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The Evolution of Retailing in Budapest

Introduction

The retail network of the Hungarian capital[1] has undergone significant changes in the last 30 years. This fundamental change can be explained partly by global processes and partly by the specific situation in Hungary and Eastern and Central Europe – i.e. the conditions of the socialist era, influenced by European trends of the time.[2] The system also had its own specificities – as a consequence of the regime change. The changes of the last three decades have significantly transformed retailing in Budapest and the shopping habits of the population. The quality of life and the standard of living have also changed fundamentally. In addition to spread of mobility, new satellite technologies have brought significant changes in the field of commerce.[3] The question today is no longer how close we are to the developed world, but how quickly we have access to the right solutions and basic supplies, and how these supply chains are organised. In our globalised world, we need to create a new harmony between globality and locality.

1. Structural characteristics of commercial zones in Budapest

The creation of the most important commercial areas of the Hungarian capital is closely linked to the development history of the metropolis. In the topographic development of Budapest, among urban planning and urban regulation activities, the most important one was probably the transformation of the city core, which became necessary during the construction of Elisabeth Bridge (Erzsébet híd). Although construction was finished during the First World War, the construction of a city centre suitable for a modern metropolis was only completed after the war. During this period, the *traditional shopping zone of* the capital was developed in the area bounded by Vörösmarty square – Károly Boulevard – Kossuth Lajos Street and the Danube. The zone is still one of the most elegant and exclusive business zones of the capital, and its most expensive shopping area. Regarding its function, it plays the same central role in the life of the city as Kärtner Strasse, the shopping street of Vienna.

A very important step in the transformation of the inner city (Belváros) area was the banning of cars from the commercial district and the conversion of the northern part, Váci Street, into a pedestrian street. This process started in the northern part of the city

[1] Sikos T. – Hoffmann 2004a: 380.
[2] Sikos T. 2009: 200.
[3] Sikos T. – Hoffmann 2004b: 115.

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centre in the late 1970s, while in the southern section the construction of pedestrian streets took place only in the second half of the 1990s. The retail characteristics of the northern and southern sections of Váci Street are also different: the northern section is characterised by luxury shopping, while the southern section is more traditional. Presently, the northern and southern sections of Váci Street are clearly separated. The separation is more conspicuous as Szabad sajtó Road and Kossuth Lajos Street splits the area into two parts. In the longer perspective, however, the luxury commercial zone in the north is likely to continue to spread southwards, and over time, a bipolar commercial core may emerge in the inner-city area *(Figure 1).*

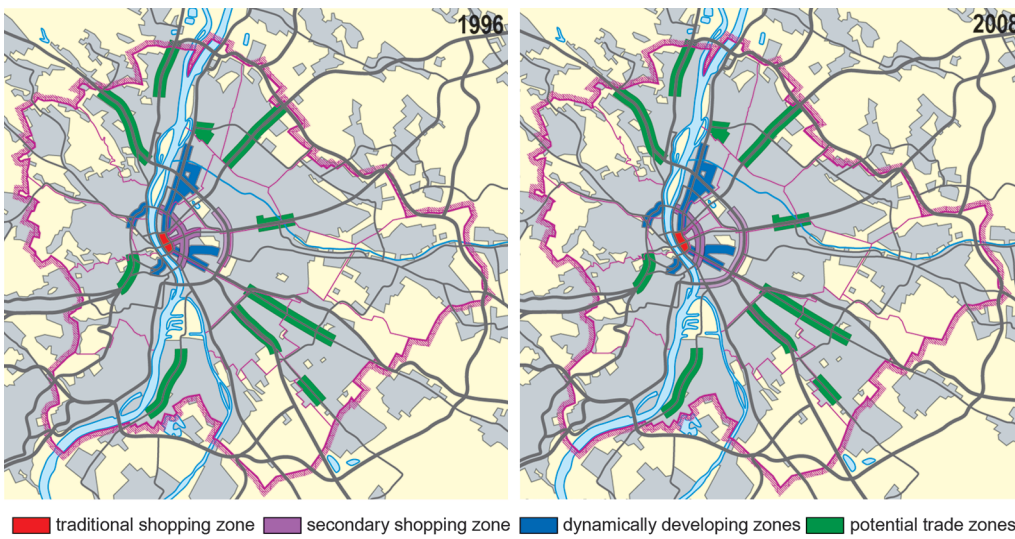

Figure 1: Commercial zones of Budapest in 1996 and 2008
Source: Sikos T. 2019: 137

After the construction of Elisabeth Bridge, the commercial role of Rákóczi Street became more prominent but remained secondary to the northern section of Váci Street until 1996. Its large department stores (Corvin, Otthon, Verseny, Csillag, etc.) closed down in 2008. The range of goods they sold used to be at the lower end of the market anyway, while Váci Street and its surroundings offered mainly high-quality, up-market products.

The Grand Boulevard (Nagykörút) between Margaret Bridge and Petőfi Bridge is an organic part of the *secondary shopping zone.* This section is mainly characterised by small shops, often no more than 20–50 m^2 in size, but sometimes much smaller. In total, the shops in the Grand Boulevard represent about 150,000 m^2 floor area. In recent years, retail trade has been developing very dynamically in Váci road as shops with large floor area have moved here from the inner city and the secondary shopping zone due to the high rental fees they had to pay there.

Along the roads leading out of the city, a *new commercial zone* has emerged, with mainly large car dealer companies and yards for used car parts, solid fuel trading and

building materials and supplies, requiring large surface areas. An analysis of the structure of commercial zones in Budapest shows that the trend of development is similar to that of the major cities of Western Europe decades earlier *(Figure 1).*

In Budapest, shopping centres started to be built in the 1970s (Flórián Shopping Centre, Skála Department Store),[4] but their spectacular, explosive development only started in the 1990s.

Currently, there are 38 shopping centres in Budapest, covering around 965,707 m^2. By 2021, this network increased by one more centre (Etele Plaza) and by 55,000 m^2 retail space. The total number of shops in the shopping centres is 4,531, which means that on average there are around 119 shops per centre. Of course, the number of shops varies considerably between centres, the smallest centre has 10 shops and the largest has 432 shops. The total number of hypermarkets including the agglomeration zone is 24 *(Figure 2).*

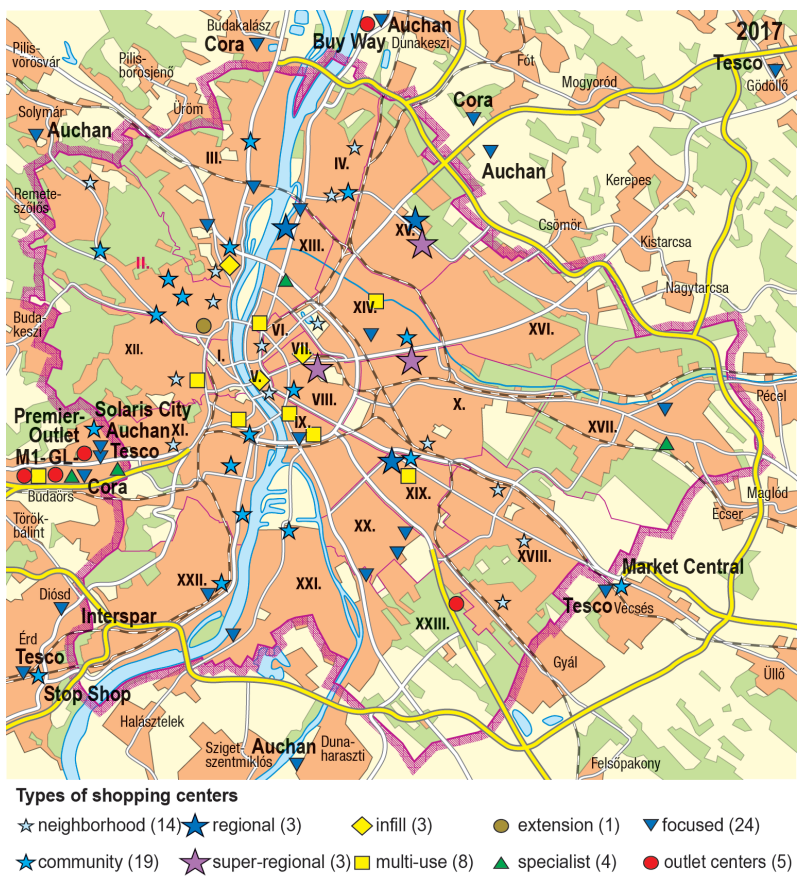

Figure 2: Types of shopping centres in Budapest, 2017

Source: compiled by the author

[4] At the location of the Skála Department Store, which opened in 1976, the Allee Shopping Centre has been operating since 2009.

However, the transport network development of the capital could hardly keep pace with the rapid emergence of the new types of retail units, the negative effects of which can still be sensed in case of several shopping centres. Until 2008, when the global economic-financial crisis broke out, the retail structure of Budapest and the agglomeration area had been developing dynamically, but then the development process came to a halt. In this situation, ongoing investments were stopped (see the Tó-park project) and no new ones were launched in the market after 2011. Among the projects that were already under way and were started before the economic-financial crisis broke out, the second phase of Allee (2009), Corvin Plaza (2010), Europeum (2011), Hegyvidék Shopping Centre (2012) and Árkád (2013) were completed. The Hungarian population was largely affected by indebtedness in Swiss francs, causing purchasing power in shopping centres to decrease considerably, which negatively impacted further developments. In the context of the crisis, households sought to design special strategies and ways to minimise their losses. The economic-financial crisis led to dramatic changes in the shopping centre market. The potential purchasing power decreased, the conditions for sale became more difficult and increased competition between competitors. The effectiveness of previously attractive marketing methods – advertising, discounts – greatly declined, and this particularly affected badly located centres. The most fundamental issue of the trade: *"location, location, location"* came to the fore, that is the role of the location.[5]

2. Competition between 'goliaths' in the shopping centre market, comparison and competition analysis

The battle going on in the shopping centre market is exemplified by the competition between Arena Plaza[6] and Árkád Budapest: both centres are classified as super-regional and were built to become modern centres to meet the requirements of our times.[7] Arena Plaza (66,000 m^2) was built in 2007, and in response to this, with some extension, Árkád 2 (20,000 m^2) was built in 2013, thus Árkád Budapest became the largest centre in Hungary with its 68,000 m^2, and by 2017, the capital had 5 major centres (including the renewed MOM Park, Mammut and WestEnd City Center). One of the secrets of the operation and success of these centres, as we have mentioned before, is the right choice of location, a favourable shop-mix and the morphology of the centres. There are also

[5] There is a very strong link between shopping centres and food retail trade, because shopping centres integrate certain members of hypermarket and supermarket chains. Food stores are the dominant shops of shopping centres that attract buyers. Smaller shopping centres may be maintained by a hypermarket or a supermarket. In case of malls, these retail units also play a decisive role in attracting purchasing power, as a significant part of the turnover is realised through them.

[6] During the years of the economic and financial crisis, it was extremely difficult to open Arena Plaza (purchasing power was significantly reduced due to loans provided in Swiss francs).

[7] Sikos T. – Hoffmann 2012: 166.

a number of losers in the shopping centre market (Lurdy ház, Rózsadomb Center, Rózsakert, Új Udvar), their failure is due to inappropriate site selection, an unfavourable shop-mix, poor morphology characteristics, or a combination of these.

Shopping centres in the capital are not only in competition with each other for consumers, but also with centres in the agglomeration area (see in detail later). Especially strong is the extraction effect of the retail units located in the western sector of the agglomeration, mainly in Budaörs, Biatorbágy, and Törökbálint.[8] It was partly due to this effect that MOM Park was unable to compete with these retail centres for a long time. It was a hindering factor that it did not have a public transport hub like Mammut in its immediate vicinity, and its situation was made even worse due to the fact that its shop-mix did not serve the needs of the customers in its gravity zone. The rebranding of MOM Park in 2011 helped, when it was expanded and new shops and service provision units with strong attraction effect were added to it, such as the Vapiano restaurant.

In our research, we used the Voronoi diagram to analyse structural change in the trade network *(Figure 3).* The Voronoi diagram can be used for descriptive, predictive, and heuristic purposes. Voronoi's method is a tool for forecasting, but it also helps to select spots where we maximise distance from competing facilities. Voronoi polygons represent the 'ideal market areas', and this way they can be used as units for the systematisation and/or collection of population and consumer information.

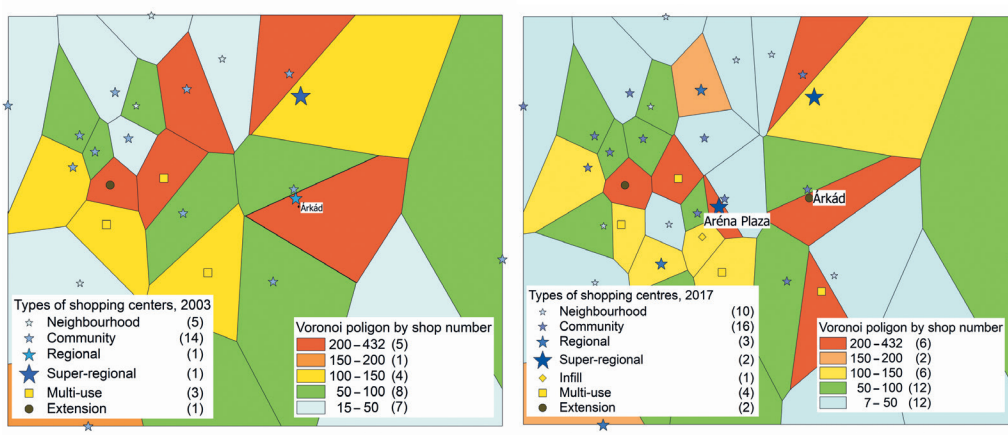

Figure 3: Changes in the retail structure of the capital city between 2003 and 2017
Source: compiled by the author based on MBSZ data

[8] Sikos T. 2015: 17.

We took the competitive situation of two of the largest shopping centres as an example, Arena Plaza and Árkád Budapest and examined their development using the above methods. Árkád Budapest (68,000 m^2) and Arena Plaza (66,518 m^2) are situated in the rust belt of the 8th and 10th districts of the capital. The eastern sector of the Budapest agglomeration and the easy accessibility of the more distant communities of Pest County play a significant role in the evolution of the catchment areas of the two centres. In addition, the Gödöllő suburban train (HÉV) should be mentioned for Árkád, and the railway access (from Keleti Railway Station) for Arena Plaza. To achieve success, shopping centres often try to include services with strong attraction effect in their operations, such as cinemas, which are not profitable but are aimed at luring more customers.[9] In the case of Árkád Budapest, the cinema is located in Sugár shopping centre, in the immediate neighbourhood of Árkád. The managements of the two centres seek to coordinate their events in the interest of success. When putting together their tenant mix, the shopping centres take great care in mapping the daily shopping behaviour of the people in their immediate neighbourhood, securing the presence of mainstream trends and brands, attracting other multinational chains with their quality products and luring speciality stores.[10] There is a marked difference between the two shopping centres in the spatial pattern of shoppers by place of residence. In both shopping centres, the majority of respondents came from Budapest, but the proportion was 77% in Árkád and only 54% in Arena Plaza. If we include the wider agglomeration zone of the capital, this percentage is higher than 90% in the case of Árkád, while in Arena Plaza it only exceeds two thirds of shoppers. In Árkád, therefore, the majority of shoppers are those who come from the agglomeration zone and those who regularly commute to Budapest from the immediate agglomeration. At the same time, Arena Plaza also attracted a significant proportion of customers from settlements further away from the immediate catchment area of the capital, and potential customers did not only include shoppers from rural areas, but also a large number of foreign customers. Evidently, this can be attributed to the different transport geographies of the two shopping centres. Even though both centres have good transport geography, Árkád has better potentials – it is located at the eastern gateway to the agglomeration of the capital and is easier to reach by public transport than Arena Plaza. Regarding the population's income, in their catchment area, the population belongs to the middle-income category, but there are relatively large differences between the income categories of the districts. The respondents' answers on income also confirmed our findings concerning customers' residence. On the one hand, because there is no more than a difference of 5 percentage points in any of the value categories among the income groups of the shopping centre customers. On the other hand, the shop-mix and demographic composition also suggested that the two shopping centres behaved in a similar way. The most frequent amount of money spent per purchase was between HUF 5,000 and 10,000 in both time periods that we examined. However, from 2008 to 2017, the proportions between individual value categories became much more even. The proportion of those spending above HUF 10,000 and below HUF 5,000 increased, while the proportion of those spending between HUF 5,000–10,000 decreased.

[9] The most successful domestic service is the Tropicarium in the Campona Centre.
[10] See www.arenamall.hu/hu/uzletek; www.arkadbudapest.hu/szolgaltatasok

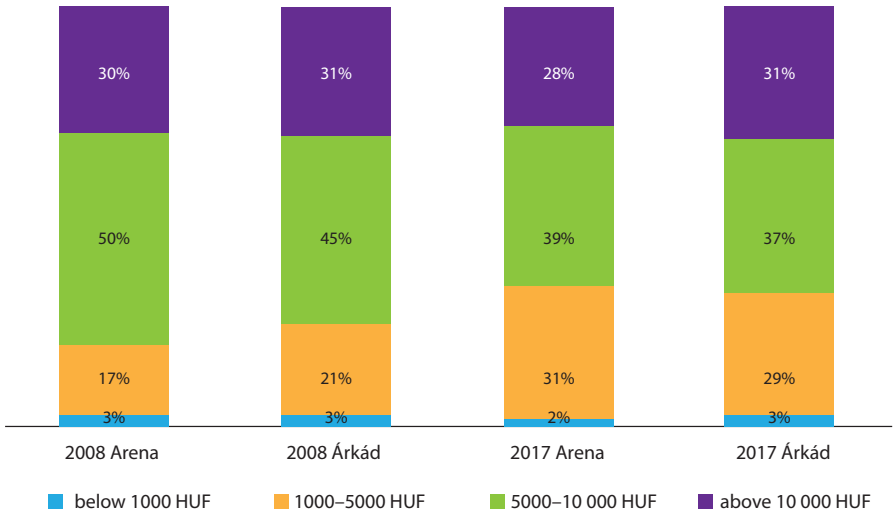

Figure 4: Ratios of average spendings per shopping occasion
Source: compiled by the author based on his own survey (2008, 2017)

When we analyse shopping habits, it is not enough to know how much our customers spend, but it is also essential to find out what their purposes are in coming to the shopping centre, and we can only design our supply, being aware of their purposes. The answers to our questions should be treated with some reservations, as one of the venues for survey sampling was in the lobby at the entrance to Tesco. The number of respondents who came to buy food represented a higher than realistic proportion among the total number of respondents, and the sample was under-represented for the other response options. Nevertheless, it can be noted that both shopping centres had a high proportion of respondents who came without a specific purpose (Arena Plaza 21% and Árkád Budapest 25%). Thus, shopping in a centre as a leisure activity is still significant among buyers, which was likely to be expected knowing that there is a large inactive social stratum (pensioners, students). The possibility offered by the location system[11] developed by Google also provided us with information on the average time spent by potential buyers in Arena Plaza, which ranges from 45 minutes to 2.5 hours (the cinema has a significant role in it), compared with 25 minutes to 1.5 hours in Árkád Budapest. In our analysis, we also examined, which shopping centre is considered the most popular by the respondents, which one they like visiting most. Although we asked specifically about shopping centres, the responses indicate that hypermarkets with a stand-alone site also represent significant competition for some of the stores of the centre that have a strong attraction effect. Based on Google's location system and visitor ratings, we also

[11] The Google feature provides the location, address, and opening hours of the relevant shop (among other information), and how the number of customers is changing during each period. This makes it easy to avoid overcrowding and crowds. The system relies on mobile data to try and guess how many people are in a particular place and how busy a particular shop is. This is indicated by the word "LIVE" in the search, and a distinctive colour is used on the timeline to show the time of day.

reviewed the position of competitors *(Table 1).* Google offers visitors the possibility to rate the malls and among them also the competitors. The ratings show that the average time spent in the shopping centres ranges from 15 minutes to 1.5 hours. The popularity of the Arena is well supported by the fact that visitors spend between 45 minutes and 2.5 hours on average here.

Among individual visitors, three centres had outstanding favourability ratings: Allee 4.5, Arena Plaza 4.4, and Árkád Budapest 4.4, while the other centres were assigned roughly similar ratings. WestEnd City Center and Arena Plaza achieved high favourability ratings among Facebook users. The reliability of Google's scores is guaranteed by the high number of reviewers. Shopping centres try to make optimal use of their opening hours to maximise their profits (see WestEnd City Center, Árkád Budapest).

Table 1: Shopping centre ratings, planned visiting times

Name of shopping mall	Google ratings score (1–5 scale)	Number of reviews	Number of people liking the centres on Facebook	Visit planned duration	Opening hours
Árkád Budapest	4.4	3,824	96,015	25 minutes – 1.5 hours	6 h 50 – 22 h 7 h 50 – 20 h (Sunday)
Arena Plaza	4.4	5,115	192,092	45 minutes – 2.5 hours	10 h – 21 h 10 h – 19 h (Sunday)
WestEnd City Center	4.2	7,930	202,866	25 minutes – 1.5 hours	10 h – 23 h
Sugár Shopping Centre	4.1	1,775	21,808	15 minutes – 1.5 hours	9 h – 20 h 10 h – 18 h (Sunday)
Mammut Shopping and Entertainment Centre	4.1	3,847	17,500	20 minutes – 1.5 hours	10 h – 21 h 10 h – 18 h (Sunday)
Allee Shopping Centre	4.5	5,241	1,858	25 minutes – 1.5 hours	10 h – 21 h 10 h – 19 h (Sunday)
Corvin Plaza	4.2	3,329	36,833	20 minutes – 1 hour	10 h – 21 h 10 h – 19 h (Sunday)
Pólus Center	4.3	2,461	40,715	20 minutes – 1.5 hours	10 h – 20 h 10 h – 19 h (Sunday)
KÖKI Terminál	3.9	3,400	31,532	15 minutes – 1 hour	6 h – 22 h

Source: compiled by the author based on Google's location data (7 September 2017) and shopping centre data of Facebook (8 September 2017)

However, we should remark here that the mere fact that the shoppers interviewed also visit another shopping centre does not necessarily mean that they are real competitors for the centres we studied. The questionnaire allowed respondents to name more than one location

simultaneously, and the number of people visiting only one shopping centre was also significant, so the quantity of responses does not reflect the number of respondents *(Figure 5).*

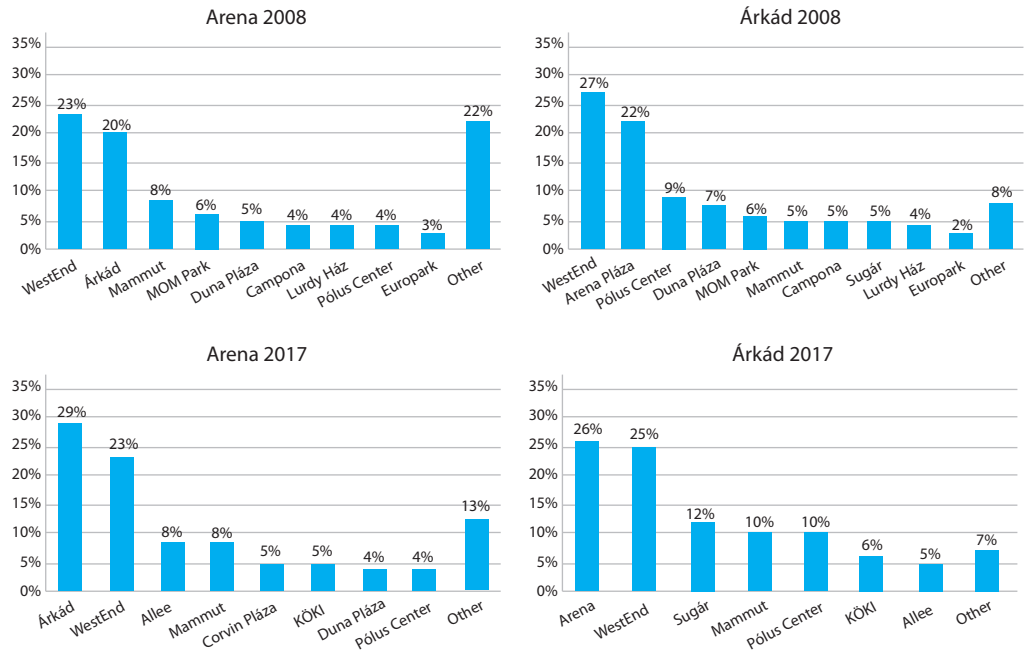

Figure 5: Shopping centres visited expressed as a percentage of total responses
Source: compiled by the author based on his own survey (2008, 2017)

The analysis shows that the two shopping centres are very significant competitors for each other, as Arena Plaza or Árkád Budapest were the shopping centres mentioned most frequently by those who visited other shopping centres outside the location of the survey. Besides the shopping centre studied, WestEnd City Center stands out as the second most important competitor in terms of strength. Although the other shopping centres represent a much smaller weight, as regards Árkád Budapest, it is important to mention the neighbouring Sugár Centre, Pólus Centre and Mammut Shopping Centre. However, we should stress once again that Sugár and Árkád are complementary to each other rather than real competitors as they attract different types of customers. In the case of Arena Plaza, it is reasonable to highlight Allee and Mammut, as these shopping centres still make up nearly 10% of the market. Our research[12] clearly shows that Arena Plaza is more popular than Árkád Budapest. Árkád lies outside the city centre, so practically it is the first important shopping complex to visit for the peripheral districts and the agglomeration. This partly explains the significant difference between the two commercial centres observed in the other category. On the other hand, Arena Plaza has a more extensive gravity zone, so the number of shopping centres in the zone is much larger than the number of shopping

[12] Kovács – Sikos T. 2018: 215.

centres in the gravity zone of Árkád. We typified the two shopping centres based on their shop-mix and geographical location in several respects, which shows that their commercial characteristics are similar in many points, but that they are each other's serious competitors. Yet, taking all aspects into account, the conclusion is that Arena Plaza can be considered the more successful centre during the period surveyed.[13]

3. The extraction effect of the retail sector in the western gate of the agglomeration of Budapest

The retail units in the western zone of the agglomeration of Budapest produced a significant extraction effect on the shopping centres located on the Buda side of Budapest. The changes in the employment structure in the sub-region of Budaörs substantially affected the three main towns in the area, Budaörs, Biatorbágy, and Törökbálint through the industrial, commercial and logistics firms that settled there. This process primarily started at the turn of the millennium with the job creation role of the industrial and commercial units (BWT, Cora, Tesco, Auchan, etc.). The current shopping network was built up in four phases in the administrative areas of the three towns that we examined. The first phase lasted until 1999. During this period, the most dynamically developing towns were Budaörs and Törökbálint. Both municipalities offered favourable conditions (in terms of location, workforce, etc.) to multinational companies wishing to settle down in the area. The purchasing power of Budaörs was already outstanding in Hungary during this period, and this undoubtedly gave further impetus to the companies and helped their settling down in the area. We should not overlook the fact that both towns have extremely good transport connections with the capital. This is one of the reasons why several large multinational companies had established themselves here before 1999 *(Figure 6).*

It was then that METRO (1994), Auchan (1998), OBI and Praktiker (1998), Baumax (1999) and IKEA (1999) moved to Budaörs, while CORA (1997), Atlanta Center (1997), Office Depot (1997), Diego (1997), and Bricostore (1998) set up their business in Törökbálint. Obviously, the crisis that started in 2007 and unfolded afterwards fundamentally redrew our map: by 2013, Bricostore had closed,[14] Atlanta Center had gone bankrupt,[15]

[13] Arena Plaza has been sold, and the new owner of the shopping centre in the capital is NEPI Rockcastle, a South African investment fund registered in the Isle of Man, which bought it through its subsidiary Arena Property Ltd. See HVG.hu 2017.

[14] "According to company information data, the losses of Bricostore Hungária Barkácsáruház Kereskedelmi Kft. have been steadily increasing since 2009: in 2009 it made a loss of more than HUF 740 million, the following year HUF 1.6 billion, and in 2011 it recorded a loss of almost HUF 2.2 billion. According to company info, the company employed 670 people." See Boon 2012.

[15] Real estate operating and development company B&V Group has taken over the operation and leasing of the Atlanta Center shopping arcade situated in the area of the SCB Üzletközpont in Törökbálint. "The main tenants of the shopping centre, which has almost 15,000 square metres of lettable space, are Office Depot, Diego, Natuzzi and Hopplá shoes." See Economx 2009.

and Office Depot[16] had also sold its chain. None of the chains were able to make up for the losses caused by the crisis.

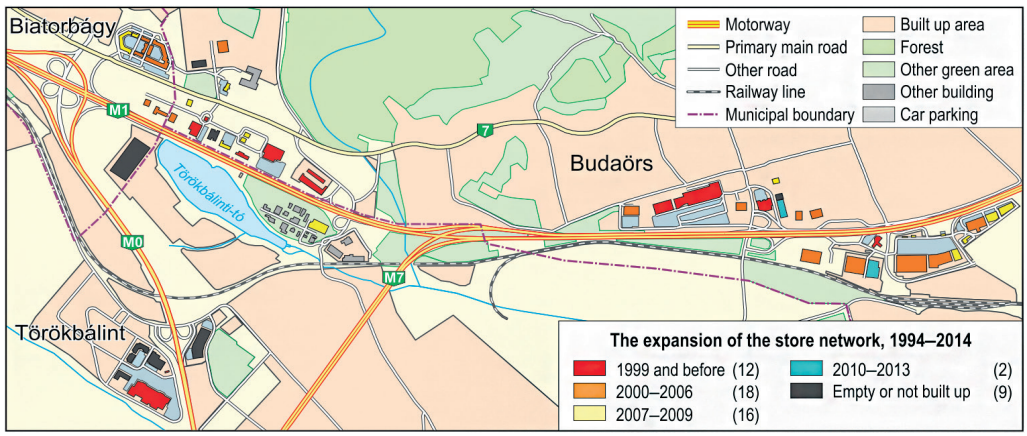

Figure 6: Emergence of the shopping network in the researched towns
Source: compiled by the author

In 2000–2006, in the second construction phase of the network, some 18 retail complexes were built. Among the most successful developments of this period were Tesco with an area of 15,000 m^2 in Budaörs (2000) and Premier Outlet Center established in Biatorbágy (2004). Tesco soon became a significant competitor to the hypermarkets already operating in the market. Competition in the market was further aggravated by the growing crisis, which sealed the fate of CORA. In 2012, Auchan acquired the chain, including its Törökbálint unit. The distance from Budapest and the peripheral location of the Törökbálint unit of CORA also contributed to the loss of its market. The construction of the Premier Outlet Center in Biatorbágy was the other major success of the development of the retail network, the secret of which lies in the favourable business mix. Although the GL Outlet and the Premier Outlet Center opened at the same time, the GL Outlet failed to develop an appropriate shop-mix and therefore its attractiveness to shoppers remained weak. It could not attract potential retailers to the outlet. Premier Outlet Center managed to acquire the key tenants, which ended the competition between the centres, and GL Outlet[17] closed in 2011. *Table 2* clearly demonstrates that the wrong

[16] Office Depot was registered in Florida in 1986. It entered the Hungarian market in 1997 and was sold in 2013. Since then, it has been owned by the domestically based Central Fund Kockázati Tőkealap (a venture capital fund).

[17] "In the case of GL, there was probably no careful assessment of the situation before construction started […] Premier, on the other hand, ran an aggressive campaign in all media before and after the opening, so the word outlet was automatically associated with Premier in the minds of buyers. Regarding its location, it is situated next to the road leading out of the town and it is clearly visible from the road, while its competitor is on the less busy section of the M0 motorway, next to a declining shopping centre. […] Premier even changed the access route to its site, modifying the road of access to attract traffic from the other party." See Sikos T. 2015: 157–173.

choice of location and an unfavourable shop-mix can decide the fate of a shopping centre and can even doom an outlet centre to failure (GL Outlet, M1 Outlet).

Figure 7: Premier Outlet Center and GL Outlet Center
Source: photographed by the author

Table 2: Reasons for the success and failure of outlet centres

	Premier Outlet	GL Outlet	M1 Outlet
Choosing the right site	X		X
Good transport connections, easy access	X		X
Visibility	X	X	
Appropriate marketing strategy	X	X	
Attractive tenant mix	X		
Concept	X	X	
Critical mass of customers	X		X
Ownership structure	X		

Source: compiled by the author

Table 2 shows, which aspects were disregarded and led to the failure of M1 Outlet Center in 2009 and GL Outlet Center in 2011, and as *Figure 8* also demonstrates that inappropriate shop-mix selection and the lack of an anchor store in the business structure led to the failure. There was a CBA supermarket in the M1 Outlet Center when it was opened, which could not compete with the hypermarkets in Budaörs (Tesco and Auchan), either in size or product mix. The investors' incorrect location policy and the wrong business concept made it difficult to remain in competition. The M1 Outlet Center had basically shops designed to satisfy demands for everyday consumer items, but to be successful, it would have needed a significant number of daily shoppers from the capital.

Figure 8: Business mix of the former M1 Outlet Center
Source: photographed by the author

Some of the retail units that moved into the western zone of the agglomeration area in the second wave closed as a result of the crisis. This was the fate of Michelfeit[18] in 2009, Electro World[19] in 2011 and Gulliver[20] in 2013.

The third phase (2007–2009) of the emergence of the retail store network in the Budaörs–Biatorbágy–Törökbálint triangle can be linked to the global economic and financial crisis. During this period, even though 16 major retail complexes were built (Intersport 2007, Humanic 2007, Brendon 2007, DM 2007, Mountex 2007, REGIO JÁTÉK 2007, Artvirág 2008, M1 Outlet Center 2008, Max City 2009), what they had in common was that their investments started before the period of the crisis, and even after their opening, they faced great difficulties. This is particularly true for Max City, which is still struggling to develop a successful shop-mix.

[18] In 1999, the Kika/Leiner Austrian furniture chain acquired its Austrian competitor, the Michelfeit group, and in 2020, the XXXLutz furniture store acquired Kika in turn.
[19] The Electro World store went bankrupt in 2010 with a loss of HUF 1.2 billion. It failed to escape bankruptcy, and the withdrawal of the British Dixons group from its backing also contributed to its failure.
[20] The Gulliver toy store chain owed around HUF 3 billion to 148 creditors and was later bought out.

Figure 9: A group of shops opened between 2007 and 2009
Source: photographed by the author

Quattro Mobili started its operations in the Kika home furnishing store in 2010 and already closed in September 2014, not because of bankruptcy, but because its owner, the Steinhoff company group, acquired the loss-making Austrian store chain, Kika. This move made one of the companies redundant, and the owners decided to merge the profitable but smaller company into the larger chain. Trendlakás appeared among the home furnishing stores as a newcomer, it brought together home furnishings brands and manufacturers from all over Hungary. As regards its function, it is operating as a thematic shopping centre. The complex currently houses more than 20 different brands, such as Miele, AEG, Siemens and Bosch, Sellaton Design, Billerbeck, Sanotechnik, etc. Therefore, the success of Trendlakás Studio was due to its shop-mix and its thematic character. Many investments were halted by the crisis and have long been forgotten. Among these investments are those planned by Hungarian entrepreneurs, such as Wedding Plaza, which did not go beyond the purchase of land, but also one of the major projects was the one underwritten by American investors such as the Tópark office and apartment complex, which completely failed for lack of financing. The main financier of the project was Eurohypo AG financial institution, which stopped paying its bills after the crisis broke out, so the investor Walker and Williams Ltd. was unable to continue financing the commenced project, and it did not have sufficient resources of its own to implement it. The project is only being completed now with a partial implementation, the entire Tópark project will not be built. The crisis of 2009 hit the Törökbálint area and its retail network most severely, and there are hardly any players left in the area that have remained viable in the long term. Practically, with the exception of the vegetating Auchan and Diego that shrunk to half its size (from 2,000 m^2 to 1,000 m^2), almost all companies have gone bankrupt or are close to bankruptcy. In the sub-region, 22 centres were established each with an area above 10,000 m^2 – these centres can be considered the main centres of the agglomeration that act as magnets and attract buyers (Tesco,

Auchan, IKEA, OBI, XXXLutz, etc.). Primarily due to their size, the centres represent the optimum size of the given sector in the Budaörs and Biatorbágy area. The proximity of the consumer market in Budapest played an important role in the site selection policy of the centres examined. In addition to the main centres in the region, the number of other units between 2,500 and 5,000 m^2 can be considered significant. They complement the activities of the larger centres, they almost coexist with them. The vacant commercial establishments are concentrated mainly in Törökbálint. The types of shops in the area include a significant number of network units related to the retail trade in cars and car parts and to service providing activities with more than 10 units. For car dealer companies, used car dealers and car repair shops with a large surface area, the roads leading out of the capital are an attractive location, as they can be operated at lower costs compared to investments implemented at expensive urban sites. The situation is similar in the case of furniture and home furnishing stores: the cost-saving operation was also an important criterion in their site selection.

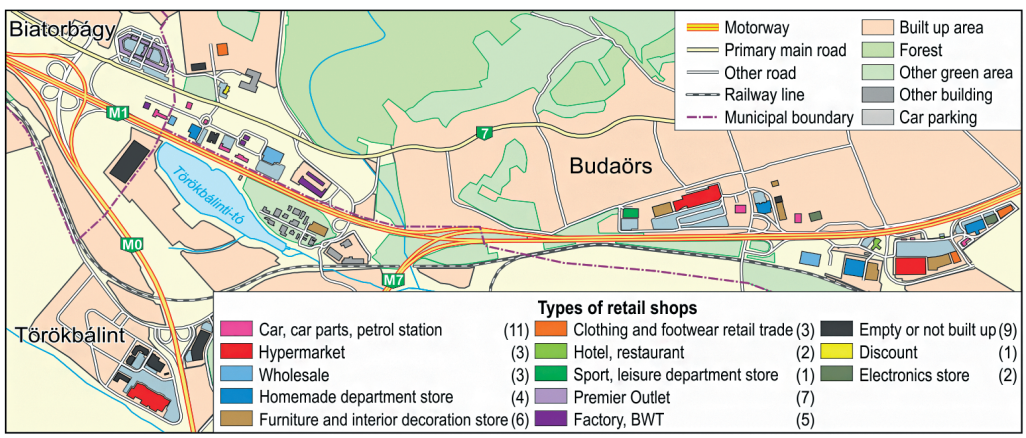

Figure 10: Types of stores in the examined area
Source: compiled by the author

It is vital for commercial centres to be aware of and deal with new market trends and tendencies. They also need to be prepared for the fact that buyers are becoming more price sensitive, which often puts shops offering low-priced products in a more favourable position. Today, shops are facing strong competition in cyberspace from e-commerce and e-commerce of second-hand goods. To stay ahead of the competition, it is necessary to expand services and enrich the selection of goods. Those stores that are unable to change will go bankrupt or will be forced to merge, which is why it is crucial for centres to develop a flexible tenant mix that should reflect market needs. It is likely that the life of shopping centres will be even tougher than it is today. Consumers will expect more from retailers, they will be willing to travel further for better conditions or wait for the best moment to buy.

4. Customer opinions on shopping centres

It took a relatively short time for Hungarian consumers to accept, learn to like and visit shopping centres. Acceptance, however, does not equal a long-lasting positive approach and favourable attitude. For enterprises, loyal and satisfied customers who return are a valuable asset that they can rely on in the long run.

We conducted research on shopping centres in Budapest with a sample of 163 respondents, which number is considered sufficient to be acceptable. We set out to investigate how customers perceive shopping centres. The opinions of the customers surveyed were more positive than negative, 54.6% of them stated that people either like very much or like these establishments. 42.9% both like and dislike them, while only 0.6% claimed to dislike them. According to these responses, on a scale of 1 to 5, the attitude index is 3.62, indicating that the 'like' rating was predominant. Obviously, this score does not indicate loyalty, support or returning because it shows subjective feeling and generalisations. In these cases, people seemingly make abstractions because researchers ask for general opinions, but respondents always respond with what they think about the object, place, or concept, etc. in question in the rating, what their own opinion is. Therefore, shopping centres had positive ratings, and the answers regarding the reasons also reflected it *(Table 3).*

Table 3: Attitude indices expressing the characteristics of Budapest shopping centres

Finding	Indicator value
I can shop on weekends	4.79
They have a wide selection	4.17
They encourage wasteful spending	3.99
Offers temptation	3.68
They increase prices of goods and services	3.67
I can get everything under one roof	3.65
Good experience	3.64
I can plan shopping in advance	3.54
Shopping is comfortable	3.43
Negatively affects children	3.30
I prefer smaller shops	2.87
Helpful service	2.75
No crowd	2.64

Source: compiled by the author

Notes: To calculate the attitude index, we multiply the distribution ratios by the weights of 1–5, add them up and divide by 100. The resulting value may range from 1 to 5.

Attitude indices also confirm the previous findings that showed that weekend shopping possibilities (4.79) and wide selection of products (4.17) are the most determinative in the acceptance of shopping centres, therefore, being open on Sundays is important to customers. We must emphasise that customers do not condemn strong temptation offers (3.68) but consider it an acceptable feature of shopping centres. Similarly, the convenience

of buying everything under one roof is also considered a positive feature, without any exaggeration (3.65). At the same time, as it has been revealed in our other studies, the quality of service is regarded as particularly poor (2.75), since the index hardly approaches the average level.[21]

Buyers find shopping centres crowded (2.64), which is not surprising, because it is really hard to move around in most of them, especially in the early evening and on weekends. This opinion is hardly surprising, and businesses cannot really ameliorate this, because the dimensions of the buildings, the corridors, the size of the shops, etc. are set, although they may differ for each shopping centre depending on the planned number and customer intensity.

Adults are unsure when deciding on whether shopping centres positively or negatively affect children. The attitude index clusters around the yes and no answers (3.30), it is not negative. This is a very good argument against the opponents of shopping centres, many of whom formed a negative opinion mainly because of the negative impact shopping centres have on children. Customers agree only partly with the statement that shopping centres encourage wasteful spending (3.99) and offer strong temptation (3.68). The index for temptation could be higher from a marketing point of view, even if respondents partly agree with the statement (around 4).

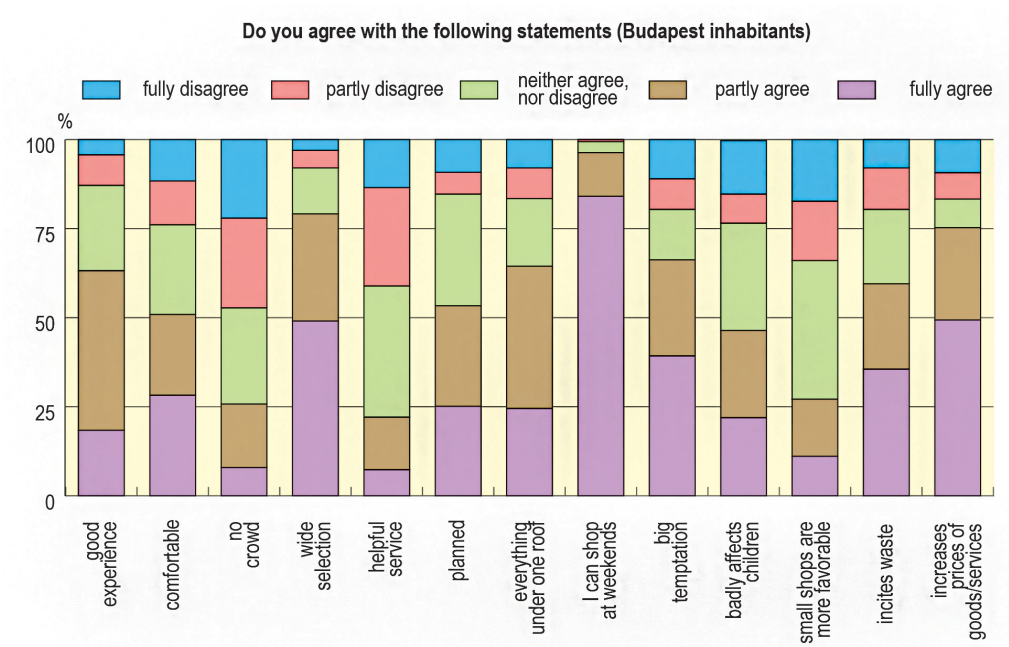

Figure 11: Reasons for choosing shopping centres
Source: compiled by the author

[21] Sikos T. – Hoffmann 2004: 380.

It is also favourable that the majority of respondents stated that shopping centres do not encourage wasteful spending, meaning that the centres do not make us buy things that we do not need. Customers are not tempted by the large volume of goods, they can resist the impulse of buying, and this enables them to avoid the unpleasant feeling of cognitive dissonance. Therefore, we state that the customers leaving the shopping centres are mostly satisfied, and feeling regret after buying something is rare. This feeling might also play a role in why Hungarian consumers grew to like retail establishments with large floor areas within a short time *(Figure 11).*

The respondents' opinions suggest that the majority (55%) find prices in shopping centres higher than average, while the overwhelming majority (72%) rate quality as average. This situation cannot be viewed as favourable, because it indicates a shift in the price–quality ratio and the probability that customers will return decreases. In other words, the customers' perception is that shops and service providers in shopping centres charge higher prices than would be proportional with quality. The attitude indices *(Table 4)* indicate the weight of these findings.

Table 4: Opinion of customers on prices and quality of goods in shopping centres

Buyer sample	Price	Quality
Total sample	3.53	3.21
White-collar worker	3.48	4.12
Higher education degree	2.75	2.62
Inhabitant of Budapest	4.61	4.61
21–30 age group	2.75	4.61

Source: compiled by the author

Note: maximum value = 5

The opinion of respondents holding higher education degrees and the 21–30 age group is significantly different from the average. Prices are considered high by those living in the capital and young people judge them favourably. The survey showed similar differences of opinion for quality. Among the buyers of shopping centres young white-collar workers, mainly women, are more likely to be shoppers in shopping centres, and they apparently consider prices close to average and quality better than average. In contrast with that, the entire sample judges quality to be the same as anywhere else. People with higher education degrees view both prices and quality as average, and therefore they very rarely shop in a shopping centre. In this segment, the negative attitude that is typical of environmentally conscious social groups can be detected.

Young intellectual workers are overrepresented in the sample (43–44%), thus the findings of the survey can be generalised to this segment. This situation is favourable for stores in shopping centers because the most frequent customers view prices as reasonable and regard the quality as good. They also consider the operation of the centres important.

Summary

Our surveys show that since the change of regime, customers have grown to like new retail units such as shopping centres, hypermarkets, supermarkets, etc. In the transformed retail sector, online sales channels have emerged alongside traditional offline forms, and they became particularly popular during the Covid–19 pandemic. The pandemic also greatly affected how the retail sector evolved: if we want to extrapolate this over time, we could state that there has certainly been a jump of at least 5–10 years in the development of retailing. Several other areas also developed dynamically because more stringent hygiene conditions had to be observed in order to overcome the pandemic. To achieve this goal, companies introduced new technologies such as robot technology. A major advance took place in particular in the production of disinfection robots, and picking and transport robots became increasingly successful.

Unfortunately, the current crisis situation caused by the Russian war in Ukraine has generated both local and global crises. In Ukraine, it is increasingly difficult to secure food supplies and logistical lines because of the war, which has led to an imbalance in the global supply chain. Today, it is too early and too difficult to give a clear answer to the question of what kind of shortfalls are caused in global chains by the Russo–Ukrainian war.

Humanity must face the issue of exhaustible natural resources, and in particular, the issue of how to use food resources rationally, as a lot of products end up as waste after their purchase, while more than two billion people cannot have access to food on a regular basis, and 11% of humanity is starving. At the same time, the ecological footprint of a minority of the population will exceed the present carrying capacity of the Earth if current trends continue. It will be an important criterion for food retail companies to comply with and follow the UN sustainability guidelines: efforts have been launched to go into this direction and we can witness them already today.

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