houses and as the borrowing **bank rates** were very competitive, there was an increase in new dwellings. Within the European Union, Greece had the highest percentage of households own their homes (79.6%) according to Eurostat official statistics. DIY is an area where professionals provide fragmented and disparate offers. The presence of big DIY retailers is limited. With regards to local stores, they try to diversify their offerings by extending a set of products found in the DIY sector. Their offer is aimed both at the general public and professionals. This is due to the development of the construction market in 2004-5 that created some capital gains for companies wishing to invest in these new businesses to establish their presence and reputation. This development had later become a necessity by

the gradual arrival of large international retailers, whose expertise was threatening to the entities that could adapt (Frager E, Kotsovassilis M, Takvorian M, & Pikri M, 2006).

All the above factors in combination with the retail globalization and the multinational's enterprises expansion resulted in the penetration of *big global DIY retailers* in the Greek market. This was a major change in the structure of DIY retailing in Greece, a change with important effects on the market and the consumer behavior. DIY retail trade in Greece has changed significantly the last decade both in its structure and retail forms following the global trends, while big multinational firms are now the ones that lead the market. (Euromonitor International, 2011). IKEA company is, perhaps, one of the world's most successful multinational retailing firms operating as a global organization based in its unique concept that the furniture is sold in kits that are assembled by the customer at home (Dimitriadis N., 2002). The typical IKEA customer is young, low to middle income family. Based on a recent research made by IKEA for its customers, the average age of the IKEA visitor is 42 and 60% of the visitors are women (Fourlis Holdings report, 2010).

3.3. IKEA: Key Reasons for IKEA's success

The **IKEA brand** is associated with simple, low cost, stylish products. Initially, IKEA did not customize its products to local markets, but kept to standardized products and operations worldwide. This **standardized strategy of internationalizing** minimized costs. This is one of the characteristics that make IKEA the leader amongst internationalising retailers. (Retail Business, 2009, 78; quoted from Olsson, 2011, p.12). IKEA developed a model for the business, where it was able to keep **costs low**. In order to maintain low cost, Ikea shoppers are half producers, and half consumers. In other words, they have to assemble the products themselves (Burt S., Johansson U., & Thelander A., 2008). The **"Do It Yourself"** concept has already started to become worldwide known and familiar to consumer. IKEA has **excellent international procurement**. Thirty buying offices were created to source from over 1,400 suppliers worldwide, IKEA negotiates prices that are between 20-40% lower than competitors for comparable goods. IKEA has excellent **supply chain management** and utilizes the **latest IT infrastructure, as well as, has a global network of distribution centres**, most of which are near container ports and major truck and rail routes. (Magonelly L., 2002). Over all IKEA is doing **differentiation and cost leadership**. *Differentiation*, because their products are different compared to the conventional ones already in the market. Anticipating the needs and wants of customers IKEA is successful in product design and ensuring ranges which are modern and of good quality (Burt S., Johansson U., & Thelander A., 2008). **Location** of the stores, **Services** to the customers, **Store's design** and facilities, children playrooms, restaurants are some of the areas that IKEA pays high attention. (IKEA corporate site, <http://www.ikea.com>).

And last but not less important, IKEA has a **social and environmental profile**. All IKEA campaigns have **"Environment"** and **"Sustainable Development"** as the major and basic message. This is incorporated in all IKEA's functions. **Charitable giving, social initiatives, donations for children, recycling** are some of the activities in which IKEA is highly involved. A detailed analysis is presented in the corporate site of IKEA.

4. METHODOLOGY & RESEARCH FINDINGS

4.1. Research Design

For the successful completion of this project, the research methodology chosen is based both on secondary sources and a case study. Due to the lack of academic research and studies concerning the greek reality, an empirical study was chosen investigating the case

study of IKEA. The empirical study was made with the form of interviews and distributed questionnaires to top executives and employees of DIY sector and particularly from IKEA company investigating the current status of DIY sector in Greek market and the way multinational global retailers and specifically IKEA have changed household retailing trends in Greece.. The questionnaire attempts to answer the question, “What is the current status of Greek DIY household sector and how the multinational DIY retailers, like IKEA, have impacted the Greek market and the consumer”.

4.2. Description of the sample

There is a sample of seventy (70) participants for this empirical survey. Specifically, 15 interviews of top executives of IKEA took place, and, 55 questionnaires were answered that had been sent by email to other employees working in IKEA. The criterion of selection of the sample was participants to work in IKEA. The questionnaire was the same in both sub groups .

4.3. Questionnaires

The first question of the survey investigates what is the participants’ opinion on the current status of DIY market in the Greek retail sector. As it is illustrated in Figure 1, the DIY market is considered to be developing of the 59% of the participants and a percentage of 29% consider the market as mature. More specifically, according to the answers received, respondents support that Greek DIY market has being developing with quick rates the last years and has still potentials of development.

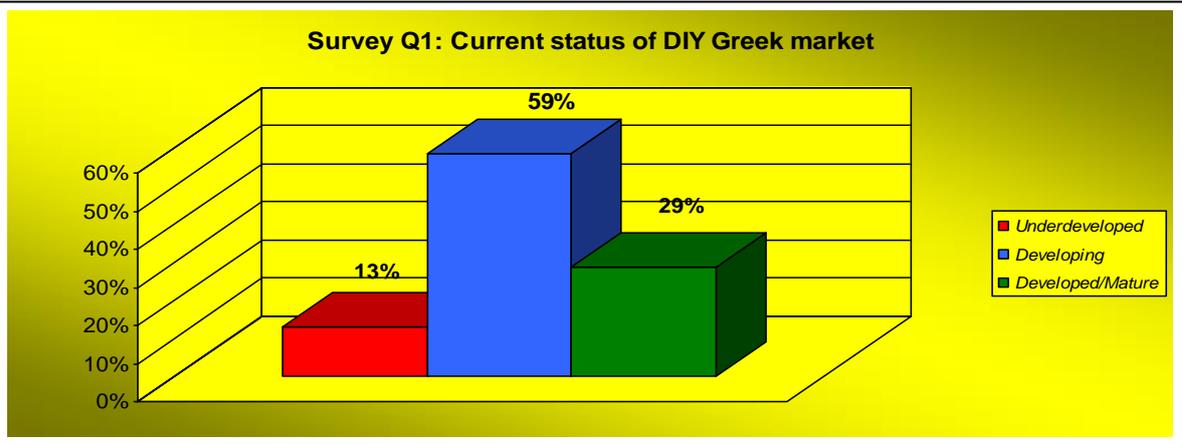


Figure 1: Current status of DIY Greek market

The second question of the survey investigates how familiar are the Greek consumers with the DIY philosophy, concept and products. The replies (figure 2), indicate that 43% of Greek consumers are familiar with DIY and 36% that consumers are familiar at a smaller extent. Only a percentage of 7% of the participants believe that consumers are not aware of DIY concept.

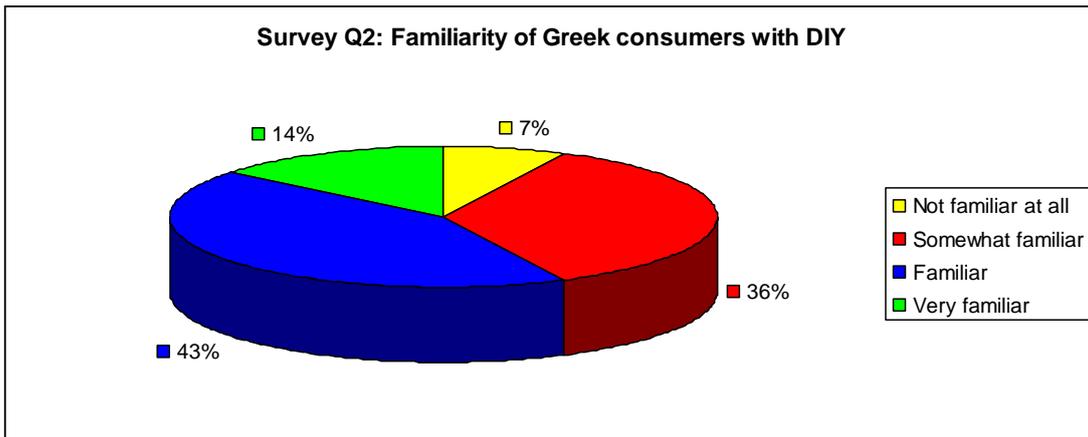


Figure 2: Familiarity of Greek consumers with DIY

The third question investigates whether DIY retail chains have contributed to the development of DIY sector in Greece. The 84% of the respondents believe that retail multinational firms of DIY have a great impact on the market and mostly on consumers and that they have contributed quite enough to DIY's development. Only 16% of the participants believe that multinational DIY retailers had not contributed to DIY development. The results are illustrated in figure 3

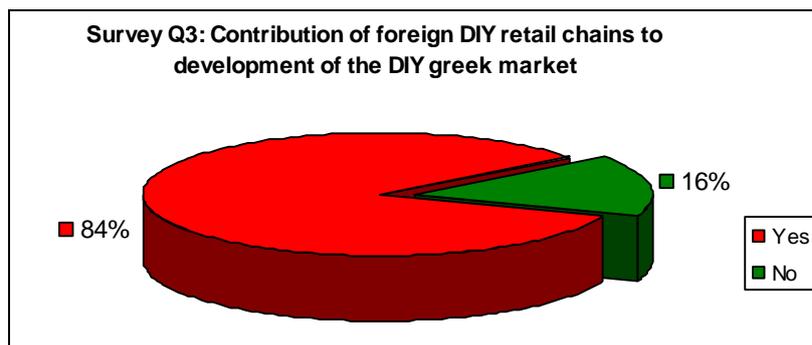


Figure 3: Contribution of foreign DIY chains to development of DIY Greek market

The fourth question concerns the extent at which the foreign DIY retailers, like IKEA, have affected the DIY market structure in Greece. The replies indicate that the multinational retailers which expanded in Greece have influenced the market at a great extent. The majority of the participants, in a percentage 36% believe that the DIY market is greatly affected by global retailers and also 29% believe that Greek market is affected very much. It is important to mention that none of the participants answered negatively to this question. The replies are represented in figure 4 and they indicate that global DIY retailers have changed the market structure and the expansion of DIY philosophy.

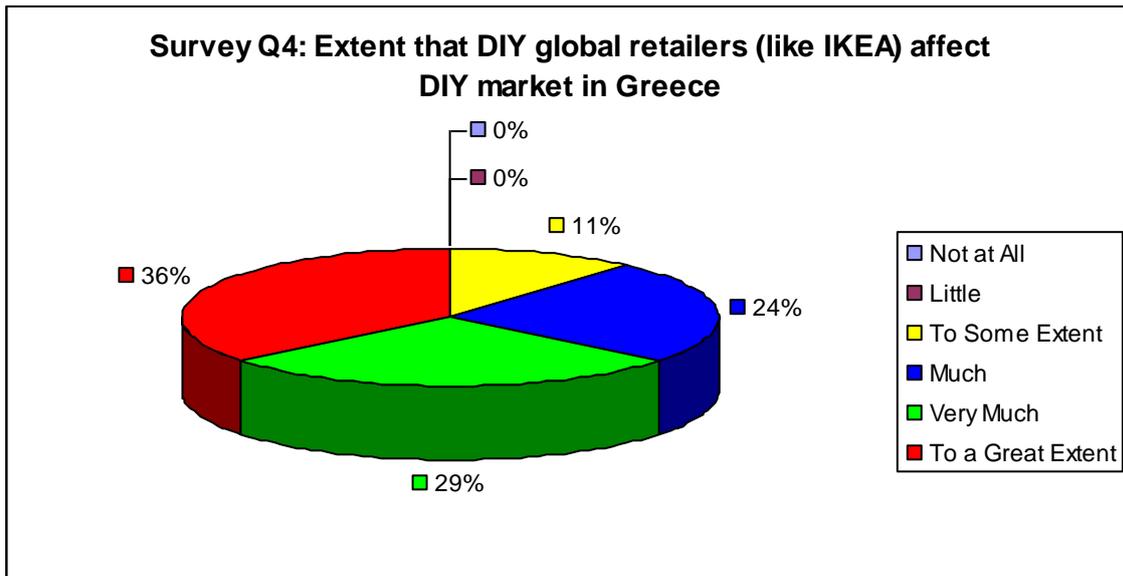


Figure 4: Extent of the impact of DIY global companies on DIY Greek market

The fifth question investigates where DIY multinational companies have influenced Greek consumers. DIY has affected consumers' perception of "doing things by themselves", 27% of participants, it has affected the *budget* they spend on home improvement projects at a percentage of 30% and it has changed their *decorative tastes* at a percentage of 19%. Participants also believe, DIY global retailers have changed competition in the Greek household sector and the *offered product ranges are better in depth, width, quality and prices*, at a percentage of 19%. Also, 17% of the participants believe that modern DIY chains in Greece have changed the *shopping experience* for consumers. Large DIY retailers, like IKEA, soon became a shopping destination. And last, a field which was indicated by 5% of the participants is the *closure of domestic retailers*. The results of this open question are summarized in figure 5.

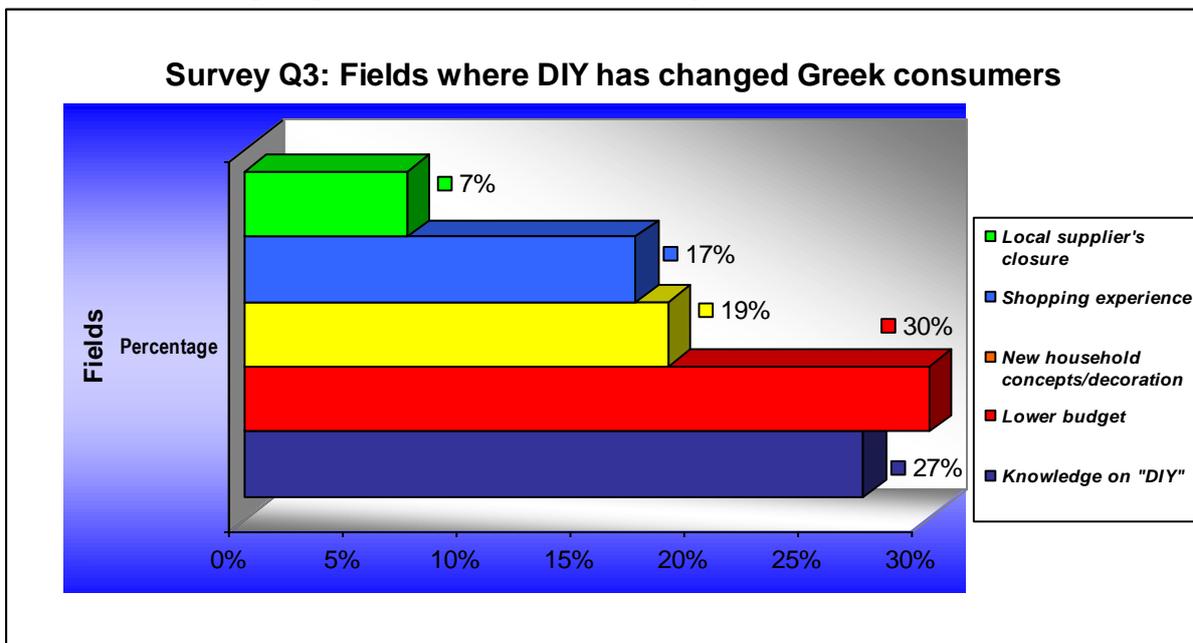


Figure 5: Fields where DIY has influenced Greek consumers and retail

The sixth question investigates whether DIY global retailers are a bad or good influence on consumers and Greek market. The majority 67% of the respondents have a positive view for DIY and only 7% are negative. Also, a 26% of the participants have a neutral aspect on DIY retailers influence both on consumers and in the DIY household sector. In figure 6 the results of this question are represented.

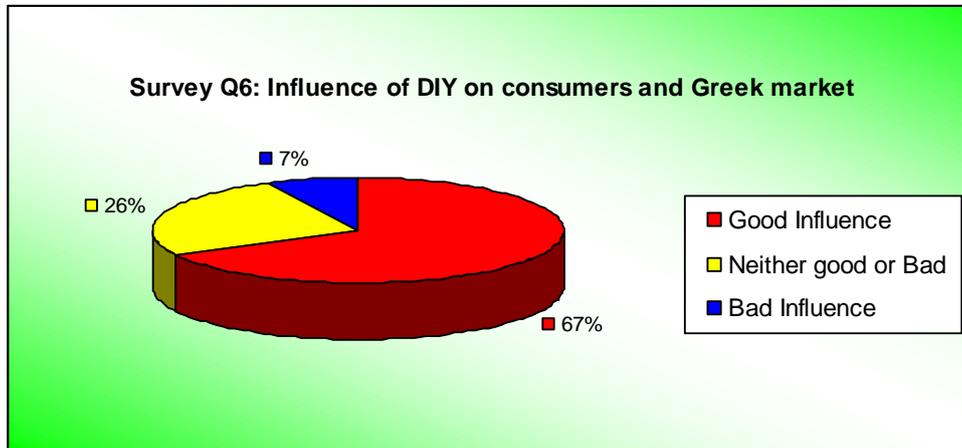


Figure 6: Level of influence of DIY on consumers and Greek market

At the top three criteria for the participants are reasonable and cheap prices when they buy (37,14%), followed by a percentage of 25,71% product quality and 15,71% for the product range. At a second level they value service (7,14%), ideas on household items, advice and friendly personnel (4,29%) and innovative and fashionable items (4,29%) as important criteria for visiting IKEA. It should be mentioned at this point that all the listed criteria are considered important by the interviewees and they ranked them according to the less important. Last, a point mentioned by the participants on the interview survey, is that accessibility is difficult compared to other traditional retailers who are usually in the centre of the cities that IKEA operates and that this is an obstacle to visitors who do not have their own car or access to main means of transport. The results of this question are illustrated in figure 7.

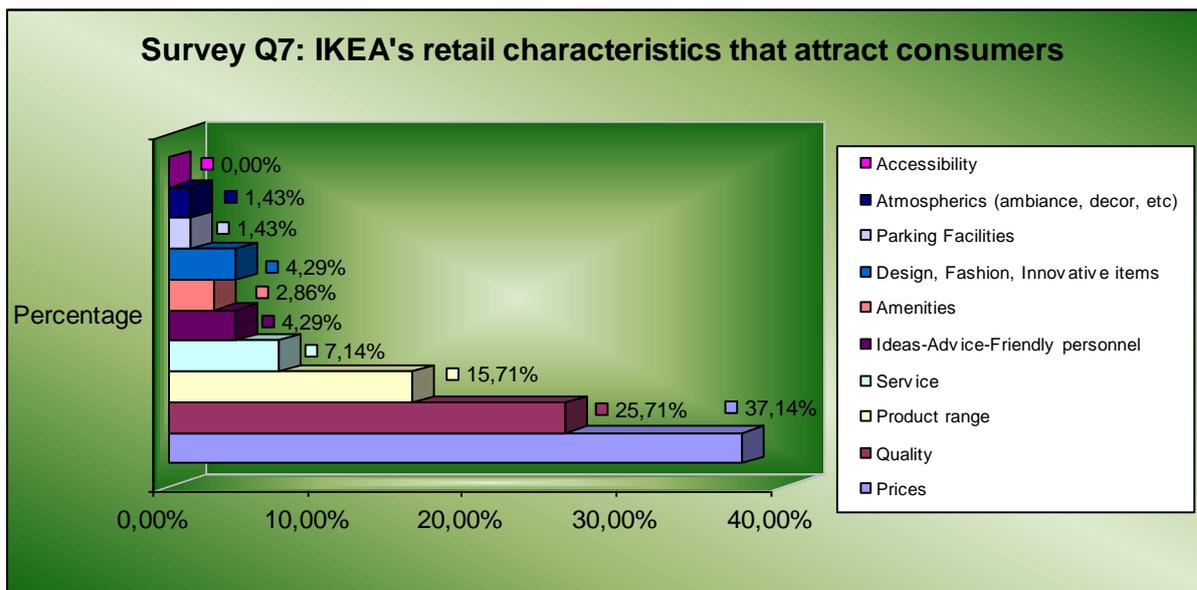


Figure 7: Retail characteristics of IKEA which attract consumers

The eighth question investigates employment in DIY retail chains. Wages and career opportunities are the criteria which differentiate foreign large retail chains, at a percentage

of 29% and 26% accordingly. Another 16% of the participants consider training and getting expertise on ones profession as important criteria that differentiate human resources of a multinational well structured firm in comparison to a local less organized firm. The above can also be attributed to the fact that almost all participants are of average 34 years old holding managerial positions. .Figure 8 represents the results of the question 8.

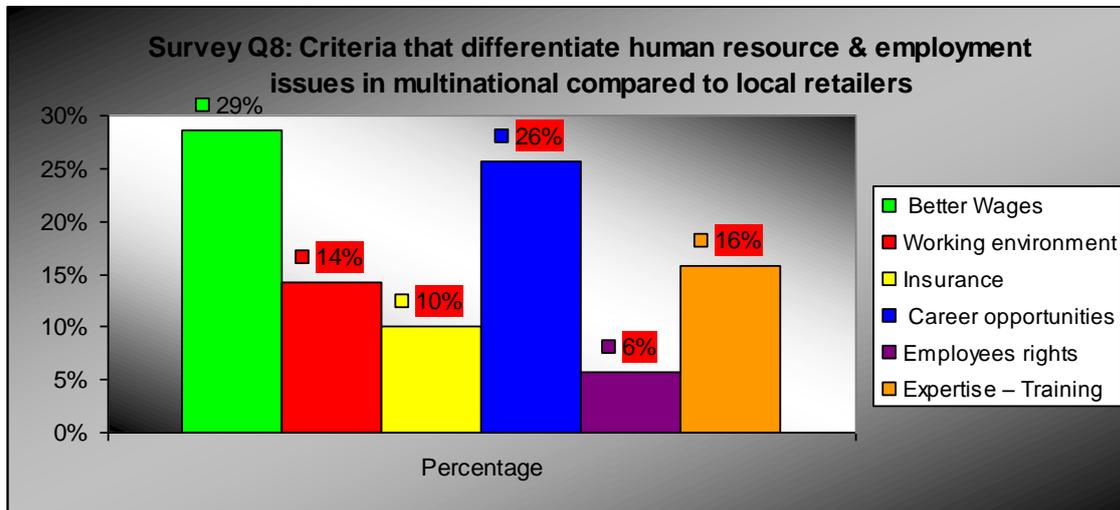


Figure 8: Criteria differentiating global retailers than local ones regarding human resources and employment

During the interview with the top executives, for the above question almost all the participants interviewed, a percentage of 86%, (thirteen of the fifteen interviews) they believe that unemployment was reduced with the entrance of foreign retailers. It is important to refer that the majority of the executives are managing a big number of employees and they support that a multinational working environment influences both supply and demand for a high skilled and trained personnel. Usually, the big global retail chains have the financial and professional resources to educate and assess the quality of their staff.

In the ninth and tenth questions which are open questions in order to give to the participants the opportunity to express their opinion without constrains, the effect of the current economic crisis on DIY sector is investigated and the future of DIY retail sector and international firms. The replies of the executives lead to the result that the economic recession has already affected DIY sector, as retail in general faces a great drawback and it will take time for the market to regain its power. Companies seize their operation, global large enterprises departure from Greece and the market becomes more consolidated. Despite this, the majority believe that DIY retailers have now the opportunity to gain market share and customers, with offers which are “value for money”, qualitative and mainly reflect the current needs of Greek consumer who is threatened by the economic crisis.

5. DISCUSSION

The present study attempts to present and describe the retail DIY sector in the Greek market and the role the multinational retail chains have played both in the development of DIY in Greece and in the consumer’s behaviour. This is achieved by analyzing the findings from the present survey and the case of IKEA composed by a combination of

interviews and distributed questionnaires through email, in conjunction with secondary sources on retail and DIY. Amongst other secondary sources, the findings of a research on the Greek consumer's shopping behaviour, which was conducted by Boston Consulting Group on behalf of the French global DIY retailer Leroy Merlin (Roche C., Ducasse P., & Liao C., 2011) is used.

The present survey's results produced interesting findings for the Greek retail DIY market and one of its major representatives, IKEA multinational company. It is essential to interpret consumers before the market, as "*Retail success is based on covering Consumers' needs*" (Kotler, P. & Armstrong G., 2006). One of the basic results of the survey is that Greek consumers have a positive view for the foreign DIY retail chains and they believe that these retailers have a good influence on the market and them. However, some of the participants indicated that global retailers have caused problems on local ones and they have dominated on the market, which resulted in the closure of small enterprises. Greek consumers seem to be positive towards multinational's firm's expansion, but they are supporters of the local commerce and retailers as well. It could be mentioned at this point that as Greece tries to deal with a contracting economy and an unstable economic environment, local businesses are trying to gain an advantage over the competition by advertising their Greek credentials. This has an influence on consumers and their preferences that multinational retailers need to take under consideration (Versendaal H, 2012).

Based on the results of the present survey, Greek consumers believe that large DIY global retailers have influenced them mainly on their familiarity with the concept of "Do It Yourself" and on the way they use to improve and construct their houses. They believe that DIY market offers products of lower cost than the traditional retailers of DIY. Particularly, IKEA has resulted in the decrease of the budget needed for home improvement. Low cost products in combination with good quality and wide product ranges are important for Greek consumers and IKEA's dominance in the household DIY sector has contributed to that. Similar to the above is the result regarding the basic retail characteristics consumers believe IKEA has compared to other DIY household retailers. The majority of our sample identified prices, product range and quality as the three main criteria for purchasing from IKEA. They also consider it as a "shopping experience" which offers a wide range of facilities and services. These are the main criteria they seek when making their purchases.

The above coincide with the results of the research conducted by Boston Consulting Group (BCG) on Greek consumer's behaviour (Roche C., Ducasse P., & Liao C., 2011). According to it, after the economic recession Greek consumers intend to reduce expenditure of non-essential items and they are more interested in offers and purchases from discount stores, where they can purchase goods on discount and private labels which are both cheaper and of good quality. According to BCG's survey, in the list of values which are most important for Greek consumers, the top five listed are: "*Value for money*" *Purchases, Health, Friends, "My Home", Cheerfulness and Serenity*. The firms which may adapt more efficiently and effectively to these values will gain market share. Some years ago, Greek consumer used to spend handsome amounts on luxury items, "image", well known brand names and trendy leisure activities. Things have changed after economic recession. Consumers in Greece not only pay higher prices on many products and services but also earn lower incomes. Their purchasing power is therefore less than the other Europeans. Hence, the impact of the economic recession on Greek consumers' consumption will be the same or even greater compared to the rest of EU countries (Mpaltas, G. 2008).

The responses received regarding the level of the DIY market in Greece characterize it as developing. Almost all the respondents believe that despite the economic crisis, it is now the opportunity to take advantage of this and remain in the market. It is a result that can be combined with the question on the future of DIY sector in Greece. The fact that a small percentage of the respondents selected the choice of “mature” serves as evidence that there are opportunities of growth for the particular market.

As far as the global DIY retailers chains and their influence on the local DIY market, the responses were interesting. The majority of the participants mentioned that the multinational firms have changed the market structure at a great extent and imported in Greece new business techniques and store concepts. By reviewing the literature and secondary data, penetration of the big international retailers in Greece was delayed compared to the expansion in other European countries (Burt S., 2010). Though not asked, during the interviews procedure the respondents attributed the difficulty in establishing the concept of DIY in Greece to two basic factors; the first is that the market is more traditional and local specialists do not have sufficient “know how” of the business and the second one is that consumers tended to seek the local technician or professional who could do the job for them, even with higher cost (Frager E, Kotsovassilis M, Takvorian M, & Pikri M, 2006). Now this has changed and according to the turnover sales of the DIY global chains that the participants represented, Greek consumers today are more educated on DIY concept, on the offers they can get, their services and facilities. IKEA and other main DIY retailers have greatly contributed to this. Also many of the participants refer that lately “DIY” has gained wide recognition from the market and the consumers, as there are many relative magazines available and TV shows with much advertising. DIY campaigns which are published in newspapers and on-line in the Internet make DIY familiar and popular and lastly, many Greek wholesale suppliers have included in their product ranges “DIY” products.

The participants in the research were also questioned regarding employment where all agreed that in every place that a big company or store is located there is a reduction in the unemployment rate. They also support that big multinational companies offer career opportunities, they have the knowledge to develop their workforce and raise the standards, the qualifications and skills of employees.

The results show that despite the decline in the retail sector due to the economic crisis of 2008-2011, the DIY market has the potentials to overcome difficulties and gain market share. The global DIY retail chains are facing problems, but all these can be overcome by following the markets trends and today consumer needs. Recommendations and developing suggestions are presented in the next section.

6. CONCLUSION

The purpose of the present research project was to present and describe the current status of DIY sector in the Greek retail commerce and the influence of big DIY global retailers in the market and the consumer behaviour. The methodology chosen for the completion of this research is based both on secondary sources and a case study. Secondary sources include amongst others, articles, magazines, journals, on line sources and statistical elements and a research on consumer’s behavior conducted by a consulting company (Roche C., Ducasse P., & Liao C., 2011). Due to the lack of academic research and studies concerning the Greek reality, the primary data which is used in parallel with the secondary one is an empirical study investigating the case study of IKEA. The empirical study was made with the form of interviews and distributed questionnaires to top executives and employees of DIY sector and particularly from IKEA company.

The results of the research findings display that DIY sector in the Greek retail market has the potential to develop further and despite the current unstable economic environment, it can benefit from the opportunities, which derive from new market standards. Furthermore, the penetration and the influence of global retailing companies on the Greek market was investigated and in particular the firms specializing in DIY. The case of the global DIY giant of home improvement and furniture “IKEA” was examined, in order to present the way an indicative representative of the subject under study operates. IKEA is an enterprise with a worldwide presence in countries developed and under developing/ emerging and with a big influence on the retail field and consumers’ behavior of the country or city that every time operates (Jonsson A. & Elg Ulf, 2006). IKEA is a point of reference for all multinational firms and competitors and although it implements a similar “standardized” international strategy, it depicts remarkable adaptation possibilities whenever is necessary. IKEA’s main message and vision is “*Make a better everyday life for the many people*” and implements this on everything that is involved in (Jonsson A., 2008).. The results of the research also showed that international DIY firms made the concept of “DIY” familiar to Greek consumers and in a way helped them understand that they can repair, create, decorate, renovate and do things themselves, cleverly and affordable. Although DIY market and DIY retailers have the potential to survive from the declining and unstable retailing market, certain changes will need to be made, primarily in the field of after sales service. It is an area that according to the findings of this study, consumers consider important enough.

6.1. Limitations

The study presented certain limitations. The most important of the limitations was the lack of literature concerning Greece. Furthermore, another limitation is the unstable economic environment within which every member of the retail industry performs nowadays. Within this frame, consumer’s expectations towards development and market recovery are less positive and stable. Also, the size of the sample and the fact that the segmentation of the DIY market is not exactly the same in all countries and so data could not be generally applied are other limitations. Despite the fact that IKEA is a DIY retailer, in the official reports and statistics it does not listed in the DIY sector, but in the Furniture one.

6.2. Recommendations

Taking into consideration all findings, recommendations are made on the possible business opportunities for success and development, which can be taken in advantage by the firms in DIY sector in Greece. According to the findings of the study, consumers nowadays seek for products which are “**Value for Money**”. DIY concept coincides with the above and it seems easier to be achieved. Consumers adapt their shopping behaviour and habits, to be able to adjust to the changing economic conditions and this is a challenge for the all firms (Koksall M. H., & Ozgul, E. 2007).In addition to the present study, also on the survey conducted by BCG (Roche C., Ducasse P. & Liao C.2011), in the top list of consumer values are “Health”, “Value for Money” items and “Home”. So, the firms which can apply a similar communication harmonization with the right sequence of values can benefit compared to competitors. They are more likely to communicate their offer to the consumer and to be perceived as those being able to satisfy consumers’ needs.

The explosive penetration of private label products in almost all product categories is also remarkable, as the market data indicate and the relevant researches. Consumers select private label products as a way to reduce costs, seek better prices for their purchases from

hyper markets, supermarkets and discount stores. The loyalty of customers, who can switch freely between retailers, has been influenced among other by the increased usage of private label, as both a store loyalty builder and a ready alternative to branded products, reducing risk and customer's resistance to switch brands (Steenkamp J-B. & Dekimpe M., 1997). Customer loyalty to store brands is only possible, if they have a favorable image. Quality is a major factor in consumer purchase decisions and as private labels have substantially narrowed the perceived quality gap, the higher priced national brands have lost their competitive edge (Boutsouki Ch., Zotos Y. & Masouti Z., 2009). DIY firms have the ability to provide their own brands and gain profit and market share.

There are also some main trends resulting from research, which could be addressed for further research and development and could benefit DIY firms. Namely, these are: a) **New values**: "Conscientious" as opposed to conspicuous consumption is on the rise with a marked and continued shift away from luxury and status and toward financial prudence and stability. Consumers are also looking for products that have healthy, safety, environmental benefits. *Sustainable Development* is the new trend of the years ahead. The 'availability' and the 'price' of environmentally friendly products have been identified as the most significant issues common to India, Greece and the UK (Bhate S., 2002). b) **New shopping channels**: the digital revolution is transforming shopping behavior .c) New communication and market channels created by the Internet expansion, the spread of smart-phones and the growing use of social networking sites posing this way new rules on trade and market. (Easy access, social media are changing how consumers select, purchase and even use products).d) **Effective external DIY marketing campaigns**: An effective external DIY marketing campaign, mixed with the financial crisis, will bring in more customers who are looking to repair there existing home rather than hire a professional or purchase a new home. Utilizing the Internet and You Tube, a free video-sharing website, a DIY firm may able to encourage and promote DIY projects outside of its stores. e) **Reward Programs / Loyalty cards**: The loyalty card/rewards program will allow management to collect and compile real-time quantitative data in regards to customers purchasing behaviors, and effectiveness of promotions and sales.

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