The Social Sciences 12 (2): 187-190, 2017
ISSN: 1818-5800

Trends of the Development of the Trade Industry in Russia

A.L. Beloborodova, O.V. Martynova, E.N. Novikova and A.V. Shafigullina
Kazan Federal University, 420008 Kazan, Russia

Abstract: The study describes the main facts of trade development in the Russian Federation, the result of which proved the importance of this industry to the economy of the country as a whole. The main trends of the development of the trade industry are analyzed, the obtained results are noted and the main problems are shown in the study. Taking into account the results of the analysis as well as socio-economic and external economic realities of the development of the country the main directions of the development of the trade industry were defined.

Key words: Trade industry, trends of the development, prospects of the development of the trade industry in the Russian Federation, economic, trends

INTRODUCTION

Trade industry in Russia demonstrates the dynamic development in recent years, having a positive impact on economic and social indicators of the country (Antonchenko and Kalenskaya, 2014; Bagautdinova *et al*., 2013). So, for example: share of the commodity trading turnover in GDP of the Russian Federation was 19.6% in 2013; about 18.1% of the working population was occupied at the trading enterprises in 2013; the average salary of the trade workers was 21,633,8 rub. for 2013 whereas in the economy this indicator is not significantly higher 26,628,9 rub. It can also be noted that the trade industry provides with workplaces for socially disadvantaged segments of the population and low-skilled personnel; about 36.5% of all registered enterprises on the territory of Russia carry out their activity in the sphere of trade in 2013; about 11.8% of tax revenues to the country's budget are formed by the trading enterprises in 2013; the trade is the main foothold for the activity of individual entrepreneurs and small businesses, so in 2013 the trading activity is carried out by 52.8% of the registered IE and 39.3% of small businesses.

MATERIALS AND METHODS

Analysis: The main economic indicator evidencing the dynamic trade development in the Russian Federation is commodity turnover which steadily increases annually on average by 7-10%. According to results of 2014 the total trade turnover was 73, 841 trillion of rubles, 60% of which were in wholesales trade and 40% in retail trade. Since, 2000 there is the steady growth of retail commodity turnover in Russia, increasing annually on average by 9-10% (Sambharya and Musteen, 2014). So, in 2014 retail commodity turnover was 26 ,35 trillion of rubles but in 2000 this indicator was 2.4 trillion of rub., therefore, for 14 years this indicator has increased by 11 times. Dynamic of commodity turnover of the trade industry in the Russian Federation is shown in Fig. 1 for the period of 2010-2014.

Considering the indicators of the trade development in Russia, it is important to note the non-uniform territorial development of this industry which is primarily explained by the state of trade infrastructure in some regions of the country and their inaccessibility (Beloborodova, 2015). The main contribution to the formation of retail commodity turnover is made by the Central Federal District 34.6% and the Volga Federal District 18.4%. One of the ways of solving this problem is the development of remote trade, namely Internet trade. Russian market of Internet trade have been developed rather dynamically until 2013, so in 2009 its volume was 210,5 billion of

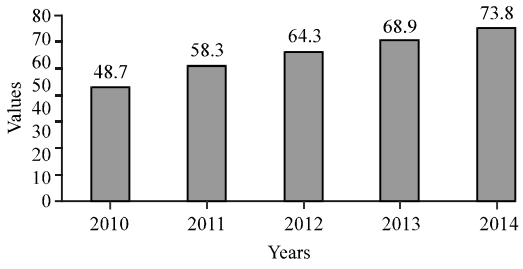

Fig. 1: Dynamic of commodity turnover of the trade industry for the period of 2010-2014, trillion of rubles (Mikayelyan, 2015)

Corresponding Author: A.L. Beloborodova, Kazan Federal University, 420008 Kazan, Russia

rub. by 2014 this indicator was equal 910,0 billion of rub. Mainly two factors influence on the growth of the market of Internet trade (Martynova and Valeeva, 2015).

An increase of the number of Internet buyers in Russia. So, according to analysts "RBC.research", the contribution of this factor to the growth of the entire market is 60%.

An increase of the frequency of implementation of orders as well as average receipt of purchase. The contribution of this factor to the growth of the entire market is 40%. In December 2014, this factor strengthened its influence which was caused by the boom of sales which, in turn, was a response to the significant weakening of rate of the national currency.

The last 3 years more than 80% of the volume of the market of internet trade is in goods of which according to "RBC.research", in 2014, 19.1% were for the implementation of digital and computer technology, 14.6% for the implementation of air tickets, 10.3% for the segment of clothes, footwear and accessories, 8.1% for implementation of home appliances, 6.8% for the implementation of railway tickets, 5.3% for the segment of cosmetics and perfumery, 5% for the implementation of furniture and home decoration and <5% for such segments as the children's products, automobile products, finishing and construction materials and other (Mikayelyan, 2015).

Today a consumer uses the company's website, visits it online and offline shops, looks through catalogues via mobile applications and all this exists and works together (Beloborodova, 2015; Valeryevna *et al*., 2014). So, now to maintain and stimulate the trade development industry the most important is the integration of internet channels, an upgrade of old information networks as well as work in social networks.

The structure of retail commodity turnover can be considered separately in relation to food and non-food products. In this structural section the parity is observed: 46-49% are food group of products and 51-54% is non-food products. The largest percent in retail commodity turnover are alcoholic products 7.3%, outerwear 6.5%, automobile fuel 6.4%, cars 6%, meat products 3.9%, meat and poultry 3.5%, pharmaceutical and medical products 3.4%.

RESULTS AND DISCUSSION

If to consider the structure of export and import of goods, it can be noted that the share of imported goods on the counters of retail stores was 42% in 2014. In general, in 2014 the structure of import looks as follows: 85.9% of the products were imported from Far abroad countries and 14.1% from the CIS countries. The structure of export 84.1% of goods were exported to Far abroad countries, 15.9% of goods - to the CIS countries. In the structure of export mineral products are dominated 375,075 billion of US$, other positions are presented more modestly, so metals, precious stones are exported for 58,246 billion of UD$; products of chemical industry for 31,993 billion of US$; cars, equipment and vehicles for 26,539 billion of US$, etc. The structure of import is more uniform: cars, equipments and vehicles were imported for 157,556 billion of US$, products of chemical industry for 47,916 billion of US$, food products for 40 384 billion of US$, textile products and footwear and so on, for 17,627 billion of US$. Once again the structure of export and import confirms dependence of the Russian economy on export of natural resources and correctness of the chosen course for the revival of the country's industry and import substitution.

About 20% of the formation of retail commodity turnover of Russia is a segment of clothes and footwear. The main players at the market of clothes in 2014 are the companies: LLC "Ostin" 23.4 billion of rub., LLC "SK Trade" 11,9 billion of rub., LLC "Monex trading" 11 billion of rub., LLC "H&M" 10.9 billion of rub., CJSC "Clothing 300" 10 billion of rub., OJSC "Gloria Jeans" 9.8 billion of rub. Three companies provide 3% of the commodity turnover in the segment in the footwear market. These are the companies JSC "Trading House Centrobuv" 37.1 billion of rub., LLC "Ekko-Ros" 23.4 billion of rub., CJSC "Anta" 13.6 billion of rub.

A significant role in the formation of retail commodity turnover of the country plays the automobile segment. By the end of 2014 the sales in this segment was 1, 4 trillion of rubles, the most bought cars in Russia, still, remain automobiles "Lada". So, the share of JSC "AVTOVAZ" which is controlled by French-Japanese concern Renault Nissan was 30.7% of commodity turnover of all automobile market of Russia in 2014 (Martynova and Valeeva, 2015).

We should also note the development of retail trade networks in Russia which activity has prime impact on the industry development. The leaders of retail network trade in Russia, presented by the company of JSC "Tander" (a retail trade network "Magnit"), the company of "X5 Retail Group", (brands "Pyaterochka", "Perekrestok" and "Karusel") by the group of companies "Auchan Group", provide 13% of all commodity turnover of the industry. Economic indicators of the above-mentioned retail trade network's activity are shown in Table 1 for 2014.

Table 1: Economic indicators of the retail trade networks' activity for 2014 (Kulkova *et al*., 2014)

Name of the retail trade network	Total number of retail outlets	Commodity turnover (bln. of rub.)	Averagegrowth of turnover, per annum (%)
Magnit	9711	763, 5	30
Karusel	5483	633, 9	20
Pyaterochka, Perekrestok			
Auchan	150	400	20

It is important to note that the modern formats of trade are developing in the composition of network structures, the emphasis on which is placed when maintaining the state policy of the Russian Federation in the field of domestic trade. But it is not just about the large formats of trade (hypermarkets, supermarkets and discounters) but also about the formats of "walking distance". According to statistics the formats of "walking distance" such as small shops, working in the format of "convenience stores", non-stationary trade and proprietary trade of local and regional producers of food, fairs and agricultural markets are still insufficiently developed in Russia (Novikova, 2015; Urbano and Alvarez, 2014). It should be noted that the quantity of market places in comparison with 2007 decreased by 3 times and in 2014 in relation to 2013 the number of the markets decreased by 9%. Currently the security of the population with retail space is about 650 m^2 per one thousand people, compared to Germany or France this indicator is equal to1500 m^2 per one thousand people.

In this regard, now the Ministry of Industry and Trade of the Russian Federation develops standards for the security of the population with market space, particularly food and agricultural specialization with the purpose of providing the population with goods of daily demand. Besides, the establishment of a new order is predicted according to which in the cities in a radius of 300 m from residential houses should be at least two small shops, the radius and number of shops may vary depending on the population density of the city.

CONCLUSION

Forecasts for further development of the trade industry in the Russian Federation are made, primarily, based on the features of model of consumer behaviour which is characterized as savings. This model of consumer behaviour induces retailers to reconsider assortment policy in favour of less expensive goods and goods of domestic producers. Network structures, especially commodities of mass demand, continue to increase retail space by implementing a strategy of regional expansion. The maximum growth of retail space is projected in the economy segment which has shifted towards the consumer demand. To support demand, for example, retail trade networks intensify sales of products under their own trademarks which are 10-15% cheaper than other products. Leaders in the implementation of policy of their own trademarks are retail trade networks of CJSC "Tander" ("Magnit"), the X5 Retail Group company ("Perekrestok", "Pyaterochka").

In general it should be noted that the trade industry in the Russian Federation will develop in the long term due to its economic basis which is based on the operations of purchase and sale of goods. It is important to understand that the most important in development process first of all, it will consider the interests of the population of the country acting as the buyer and also all subjects of trade activity that is as network retailers and representatives of small and medium businesses and the state. Within the perspective directions in the field in the development of the trade industry it is necessary to specify the following: development of remote, mobile and non-stationary trade, support of trade organizations in the sphere of small and medium businesses, the organization and development of a market and fairs. The implementation of the specified directions will help to create the comfortable consumer environment, to eliminate infrastructure distortions in this industry, to promote entrepreneurial activity, etc.

REFERENCES

Antonchenko, N.G. and N.V. Kalenskaya, 2014. Developing a methodology for assessing the efficacy of managerial decisions in entrepreneurial establishments. Life Sci. J., 11: 365-369.

Bagautdinova, N.G., A.A. Svirina and N.G. Khametova, 2013. Quantitative assessment of influence of management quality on financial results of activity of business firm. World Appl. Sci. J., 25: 1145-1149.

Beloborodova, A.L., 2015. Efficiency estimation for activities for multi-industry holdings as forms of business associations. Mediterr. J. Soc. Sci., 6: 491-494.

Kulkova, V., J. Valeeva and N. Sharafutdinova, 2014. Quality management system's role in operation of retail trade networks. Life Sci. J., 5: 555-558.

Martynova, O.V. and Y.S. Valeeva, 2015. Development typology for retail networks in the russian federation. Mediterr. J. Soc. Sci., 6: 155-159.

Mikayelyan, I., 2015. The volume and structure of Russian market of internet trade. Mod. Trade, 9: 32-36.

Novikova, E.N., 2015. Design of a marketing information system. Mediterr. J. Soc. Sci., 6: 141-145.

Sambharya, R. and M. Musteen, 2014. Institutional environment and entrepreneurship: An empirical study across countries. J. Int. Entrepreneurship, 12: 314-330.

Urbano, D. and C. Alvarez, 2014. Institutional dimensions and entrepreneurial activity: An international study. Small Bus. Econ., 42: 703-716.

Valeryevna, K.N., P.R. Borisovych and T.N. Aleksandrovna, 2014. Strategic management of regional business infrastructure system. Mediterr. J. Soc. Sci., 5: 311-323.