Comparative analysis of trends in the development of functional types of trade in Russian economy

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Abstract. One of the key problems in the economic development of Russia is the economic dynamics rates deceleration. But in the sphere of trade it is less vivid despite the reduction of the population payable demand under the influence of the global economic crisis. The turnover dynamics of trade organizations is growing, but at the same time there grow their expenses, which negatively influence the financial results of their activity. The above-mentioned circumstances require analytical assessment of the existing in trade trends for the economic substantiation of the managerial decisions made for its development.

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Introduction

The composition of businesses functioning in the trade sector of Russian economy is heterogeneous and it is represented by large and medium trade organizations, small and micro businesses and unincorporated individual entrepreneurs.

Among economic subjects engaged in trade the leading role belongs to trade organizations. According to All-Russia Classifier of Types of Economic Activities, Products and Services [1] they are subdivided into three "functional" types:

- organizations, engaged in trade with transport means and motorcycles, their maintenance and repairs – organizations engaged in transport means trade;
- wholesale trade organizations, including trade through agents, except for the trade with transport means and motorcycles – wholesale trade organizations;
- retail trade organizations (except for the trade with transport means and motorcycles), organizations repairing home appliances and personal use things – retail trade organizations.

Each category of the above-mentioned organizations possesses a certain specificity of functional trade studied in [2, 3, 7, 10]. The integrating feature for all of them is the fact that all these organizations are juridical persons.

The results of the activity of different trade organizations as well as organizations themselves possess considerable differences and are formed under the influence of many factors, studied in [3, 4, 8, 9].

The objective of the present study is the analytical assessment of the trends in the development of trade in Russian economy during 2007 – 2011, the period of the manifestation of the global economic crisis.

Methodology

For analytical assessment of the trends in the development of trade the present study uses general scientific methods of research (dialectics, systematic, analysis, synthesis), set of economic and statistical methods (comparison, dynamic rows, analytical groups, index, coefficient and factorial analysis), methods of selected observation.

In the summarizing of the study results and formulation of conclusions we used the methods of systemic, abstract and logical analysis.

Main part

During the period under study (2007 - 2011) the number of trade organizations of all functional types (trading in transport means, wholesale and retail trade) in the economy of Russia had a vividly expressed trend to growth, which as a whole by trade organizations reached 150.55 per cent and by their types – from 148.56 per cent (wholesale trade organizations) to 160.21 per cent (organizations trading in transport means) (Table 1).

Table 1. Dynamics of the number of Russian trade organizations during 2007-2011

Trade organizations types	2007	2008	2009	2010	2011	2011 to 2007, %
Number of organizations (as of the end of the year) – total, thousands of units	688.4	651.8	849.2	921.6	1,036.4	150.55
of which:						
transport means trading organizations	56.3	55.4	72.6	80.3	90.2	160.21
wholesale trade organizations	462.3	417.4	560.5	605.3	686.8	148.56
retail trade organizations	169.8	179.0	216.1	236.0	259.4	152.77

s.: [5, p. 512; 6, p. 522]

More rapid growth of the transport means trading organizations can be explained by the liberalization of "entrance barriers" in the automobile transport segment of consumer market, as a result of which there emerged a lot of trade centers selling transport means produced abroad. By the quantity the exceptional leaders are whole sale organizations, the number of which in 2011 was 686.8 thousand units against 90.2 thousands of transport means trading organizations.

At the first glance, the growth of the number of trade organizations should be accompanied by the corresponding growth of the number of their employees. But the figures in Table 2 show that the average annual number of employees in general during the period under study grew only by 0.4 per cent, the most vividly by 8.27 per cent in retail trade organizations. The average annual number of employees in whole sale trade organizations during the same period decreased by 7.3 per cent.

From this one can conclude that the growth of employment in the trade sector of the economy was determined not by the number of trade organizations but by the subjects of small trade businesses.

Table 2. Dynamics of the average annual number of employees in Russian trade organizations during 2007 – 2011

Trade organizations types	2007	2008	2009	2010	2011	2011 to 2007, %
Average annual number of employees – total, thousands	5,2592	5,689.0	5,489.3	5,474.8	5,280.4	100.40
of which:						
transport means trading organizations	476.4	520.9	507.5	513.2	495.7	104.05
wholesale trade organizations	2,528.5	2,769.4	2,605.1	2,595.0	2,343.9	92.70
retail trade organizations	2,254.3	2,398.7	2,376.7	2,366.6	2,440.8	108.27

s.: [5, p. 512; 6, p. 522]

The main volume indicator of trade organizations' business activities is the turnover, identified in trade with proceeds of sales.

The study showed that during 2007 – 2011 the growth of the turnover in general by trade organizations reached 157.88 per cent and it varied from 153.57 per cent in wholesale trade organizations to 171.40 per cent in retail trade organizations (Table 3).

Alongside with this, the turnover growth rates were not homogeneous as in their dynamics there can be vividly seen two trends: that of decrease during 2007 – 2009 (due to the economic crisis) and increase during 2009 – 2011. The beginning of the crisis (2008) minimally influenced the dynamics of the wholesale trade and its (crisis) development (2008 - 2009) practically didn't influence the dynamics of the retail trade turnover.

Table 3. Dynamics of Russian trade organizations turnover by the types of organizations during 2007 – 2011

Trade organizations types	2007	2008	2009	2010	2011	2011 to 2007, %
Turnover (in then actual prices) – total, bln. Rubles	26,108.6	32,342.9	28,480.4	33,359.8	41,221.5	157.88
of which:						
transport means trading organizations	2,788.4	3,540.8	2,191.4	3,173.6	4,629.5	166.03
wholesale trade organizations	18,948.8	24,273.6	21,104.4	23,848.6	29,099.3	153.57
retail trade organizations	4,371.4	4,528.5	5,184.6	6,337.6	7,492.7	171.40

s.: [5, p. 512; 6, p. 522]

The most significant decrease, by 39.1 percentage points, of the turnover growth rates in 2009 was characteristic of the transport means trading organizations. In our opinion, this is natural and it is determined by a number of reasons: decrease of solvent consumer demand due to the decrease in standards of living, deviations in currency rate, which negatively influenced the purchases of foreign transport means for their further sales to consumers; sharpening of financial resources deficit for goods purchases etc.

The dynamics of the trade organizations' turnover directly influenced the dynamics of their gross profit, the growth of which during 2007 – 2011 in general by the organizations reached 179.74 per cent and it was in the limits from 170.87 per cent in the retail trade organizations to 197.17 per cent in transport means trading organizations (Table 4).

Table 4. Dynamics of gross profit of Russian trade organizations (by the types of organizations) during 2007 – 2011

Trade organizations types	2007	2008	2009	2010	2011	2011 to 2007, %
Gross profit – total, bln. Rubles	2,992.4	3,935.3	3,500.2	4,410.8	5,378.6	179.74
of which:						
transport means trading organizations	180.1	224.4	173.4	246.7	355.1	197.17
wholesale trade organizations	2,313.1	3,071.1	2,672.8	3,333.5	4,170.5	180.30
retail trade organizations	499.2	639.8	654.0	830.6	853.0	170.87

s.: [5, p. 512; 6, p. 522]

The vivid leaders by the gross profit volume during the whole period under study are wholesale trade organizations, which is natural taking into account their number and aggregate profit in the general index. The transport means trading organizations are real outsiders in this connection. The growth of the gross profit of the trade organizations was accompanied by the corresponding growth of commercial and managerial costs as well as by the changes in the costs structure, which form the self-cost of sales.

The study showed that during 2007 – 2011 the rates of the commercial and managerial costs growth in general both by the trade organizations and by their types were distinctly above the turnover growth rates. For example, in general by the trade organizations the rate of the commercial and managerial costs growth was 175.66 per cent while the turnover growth rate – 157.88 per cent (Table 3). If the rate of the transport means trading organizations' turnover growth was 166.03 per cent then their commercial and managerial costs growth rate – 230.0 per cent.

Besides this, commercial and managerial costs of trade organizations differ not only by the dynamics rates but by their size as well. For example, in 2011 commercial and managerial costs of wholesale trade organizations by order of magnitude exceeded the analogous costs of transport means trading organizations (Table 5).

Table 5. Dynamics of commercial and managerial costs of Russian trade organizations during 2007 – 2011

Trade organizations types	2007	2008	2009	2010	2011	2011 to 2007, %
Commercial and managerial costs – total, bln. Rubles	1,918.5	2,346.9	2,430.7	2,918.1	3,370.0	175.66
of which:						
transport means trading organizations	103.0	137.1	150.2	167.4	236.9	230.00
wholesale trade organizations	1,376.5	1,652.0	1,684.1	2,005.4	2,339.6	169.97
retail trade organizations	438.0	557.8	596.4	745.3	793.5	181.16

s.: [5, p. 512; 6, p. 522]

Within the period under study the changes in commercial and managerial costs of trade organizations were not homogeneous.

Costs structure referred to the self-cost of goods sales in trade organizations of different types greatly varies, which is determined by the functional specificity of their trade activities.

For example, if in transport means trading organizations and wholesale trade organizations maximal specific weight belongs to the costs for payments of the work and services outside organizations (in 2011 correspondingly 29.2 per cent and 50.2 per cent with the growth to 2007 by 3.3 and 1.4 percentage points), then in retail trade organizations – labor costs (in 2011 – 27.2 per cent with the decrease to 2007 by 4.5 percentage points) [6, p. 523].

The decrease in the labor costs of retail trade organizations' employees in the total costs for production and sales of goods (goods, work and services) was 1.9 percentage points or from 19.3 per cent in 2007 to 17.4 per cent in 2011.

Alongside with this, the given circumstance didn't negatively influence the dynamics of the labor costs of the trade organizations' employees, which had unconditional positive direction in all types of organizations.

Nominal monthly salary growth rate per employee during the period under study was from 166.56 per cent in transport means trading organizations to 177.86 per cent in retail trade organizations with the average growth rate by all trade organizations of 171.19 per cent (Table 6).

Table 6. Dynamics of average nominal monthly salary of Russian trade organizations' employees during 2007 – 2011

Trade organizations types	2007	2008	2009	2010	2011	2011 to 2007, %
Average nominal monthly salary per employee – on average by organizations, Rubles	35,530.3	47,339.4	47,910.0	56,655.4	60,826.0	171.19
of which:						
transport means trading organizations	13,171.5	17,305.8	17,551.5	20,600.5	21,939.0	166.56
wholesale trade organizations	13,411.9	16,899.4	18,233.5	21,315.3	22,974.0	171.30
retail trade organizations	8,946.9	12,134.2	13,125.0	14,739.6	15,913.0	177.86

s.: [5, p. 512; 6, p. 522]

To assess the character of changes in the potency of employees' labor, i.e. revealing inherent to it extensive or intensive character, we calculated the coefficient of labor productivity growth rate outrunning by the turnover in comparison with the growth rate of average nominal monthly salary of trade organizations' employees.

The calculations showed that in general by trade organizations in relation to the starting year (2007) during 2008 – 2011 the changes in the labor potency were of extensive character: growth rate of the average nominal monthly salary of employees exceeded the growth rate of their labor productivity (Table 7).

Table 7. Dynamics of the coefficient of labor productivity growth rate outrunning in comparison with the average monthly salary per employee of Russian trade organizations during 2007 – 2011

Trade organizations types	2007	2008	2009	2010	2011	2011 to 2007, %
Coefficient of labor productivity growth rate outrunning in comparison with the average monthly salary per employee – total by organizations, unit	1.000	0.860	0.902	0.993	1.193	0.193
of which:						
transport means trading organizations	1.000	0.749	0.292	0.942	1.055	0.055
wholesale trade organizations	1.000	0.717	1.245	0.924	1.053	0.053
retail trade organizations	1.000	0.777	1.116	0.972	1.018	0.018

s.: [5, p. 512; 6, p. 522]

Positive, intensive changes of the said coefficient were characteristic only of 2011. As for functional types of trade organizations this conclusion is also right for 2011, but, besides this, the "intensity" of changes (i.e. outrunning of labor productivity growth rate by the turnover in comparison with the growth rate of the average nominal monthly salary of employees) in 2009 was characteristic of wholesale and retail trade organizations.

Minimal values of the index under study both by trade organizations and by their functional types were characteristic of 2008, which is explained by the negative influence of the economic crisis and social support of organizations to their employees. In particular, this was expressed in the maintaining of their labor remuneration level despite the decrease in the turnover.

So, the analyzed economic results of the activity of the trade organizations of different types allow us to formulate the following generalizing conclusions.

Conclusions

1. Functional specificity considerably influences economic indicators of Russian trade organizations' activities. According to All-Russia Classifier of Types of Economic Activities, Products and Services trade sector of the economy is represented by the transport means trading organizations, wholesale and retail trade organizations.
2. The dynamics of the employed in trade was not considerably influenced by the global economic crisis as trade organizations maintained the number of their employees in order to avoid social tension in the labor market.
3. The main economic indicators of trade organizations' activities are characterized by growth, but alongside with this, costs growth rates of trade organizations exceed the growth rates of their turnover, which negatively influences the financial situation of organizations.
4. In the cost structure of trade organizations there decreases the specific weight of labor costs, which doesn't negatively influence the growth of labor remuneration of trade employees.
5. Changes in the labor potency of trade employees are taking place according to the extensive type: growth rate of the average nominal monthly salary exceeds the growth rate of their labor productivity.

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