

## CHARACTERISTICS OF THE INTERACTION OF PARTICIPANTS IN THE SHOE RETAIL MARKET

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**Abstract.** The article discusses the issues of interaction between participants in the retail footwear market. Strong competition in the footwear retail market encourages a full analysis of the environment in which the main players interact. The main emphasis in the study is made on the analysis of the characteristics of functioning between the leading participants in the retail footwear market in the state. The authors of the study singled out market participants, described their main goals, objectives, tools and interaction criteria. A scheme for the functioning of the state economy is proposed, based on mutually beneficial relations between the seller and the buyer, as well as their relationship with the state, the Chamber of Commerce and the Russian Union of Industrialists and Entrepreneurs. The main objects of the considered by the authors in the field of retail trade in footwear are the relationships of market participants, their form and characteristics, as well as the principles that the participants follow when performing any actions.

**Keywords:** competitiveness, retail market, footwear market, interaction of enterprises, essence of retail trade, market participants.

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## ХАРАКТЕРИСТИКА ВЗАИМОДЕЙСТВИЯ УЧАСТНИКОВ РЫНКА РОЗНИЧНОЙ ТОРГОВЛИ ОБУВЬЮ

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**Аннотация.** В статье рассматриваются вопросы взаимодействия участников розничного рынка обуви. Сильная конкуренция на рынке розничной торговли обувью стимулирует в полной мере анализировать среду, в которой взаимодействуют главные участники. Основной акцент в исследовании сделан на анализ характеристики функционирования между ведущими участниками розничного рынка обуви в государстве. Авторами исследования выделены участники рынка, описаны их главные цели, задачи, инструменты и критерии взаимодействия. Предложена схема функционирования хозяйства государства, основанная на взаимовыгодных отношениях продавца и покупателя, а также их взаимоотношения с государством, торгово-промышленной палатой и Российским союзом промышленников и предпринимателей. Главными объектами, рассматриваемыми авторами в сфере розничной торговли обувью, выступают взаимоотношения участников рынка, их форма и характеристики, а также принципы, которым следуют участники при совершении любых действий.

**Ключевые слова:** конкурентоспособность, розничный рынок, рынок обуви, взаимодействие предприятий, сущность розничной торговли, участники рынка.

**Introduction.** The important elements of the development of economic relations are the ties that are developed between business entities. The key forces in most of them are the relations of property, competition, demand and supply, which shape the market and market relations.

The development of market relations is based on the constantly acting competition of manufacturers, which makes it possible to gain a foothold in the market, get the maximum attention of the consumer and accordingly the profit. Businesses need to search all the time all kinds of options to anticipate their competitors, look for options to increase their own competitiveness. The competitive environment dictates harsh conditions to each economic entity, it constantly tests and forces market participants to improve the qualitative and quantitative characteristics of enterprises.

In order to meet the requirements, correctly understand and choose the most correct decisions, business entities need to know what position the enterprise is in the relation to competitors. Without continuous analysis of the internal and external environment of the enterprise, it's impossible to increase its own competitiveness.

**Materials and methods.** The study is based on the results of studying the information presented in the economic scientific and educational literature, devoted to the consideration of both theoretical and methodological aspects of the analysis of the interaction of participants in the retail trade of footwear. The authors of the article investigated the theoretical aspects of interaction between participants in the footwear retail market.

**Discussion.** The issue of distinguishing between retail and other types of business is not new. By one of the types of entrepreneurial activity, Law No. 381-FZ "About the Basics of State Regulation of Trade Activities in the Russian Federation" the retail trade was defined. as a type of trade activity associated with the purchase and sale of goods for use for personal, family, household and other purposes, not related to the implementation of entrepreneurial activities was defined.

V.N. Naumov in his work described retail trade as a production activity of the sale of goods or services to the end consumer for their personal non-commercial use [14]. The same view was held by S.V. Sysoeva and Krok Gulfira saying that retail trade is any activity of selling goods and services directly to the end consumer for personal use. Retail trade is not limited by store walls, but includes direct sales through consultants, catalog sales, and so on [25].

M. Levy and B.A. Weitz developed the concept of retail more broadly. In their work, the authors said that retail trade is a set of types of entrepreneurial activity that increases the value of goods and services sold to consumers and intended for personal or family use [13].

Thus, having analyzed the above points of view regarding the essence of retail trade, the authors of the provided study consider it possible to formulate a general approach to defining the essence of retail trade, which is that it is considered as the sale of food or non-food products in limited quantities for personal use, as well as the provision of various services. the result of which is the interaction of two parties of the consumer or performer.

**Results.** Retail trade takes one of the main places in the general process of product sales. Today, there are many variations of similar businesses. Their work is regulated by law. This makes it possible to organize a civilized trade that meets all progressive requirements. The activities of retail stores are regulated by Federal Law No. 381 of December 28, 2009. It defines such objects, requirements for enterprises and regulation of trading activities, as well as measures for the development of trading activities. It is generally accepted that one of the subjects of retail trade is a trading enterprise, the essence of which is also interpreted differently by various authors, but for the purposes of this study, a trading enterprise is understood as a property complex used by an organization for the sale and purchase of goods and the provision of trade services.

The authors of the provided research identify the following market participants: retailers, consumers, the state, the Chamber of Commerce and Industry, the Russian Union of Industrialists and Entrepreneurs.

The main participant is retailers, they interact with all market participants. Enterprises purchase and sell goods, form an assortment based on consumer preferences and fashion trends.

The next participant is to highlight consumers. Consumer activity is focused on the acquisition, use and disposal of goods, including decision processes that precede these actions. They

form a demand function based on their budget constraints, personal preferences and product supply in the market.

The third participant is the state. Retail trade is largely self-regulating, but market mechanisms for regulating trade activities are not able to fully ensure that the interests of business and consumers are aligned. In this regard, the role of government regulation in the field of trade is growing. The function of the state to regulate trade is carried out with the help of various economic and administrative methods, which receive legal forms in regulatory legal acts that form the legal basis for its implementation.

An equally important market participant is the Chamber of Commerce and Industry, whose main mission is to maintain and fully develop the region's economy, as well as defend the interests of entrepreneurs, taking part in the resolution of civil conflicts.

Another market participant, according to the authors, is the Russian Union of Industrialists and Entrepreneurs. This union includes more than a hundred associations represented in various segments of the economy. The Union promotes the goal of increasing the status of business in the Russian Federation, as well as developing the economy.

Table 1. Participants in the shoe retail market

Participants in the retail footwear market	Objectives	Tasks	Instruments of interaction influence, support	Criteria
Retailers	Making a profit by meeting consumer needs for branded footwear	Ensuring the turnover of material and labor resources	Quality of the goods and services provided	Competitiveness level
		Assortment formation.	Study of demand and needs for goods with a focus on purchasing power.	Market share growth per year
		Cost reduction	Formation and regulation of the processes of supply, storage, preparation for sale and sale of goods	Reduction of product losses
		Brand promotion	Marketing communications (advertising, media)	Growth of new consumers
Consumers	Getting the most out of your branded footwear consumption	Use of shoes as directed	Actual assessment of use based on personal experience	Reducing the annual cost of purchasing new shoes, due to the durability of a quality pair of shoes
		Reducing the annual cost of purchasing new shoes, due to the durability of a quality pair of shoes	Formation of a personal standard of requirements for the company and its products	Positive buying experience and continued use of the brand
		Meeting shoe needs within a personal budget	Comparison of prices of retail stores	Satisfaction with the price segment of the brand
State	Stimulating economic growth through the development of retail trade in footwear, as well as establishing a strategic direction for development and maintaining the	Development and support of entrepreneurship	Application of targeted tax incentives	Economic growth in the RF
		Providing the population with quality footwear	Preventing the sale of low-quality footwear on the Russian market	Reducing counterfeit footwear on the Russian market. Shoe retail turnover growth

	normal functioning of regulatory elements	Regulation of the work of a commercial enterprise	Regulation of labor relations in accordance with the Labor Code. Social benefits and payments.	Reduction of unemployed citizens
Chamber of Commerce and Industry	Creation of favorable regulated conditions for entrepreneurial activity	Provide assistance to Russian organizations and individual entrepreneurs, representing and protecting their interests on issues related to the implementation of economic activities, including abroad	Expertise of goods and services. Property valuation. Exhibition, fair and congress activities	Diversification of services
		Organize interaction between business entities, their interaction with public authorities and local governments, as well as with social partners;	Transfer of the rules of civilized business and social responsibility in the entrepreneurial sphere	High-quality resolution of civil disputes, development of arbitration proceeding
		Development of the export of Russian goods and services, provide practical assistance to Russian organizations and individual entrepreneurs in conducting operations in the foreign market and mastering new forms of trade, economic and scientific and technical cooperation	Registration of documents for the implementation of foreign economic activity (certificates of origin of goods, etc.), evidence of force majeure factors, trade and port rules	Increase in international trade
Russian Union of Industrialists and Entrepreneurs	Formation of the foundations of the country's economic development, economic transformation and ensuring the economic recovery of Russia. In the absence of a business role, it cannot be fulfilled	Self-organization of the business community, turning it into a force influential at the federal and regional levels	Fight against the use of power for misappropriation of property, as well as the merger of business with government	Reducing the number of corruption crimes
		Representation of the interests of its members in public authorities, in relations with social organizations	Constructive relationship	Growth of market participants who have joined public unions for protecting the rights of entrepreneurs
		Ensuring a constructive relationship between business and government	Well-coordinated professional requirements for improving the quality of work, coordinated interaction with employees, general collective protection	Reducing the number of inspections and audits of enterprises

Retail trade is endowed with a package of functions that are most significant for all participants in the interaction of the purchase and sale process.

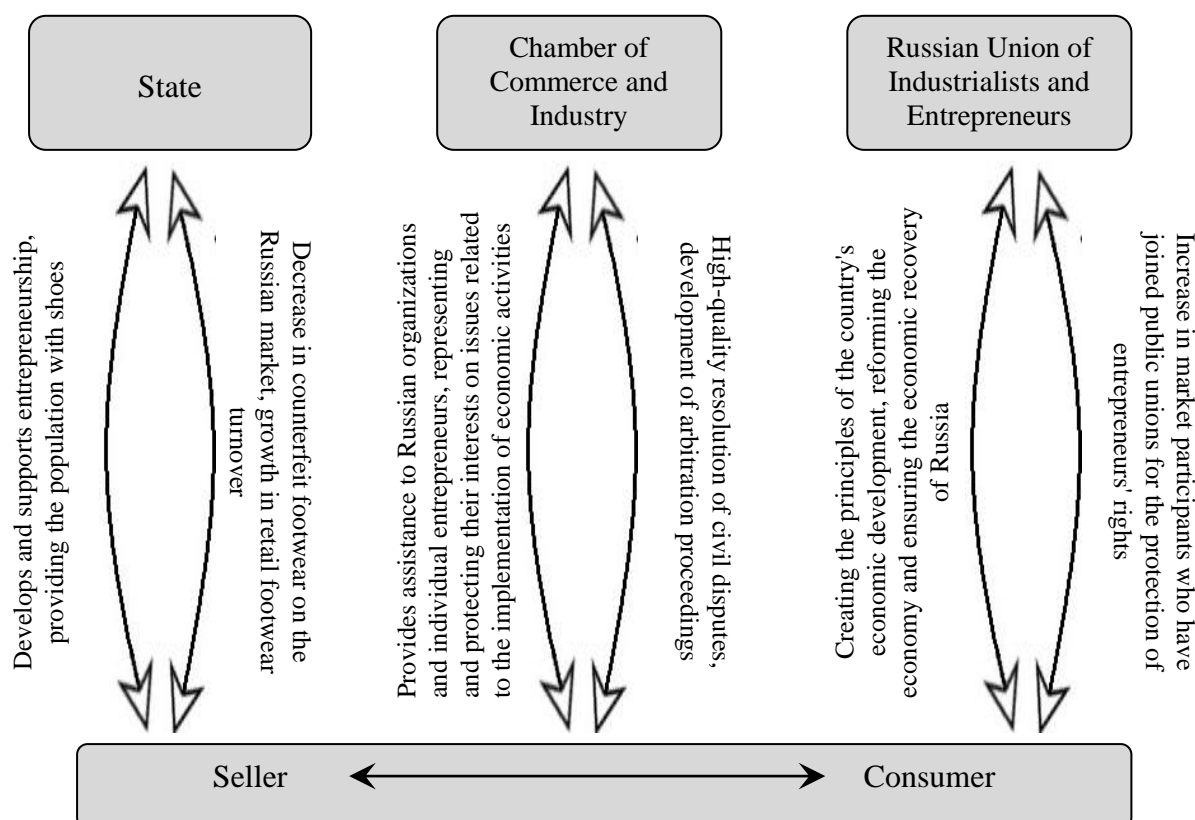


Figure 1. Scheme of the functioning of the state economy

These functions are especially important for the state as for an economic entity, and not only as a regulatory means of power. In a country whose high rating must be maintained in the international economic arena, retail trade is becoming one of the main means for attracting foreign investment and developing the infrastructure of Russian regions.

For consumers, retail trade is becoming a significant object that increases both the standard of living of the population and satisfies the various needs of the buyer.

Speaking of commodity producers, the network of trade enterprises serves as the main platform for the sale of goods to the population, passing through all stages of the product life cycle. Retail trade is also one of the first and main sources of information about the needs, preferences, desires of customers. It is the end point in the cycle of commodity circulation, in which the buyer receives the goods and closes this circle on himself. It is at this stage that manufacturers are given the opportunity to create a new or improved product. At this stage, the product is converted into money. Hence the importance of retail trade in the economy of the state should be analyzed in the process of the life cycle of a product, where all stages of the cycle are closely interconnected.

**Conclusions.** Employment of the population is one of the main internal economic indicators in the country. In this context, trade is an industry with a high degree of employment of residents, which, in any economic situation of the country, is able to provide jobs for a large share of the working-age population. According to the information of the state registration, 1,811,302 economic entities of trade are involved in the Russian Federation, in which at the end of 2018 more than 12.5 million people were covered, which is more than 20% of the total working-age population of the state.

An infrastructure is being formed, which includes not only the material support for the purchase and sale of goods, but also the intellectual and labor support of this process. Thus, this retail infrastructure creates jobs for the working-age population.

It should be noted that it is impossible to underestimate the role of retail trade for the state economy. It covers a large segment of the working-age population, providing jobs, thereby

developing itself, as well as bringing the highest contribution to the state's GDP. Trading activity has a significant impact on the formation of production, since it is one of several areas that is directly related to the consumer, it has the ability to immediately respond to all types of changes. Trading activity connects the business community and government structures, having a positive impact on the economy. Stable positive changes in this area are attracting more and more foreign investors, which, of course, favorably affects the development of the state's economy.

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