

TRENDS IN RETAIL COMMERCE

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Abstract:

In the present context of the economic reality in Romania, the problem of production and offer, on the one hand, should be viewed as the mirror image of trade and consumption, on the other hand. New trends regarding digitalisation, human resources, ecotechnologies have an impact on trade itself, but also on commercial management. Managerial activity, as operational modality based on knowledge, needs a new foundation, based on a model that is durable and accessible to commercial firms, a management that is able to clarify continuously and especially anticipate the place and fate of the enterprise in the new contexts of the knowledge-based society and sustainable development. Therefore, managerial activity has new characteristics and the necessity of the permanent growth of its efficiency is a priority.

Key words: trade, commercial management, digitalisation

Introduction

By analysing the trends in e-commerce, the clients' expectations and the challenges that retailers will face, three main elements emerge²: the fact that the client's wish will influence even more retail commerce, that the tendency to try out new products grows more and more, and that quality is a key factor of the decision to purchase.

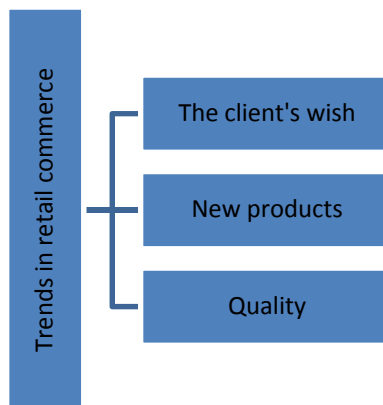


Fig. 1: Major trends in retail commerce

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² Doug McMillon, the CEO of Walmart, in an article posted on the World Economic Forum [site](#).

1. The client and the shopping experience

Clients and especially satisfying their needs and wishes have always been the retailers' priority. Today, there is much talk about the clients' shopping experience. On the other hand, digitalisation will be more and more present in the business called commerce; the internet, mobile phones, data analyses will help merchandisers to know their client better.

The influence of technology grows bigger and bigger in retail commerce and this determines certain changes regarding the clients' expectations who want to gain time, money and satisfaction through the shopping process. "In the future, commerce will have to be fun and offer the possibility to explore stores both offline and online, through virtual reality³".

Similar trends can be seen in Romania:

➤ the growing preoccupation for organic products, although there are major discrepancies between what is happening on the Romanian market and on the external market⁴:

- consumers in Romania are less informed on this subject;
- the ethics of conventional non-organic producers, who, in many cases, lie to the consumers;
- the consumer's profile is different; in developed countries, organic products are consumed by families, whereas in Romania they are consumed rather by children or by adults with health issues;
- the lack of a national sentiment in Romanians, who prefer import products;
- major discrepancies regarding the household income in Romania and abroad.

➤ new experiences in the store; the chain of Carrefour stores has a new service: "Your cash register – self service", the first cash register where clients can scan the products themselves and pay them⁵;

➤ the necessity of being informed and knowing aspects concerning the supply source, which determined the chain of Carrefour stores to sustain a production cooperative in the county of Giurgiu, Varasti locality⁶;

➤ the increase of online transactions; for example, the amount spent by Romanians on online shopping was 2,5 billion €, the average price of a transaction being of 60 € and the main categories of products were IT&C and fashion⁷;

➤ the growing interest for domestic products;

³ Doug McMillon, the CEO of Walmart, in an article posted on the World Economic Forum [site](#).

⁴ www.revista-piata.ro/ 16.10.2016

⁵ Article, in National/ 25.08.2017

⁶ Article, F. Budescu, in Romania Libera / 25.04.2017

⁷ Article, D. Ivan, in Jurnalul National / 22.09.2017

- the chain of Carrefour stores promotes the cultivation of Romanian vegetable varieties through the project “Cultivated in Romania, Romanian food”;
- the chain of Selgros stores has numerous collaborations with local fruit and vegetable producers from Braila, Buzau, Bacau, Iasi, Alba-Iulia etc⁸.

2. The trend regarding new products

“Human society is in a constantly dynamic evolution, involving the development and diversification of economic and social phenomena. Scientific and technical performance have increased the quality and quantity of goods and services, a change in the conditions of overall existence, an increase in the complexity of relations in all areas⁹.”

Novelty is one of the dominants of the beginning of this century, no matter the activity branch, the economy is changing fast due to new, revolutionary technologies and materials, and markets are rapidly invaded by new products which are realised according to a new concept, in new organisational structures, in line with new organisational strategies, through new ways of distribution and commercialisation, all these being meant to satisfy the consumers’ tastes and exigencies, which are also continuously changing, and even to anticipate new ones, but also to ensure competitiveness and greater profits for innovative firms.

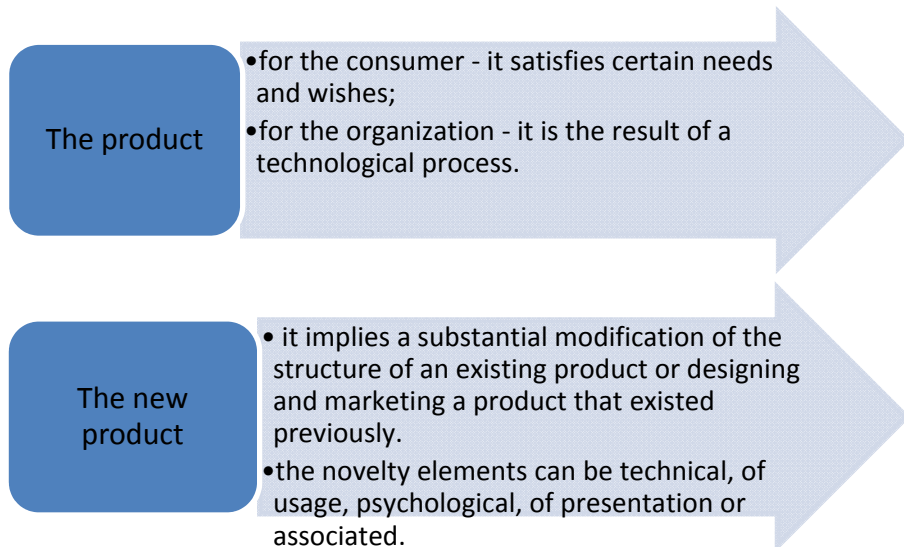


Fig. 2: Comparison between a *product* and a *new product*

⁸ Article, F. Budescu, in Romania Libera / 25.04.2017

⁹ M.F. Busuioc, Theoretical Aspects of Development Strategy, articol publicat in Romanian Economic and BUSINESS Review - Special Issue, Winter 2014, ISSN 1842 – 2497, pag. 39.

Studies have shown that new products resist less time on the market because of certain factors, such as¹⁰:

- the ease with which producers can launch new products by introducing new ingredients, varieties, designs or packages with minimal changes in the production process;
- the buyers' wish to test new products which are advertised and their tendency to rapidly abandon them if they are not satisfied;
- gaining clients by the new brands determines the affected competitors to try to win them back by launching new brands;
- the allocation of space in supermarkets, especially for new products, intensifies the competition for the occupation of shelves.

Doug McMillon, the CEO of Walmart, underlines the fact that people from all over the world are connected to information, they can see what products are being consumed in other countries and they want to benefit from the same things.

The preference trends for new products can also be noticed in the food industry and a good example is the dairy industry. "Given the fact that 60% of the consumers, on a global scale, are willing to experiment more often different flavours and ingredients, the producers should consolidate the points of differentiation of their product range in order to survive the competition and increase their sales. Offering new sensory experiences will attract 64% of the consumers who "always" or "often" experiment new types of food or flavours when they consume dairy products, but also 72% of those who experiment different flavours in yoghurts. Despite the huge popularity of fruit flavours from the yoghurt category, the consumer gradually tends also towards other delicious combinations etc¹¹.

3. Quality

Due to the increased competition between producers and the consumers' exigencies, services that are complementary to the products and the service have developed. Today, we talk about the goods – services duality which is very clear in the commerce sector.

¹⁰ Ph. Kotler, F. Trias de Bes, *Lateral marketing*, 2004, p.42-53

¹¹ www.roaliment.ro/stiri-industria-alimentara/tendinte-industria-lactatelor-2017

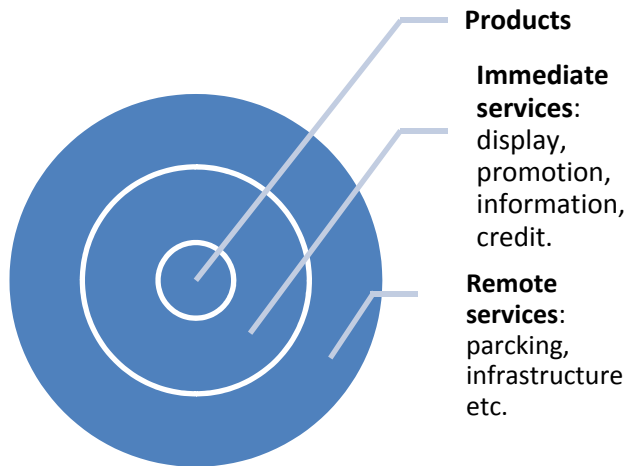


Fig. 3 The goods – services duality in commerce

Quality is requested not only by clients, but also by the whole community, practically the commercial business is designed to bring benefits to the industrial management, the clients, the employees, the local community and the state in an equal measure. “Our clients want our employees to be content and they want to see that in their attitude and in the services they provide¹².”



Fig. 4. The beneficiaries of the commercial business

¹² Doug McMillon, the CEO of Walmart, in an article posted on the World Economic Forum site.

A few conclusions

The tendency to limit traditional commerce and to expand the modern one online will continue to grow in Romania. On the other hand, the near-by small shops will occupy quite an important place given the consumers' lack of time for shopping, but also because of the poor infrastructure.

The Romanians' taste for organic and traditional products is only just forming, therefore there is a huge potential market in this segment.

The development of online commerce will entail the escalation of online payments, which will generate new banking products or, at least, the diversification of the banks' offer.

The necessity of a professional provision in commerce is growing; the involvement of the big chains of stores in the educational system, in order to train specialists, is not only necessary, but also desirable.

Although not appealing, rural commerce can be a point of attraction for investors in the distant future.