

Trade Personnel and Shop Trade Challenges in Contemporary Conditions

BABULIA MGHEBRISHVILI

Ivane Javakhishvili Tbilisi State University, Tbilisi, Georgia

MAIA SETURI

Ivane Javakhishvili Tbilisi State University, Tbilisi, Georgia

Abstract:

Development of technologies in the 21st century has posed big challenges for shop trade, especially in economically developed countries. However, it also faces problems in less developed countries. Development of the Internet and gradual expansion of electronic trading has complicated the work of shops to some extent. Marketing has become necessary to activate and strengthen the positive image of the shop. According to the authors of the article, trade personnel and their reputation can play an important role in formation and further improvement of the images of shops taking into account formation of the image of managers and sellers as well. The image of shop managers is formed, first of all, through the level of their professional education and personal qualities. Naturally, great importance is also attached to managers' organization, clothing, communication skills and the ability to complete the case. Managers have influence on the entire staff of the shop, first of all, on motivation of sellers, which encourages enhancement of service culture and, therefore, attraction of consumers. Consumers in moderation enjoy attention paid to them by sellers. The authors believe that the image of shops is directly related to the following characteristics of sale personnel: professional skills, communication skills, listening skills, diligence, and the ability to complete the case.

Keywords: Trade staff, shop trading, the Internet, e-commerce, image, marketing, manager, motivation, seller, customer.

Development of modern technologies has brought new challenges to the traditional shop trade. Primarily, this takes place in developed countries though in this respect, there are no fewer problems in traditional shop trade in less developed countries. The Internet is increasingly used in the business and it is becoming the main source of dramatic changes. "New economy" is forming and it is based on electronic business or development of e-commerce (1).

Electronic business development commenced in the sixties of the past century and with growth of the internet user numbers, it has become wider and wider. According to research conducted by Google, by 2016, 50% of the world's population will use the Internet and it is forecasted that the turnover in this sphere will achieve \$4.2 trillion.

Similar to the processes ongoing in the world, the number of Internet users is growing in Georgia as well and hence, the limits of its use for business are expanding as well. More and more users have access to the wire Internet. In addition, the number of wireless internet users increases as well. In 2010-2013, the number of subscribers of the wire Internet grew dramatically. If in 2010, only 252.131 people had access to the wire Internet, by 2013, this figure increased to 434.969, showing 172.5% growth. However, it should be noted that the pace of growth of the wire Internet users was characterized by a trend of decrease in certain periods. For example, in 2011, the number of wire

Internet subscribers increased by 131.5%. In 2012, this figure was 123.8, in 2013 – 106.0% (2). In Georgia, the leader of the wire internet market is the company Silknet, with over 212 thousand subscribers by 2013. Caucasus Online is the second one with 139.936 subscribers. The numbers of subscribers of other companies are much lower. As noted above, in Georgia, use of the internet expands on the account of the wireless Internet. By 2012, 17.872 people used the wireless Internet (3).

Growth of internet subscribers provides opportunities for development of e-commerce. About 15 years ago, people in Georgia had not even heard about procurement of goods through the Internet, and now it is a quite common thing for many people. According to Freedom House report (December 2014), Georgia has no wide-scale strategy for development of this sphere though the strategic document “Electronic Georgia” was developed for 2014-2018 period, which, in our opinion, would contribute to development of e-commerce in Georgia (4).

According to the data of the Caucasian Research Resource Center, the key types of internet use in Georgia include: e-mail, social networks, information search, and news. Today only a small percentage of internet users are engaged in e-commerce. The incomplete list of local internet shops is as follows: www.hotspot.ge, www.flovers.ge, www.mybrand.ge, www.mymarket.ge etc. Naturally, internet users use also the following world-recognized sites as well: www.amazon.com, www.6pm.com, www.ebay.com etc (5).

In our opinion, internet trade develops in Georgia along with the processes ongoing in the world. Perhaps the opinion of one of US professors stating that “Everything that could be sold through the Internet will be sold through the Internet. This requires some time only.” will come true (6). People engaged in traditional shop trade should take this into account. E-commerce is a great challenge for traditional shop traders as procurement through the Internet provides significant advantages to buyers. Owners of internet shops spend significant quantities of resources to stimulate buyers and provide favorable conditions to them. Naturally, in such a situation, the buyers would naturally make choice in favor of e-commerce.

Many factors play a significant role in attracting consumers to internet trade. We would emphasize the following:

- ✓ **Reduction of time spent.** The buyer procures goods in the interactive mode. He/she does not need to leave the house or office, neither waste time in queues or waiting at bakeries; as a result, free time is saved.
- ✓ **Providing wide opportunities for procurement of goods** through the use of web sites and electronic catalogues.
- ✓ **Unlimited time for making choices.** Buyers can visit internet shops at any time of day or night and spend there as much time as they desire.
- ✓ **Wide choice.** An Internet shop does not need much space for placing of its goods in physical respect, and this allows it to offer a wide range of goods to buyers. In addition, the range of goods is updated in very short intervals.
- ✓ **Opportunity of gaining complete information** about both the goods and manufacturers, as well as about the competitors. The buyer can get familiarized with information independently and does not require someone’s help. This is possible as a result of posting of complete information on web sites, as well as properly developed catalogues.
- ✓ **Freedom of action.** Buyers make decisions independently about the catalogues and web sites they would like to visit to gain the desired information, as well as about the products they would like to choose. This increases their self-esteem and makes them believe that they are able to make decisions independently.

Certainly, in such a situation, shop traders require significant effort to attract and maintain buyers. Owners of the traditional shops have to arrange entertainment for buyers. In many countries, there are cafeterias, halls for lectures and performances at book shops, groceries and clothing shops. Now, a significant part of these shops comprises marketing of impressions rather than marketing of goods ranges (7, p. 30).

Hence, in the contemporary world, the traditional shop trade requires more marketing efforts to compete with the increasing e-commerce. In our opinion, development and strengthening of the prominent positive image of the shop is critical. This could be achieved through four approaches (8):

- ✓ Ensuring products’ image;
- ✓ Forming and strengthening of the sales personnel;

- ✓ Forming of the image of visual characteristics;
- ✓ Developing of business image.

Trade personnel play a significant role in formation and strengthening of the shop's image and, generally, influencing buyers. Naturally, the question is: what do the buyers expect from the sales personnel? The right answer to this question would assist the shop to properly select the methods and techniques to influence the buyers and actually perform the process of influencing. Actual achievement of the remained three elements required for development of the image of any enterprise, including the shops, heavily depends on the sales personnel. Naturally, the product image is primarily determined by its characteristics. However, proper presentation of information about the product to the consumers is no less significant. Trade personnel play a decisive role in this, and this is primarily about salespersons, who are able to significantly impact the buyer's decision, with respect of buying of goods. Adequate selection of the sales personnel and directing their activities towards achieving of the stated goals is the manager's task. Thus, professionalism of the managers and salespersons, as well as their attitudes to their tasks, are equally significant. Regarding this, the image of the managers and sales personnel and the opinion of the public about them are equally important for formation of the shop image and dealing with the problems facing it. In developing of the image of managers and sellers, the buyer's views should be taken into consideration. The key elements determining the trade personnel's image should be assessed from the buyer's position.

Generally, the factors determining the trade personnel could be formulated as follows (9):

- ✓ Responsiveness;
- ✓ Organized nature;
- ✓ Ability to provide consultations to the buyers;
- ✓ Ability to listen and make decisions.

These factors could be further refined for the managers and sellers. In our opinion, the key elements determining the shop managers' image should include:

- ✓ Level of education;
- ✓ Organized nature;
- ✓ Personal qualities;
- ✓ Clothing;
- ✓ Communication skills;
- ✓ Ability to close the case.

The education level does not imply only professional education. We regard that the manager's general education level is of significance as well as it determines his/her speech, clothing, and ability to influence the partners. Organized nature of the manager contributes to proper business activities of the trading entity, not only with respect of the consumers but also with respect of relations with the partners. The manager's persona and qualities play a significant role in formation of relations within the entity, in formation of the team oriented towards achievement of the common goals. Communication skills of the manager positively impact the business processes both within the entity and in relations with the external forces. The manager shall be able to close the cases; otherwise, the vain costs would increase and may result in significant losses.

Managers can significantly impact motivation of the sales personnel. A motivated seller provides better services to consumers, ensuring their attraction and maintenance in the long run. In addition, quantities of repeated procurements increase in such situations, contributing to improvement of effectiveness of the business.

The following are the factors shaping the seller's image:

- ✓ Professional skills;
- ✓ Communication skills;
- ✓ Listening skills;
- ✓ Ability to provide consultation and convince the consumers;
- ✓ Diligence;
- ✓ Ability to close the case.

Professional skills assist the seller in attracting and maintaining the clients. The seller is a person whom the clients deal with. Communication skills and knowledge of characteristics of the products and their use allow the sellers to provide consultations to the buyers and convince them of necessity to buy certain goods and close the deal. Only diligent sellers can do this.

Listed qualities of the managers and sellers ensure business-like and pleasant atmosphere in the shop, attracting the buyers and ensuring improvement of competitiveness of the shop trade, compared with the internet trade.

To improve competitiveness of the shop trade, the managers should take care of seeking of new ways for attracting of consumers. Together with pleasant atmosphere, the shops should offer guaranteed services and take care of parking, better informing of the consumers through their web sites, and employment of internet capacities.

Thus, dealing with the problems of traditional shop trade and improvement of its ability to compete with the primarily internet trade are directly linked with development of the trade personnel's image, and this is possible only through recruiting of the personnel with the adequate skills and their training using the state-of-art methods.

Literature

1. E-commerce in EU (Key Legal Aspects)
www.eulaw.edu.ru/documents/articles/eu12.htm
2. Turashvili Teona, Statistics of Internet Users in Georgia [2013]
<https://eparticipationge.wordpress.com/2014/02/07/Internet-users-2/>
3. Statistics of Internet Users in Georgia
<https://idfi.ge/ge/statistics-of-internet-users-in-georgia>
4. Freedom House report Georgia with Respect of Internet Freedom <https://idfi.ge/ge/category/researches>
[5 December 2014]
5. Georgian consumers do not trust online shops. Results of Tbilisi Times Survey
www.ttimes.ge/archives/11893-internet
6. E-commerce
www.amerikiskhma.com/content/ecommerce-grows-us/1567307.html
7. Philip Kotler, Marketing, How to create, win, and dominate markets. In Russian M., 2000. Publishing House ACT . ISBN 5-17-000077-4
8. Mghebrishvili B. Marketing and corporate Image Formation. Proceedings of IV international conference- Globalization and Sustainable Economic Development Prospects. Publishing House UNIVERSAL, Tbilisi, 2012, p. 157-161. ISBN 978-9941-17-599-2
9. Mghebrishvili B. Trade Personal and Store Trade Challenges in Contemporary Conditions. State University of Moldova, Faculty of Economic Sciences, Materials of IX International Scientific Conference – Policies and Mechanisms for Economic, Finance and Social Processes and Development at National and International Levels. Chisinau, Publishing House CER USM, 2014, pp. 508-511. ISBN 978-9975-71-574-4

Contact data:

Babulia (Dodo) Mghebrishvili,
Ivane Javakhishvili Tbilisi State University, 0179, Tbilisi, Georgia,
dmghebrishvili@yahoo.com

Maia Seturi,
Ivane Javakhishvili Tbilisi State University, 0179, Tbilisi, Georgia,
maiaSeturi@gmail.com