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PERSPECTIVE DIRECTIONS OF UKRAINIAN RETAIL MARKET DEVELOPMENT

Annotation. The main characteristics of the retail industry in Ukraine was considered and the perspective directions of its development were analyzed.

Анотація. Розглянуто характерні особливості сфери роздрівної торгівлі в Україні, проаналізовано перспективні напрями її розвитку.

Аннотация. Рассмотрены характерные особенности сферы розничной торговли в Украине, проанализированы перспективные направления ее развития.

Key words: retail, retail market, shopping centre stock, sales area, merchandising.

Nowadays the development of the retail industry is one of the most important prerequisites for the economic growth of any country. In modern world this sector is growing fast and with its growth a large number of global retail industry store and chains has appeared on the retail market.

In Ukraine retail sector is very young and, as a result, unfilled and unformatted. Private entrepreneurs, that are trading on the bazaars, take a significant part of the market. In spite of this, Ukrainian retail market has a huge potential for development and this sector of Ukrainian economy is perspective for investors. So the problem of finding out the ways of the development retail industry in Ukraine becomes very actual for now.

The aim of this research is to consider the main characteristic of the retail industry in Ukraine and analyze the major perspective directions of Ukrainian retail market development.

Nowadays retail is one of the most dynamically developing branches of Ukrainian economics, which contributes 16 % into GDP of the country. Rapid increasing of personal income in the first decade of 2000th promoted high rates of market development and appearance of some big players on it. Financial and economic crisis of 2008 – 2009 considerably influenced on the development of retail industry in Ukraine. As a result it eliminated such problems as high price of the building land and high level of rent rates. That's why, one of the major problems of retail market development in Ukraine is that Ukrainian retailers permanently incur a deficit of quality sales areas. It is also explained by the fact that retailing is rather new for Ukraine. During total deficit in trading in Soviet times (till 1991) quite another approach was used, and as a result of crisis period of economic conversion after 1991 till beginning of 2000 retail sector did not have enough attention. And only in 2000th with appearing on the market of big foreign players and local players, new shopping and recreation centers were built.

So the economic crisis in 2008 – 2009 considerably influence on Ukrainian retail market. After passing through these turbulent times, the Ukrainian retail market began its recovery in 2010 [1].

According to recent economics trends in Ukraine we can determine two perspective directions of Ukrainian retail market development.

The first one is the development of big Ukrainian cities retail sector. Mostly it is led from the point that Ukrainian cities with a population of over one million have strong potential for retail real estate. Modern shopping centre stock in Kiev, Dnepropetrovsk, Donetsk, Odessa, Lvov and Kharkov is gradually increasing during last 5 years. As the examples of the most significant opening of shopping centres it should be mentioned the opening of "Sky Mall" in Kiev and "King Gross Leopold" in Lvov in 2010, and "Riviera Shopping City" in Odessa in 2009. The main feature of such retail space is high quality of them. It is important, because it helps to satisfy international retailers' demand of professional retail space. So it makes Ukrainian retail market very active in adding new international operators.

Another factor of the retail sales increasing in big Ukrainian cities is the steady growth in domestic consumption. This trend is caused by income growth and the restoring of bank lending during last two years. Together these factors are also contributing to an accelerated growth of retail turnover in Ukraine [2, p. 27–31].

The second perspective direction of Ukrainian retail market development is the implementation of innovative technologies in retail process. A number of recent studies have shown that one of the most efficient and prospective innovation in retailing is the merchandising implantation into trade enterprise activities. To make it clear for everyone, merchandising is considered to be the set of measures to stimulate and increase the sales volume in retail trade by attracting attention of the ultimate buyers to certain product groups in market places without active participation of qualified personnel. The world experience shows that the volume of product sales can increase by nearly 400 – 600 % if products are laid out correctly [3, p. 17–20].

To summarise the main points of my research it should be said that Ukrainian retail market has a huge potential for growth. A new era of quality retail development will be accelerated when new purpose-built shopping centres are delivered to the market. And infrastructure development, as a part of Ukraine's preparations to host the Euro 2012 football championship, will encourage commercial real estate development. So retail sector is considered to be highly perspective due to unfilled market and available growth potential.

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