

RETAIL MARKETING – TREND IN RETAILING

Social and economic trends can define the environment local main street merchants operate. Often, major trends require adjustment in operating philosophy and strategy. Currently, many communities are in a planning process to produce ideas for downtown development and revitalization. Recent studies provided for these communities have analyzed sales tax trends and consumer shopping patterns. One such city had an additional request-an overview of retail trends facing downtown merchants and business people.

There are many trends and circumstances that can impact the potential for retail trade development. The following 8 trends have the largest impact on the retail business and stand out in recent literature and market studies:

1. *E-Commerce in the food retail business.* For example, at Stop & Shop, customers are selecting products in the store and then shopping for them online.

2. *Kids in Retail Trade.* Children may influence 17 percent of family spending on cars and vacations and as much as 80 percent on food purchases.

3. *Knowing your customer.* Almost every giant supermarket chain in the U.S. is now compiling customer information.

4. *Challenging the Category Killer.* A category killer is a huge, single-focus store, such as a large office supply store, which could «kill» all local competitors. For instance, Home Depot is a successful example of this kind of format in the market for home improvement and building supplies.

5. *Precision Shopping.* Americans are going to the mall less. When they do shop, they are generally looking for a specific item.

6. *Entertaining the Customer.* Entertaining the customer is just one more way of competing for the business of a consumer who has ceased to view shopping as recreation, but instead views it as a chore.

7. *Globalization of Retail Trade.* Most analysts agree that international retailing will increase over the next several years.

8. *SmartCards.* A smart card is a card that is embedded with a microprocessor and a memory chip. Such cards can be used to hold money, such as prepaid phone cards, debit cards, and gift certificate cards.

Beside the 8 trends in retail the strongest trend in the marketing retail section is the online food supply. After the years of online business growth we have seen various areas in which online business successfully grew. Since 3 years the online food section has started to get developed and to grow. Due to high potential of online food business I would like to review the «new» war in the retail section named «online food fight».

Online retailer Amazon is trialing a grocery delivery service in the US. Should UK retailers be bracing themselves for total war in the convenience sector? Amazon's recent launch of a grocery delivery service in the US could send shockwaves through the convenience supermarket and FMCG communities if it is successful.

Currently being trialed for 90 days in Los Angeles and Seattle, AmazonFresh allows people to get their groceries sent to them for free on the same day as they are ordered – as long as they spend at least \$35 and are Amazon Prime customers.

There certainly seems to be a gap in the market for such a service, according to research shown to Marketing Week, which reveals that 75 per cent of the money spent by households on groceries goes to bricks-and-mortar stores because a large proportion of cash goes on food to be eaten on the same day or by people doing top up shopping.

While 40 per cent of the money spent on goods in supermarkets is for a main shop, whether online or offline, 37 per cent goes on top-up shops, according to the figures from Kantar Worldpanel, suggesting that if the Amazon trial works and comes to the UK, it could dent the convenience or top-up market that most supermarkets are chasing.

Morrisons, for example, is to open a new distribution centre in Lancashire specifically for deliveries to its M Local shops, of which it plans to open 100 by the end of 2014. Earlier this year, the supermarket bought more than 60 sites from Blockbuster, HMV and Jessops to convert into convenience stores, and it will also launch a delivery service with Ocado.

Meanwhile, Waitrose will have 10 smaller shops in London by the end of 2013 after launching its Little Waitrose format in Kensington in 2011.

Whether AmazonFresh will be something that goes main stream in the US is not yet certain. After the free trial period, people will have to pay \$299 (£198) a year to get free delivery and become «Prime Fresh» customers. And as to whether it could work in the UK, Dorsett says: «If that is the level of the charge Amazon has to make for it to be viable, it is hard to see significant numbers of UK households that would be prepared to sign up. It is not necessarily an affordable solution». At the moment, only 1 per cent of grocery spend online is for smaller, top-up shops. Dorsett says that people's habit of going to a physical store to pick up last-minute essentials will be hard to break. «Going to buy your groceries is one thing keeping the internet grocery market relatively small; people like seeing the food. Convenience will be a source of growth for physical retailers for a good while». But he emphasizes that being available to everyone, on any kind of shopping «mission» in all types of channel is key for retailers. «The most successful companies will be those winning on all missions and in all channels, and efforts should be scaled accordingly».

Dicke, P. Retail marketing - trend in retailing [Текст] / P. Dicke // Маркетинг інновацій і інновації у маркетингу : збірник тез доповідей VII Міжнародної науково-практичної конференції, 26-28 вересня 2013 р. / Відп. за вип. Ю.М. Гладенко. - Суми : ТОВ "ДД "Папірус", 2013. - С. 68-69.