

Olive Oil, a market in the process of consolidation in Russia

The olive oil market is immersed in a process of consolidation in Russia, where the two main competitors, Spain and Italy, jointly concentrate a growing share both in terms of value and volume. Nowadays, Spain dominates the Russian market with 56% of share, although the Italian oil has burst with great force in the last years, reaching a share of 30%, according to a study of ICEX España Exportación y Inversiones.

The study highlights that in Russia sunflower oil is consumed mainly and the country has successfully implemented policies to reduce external dependence of this product and has become one of the main producers worldwide.

In the case of olive oil, the Russian market -which depends entirely on imports because it does not have local production- is not new, since the consumer knows perfectly the benefits of this product and has at his disposal a large quantity of brands and types. In addition, according to ICEX, the fact that many Russians spend their vacations in the Mediterranean countries helps to make the product very common.

Olive oil is perceived by the Russian consumer as a premium product, which only the middle and upper classes of the population have access to, so the main obstacle that the buyer finds is the price, which on average is eight times more expensive than the liter of sunflower oil. According to the report, the final price of a liter of olive oil today is on average 60% more expensive than in 2014 and therefore many marketers have begun to sell mixed oils, which in many cases have a very low concentration of oil made of olives.

The profile of the consumer of olive oil in Russia is generally a person with some purchasing power - medium or medium high-, culinary education and interest in leading a healthy life. This type of consumer is, in turn, very influenced by trends coming from the West and relates olive oil with good taste and well-being. The population of this type is concentrated mainly in the cities of Moscow and Saint Petersburg.

On the other hand, the ordinary citizen does not know in depth the types and varieties of oil that exist. In addition, Russia does not have a specific regulation for olive oil and its labeling, but it is subject to the general rules of vegetable oils.

Distribution

From the point of view of distribution, the Spanish product dominates in the linear of the great chains and the Horeca channel being more "democratic" in price; while the Italian and Greek product prevails in gourmet stores and catering establishments of the highest segment, which helps them, according to the report, to position more easily as exclusive and quality products.

For gourmet oil consumers, factors such as design, origin and product quality prevail over price.

The large distribution chains, which have recently been integrated vertically to assume the role of importer, are the priority customer for middle segment oils, since they accumulate a large part of the sales volume. The ICEX study notes that gourmet oils still have a very small market in Russia and introducing a new product into the linear ones of gourmet shops is often very expensive and only the most exclusive oils and with a more attractive container could be considered by part of these stores..

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