

## **Changing of retail formats in outer zones of polish cities**

Purpose - The purpose of the paper is to identify major changes in development of retail formats in outer zones of polish cities. The paper also aims at identification of key challenges for retailers in the sphere of location that retail companies in Poland (especially in in outer zones of polish cities) face nowadays. Location of activity is a very important issue in shaping the strategy of establishment of relationship of retailers with customers. What is more, drawing customers' attention to offered assortment that is supported by actions in the sphere of prices, promotions and other elements that improve the offered product are also significant.

Structural transformations of organizational forms of retail are an effect of adjustment to the environment of companies. In this environment especially visible become tendencies connected with globalization of customers' preferences, rise of their demands and thus expectations concerning offers presented by stores. These factors entail necessity to diversify the shopping process through creation of more and more attractive shopping centers and the conditions in which shopping is done. In recent years the highest growth dynamics in Poland has been achieved by modern distribution channels, that is hypermarkets, supermarkets and discount stores which meet the requirements of customers through implementation of planned marketing activity.

The needs of target market are the primary element related to the creation of specific instruments for influencing the market. The target market for large selling area organisations are the customers – households that have defined budgets for doing shopping. And just in relation to this recognition, it is easy to observe the assortment division based on economic criteria into products for the customers the price – amount and goods for wealthier customers. The creation of a set of values – utilities for the customer is the consequence of the customer's needs recognition. Such an attitude is typical of behavioural marketing actions of the stimulus-response type. This approach is related to behavioural paradigm, according to which the point is to shape behaviours based on repeated purchase. Behavioural (instrumental)

approach in the knowledge of company management derives from a trend in psychology (behaviourism).

Changing customers behaviours (especially young generation Y and Z) are caused by use of new technologies in purchasing processes. That is also the reason for changing of retail formats in outer zones of Polish cities. .

The profile of contemporary customer is definitely different from customers "of the past" therefore, also retail chains need to adapt themselves to new challenges related to the characteristics of active customers. Characteristics of contemporary active consumers bring observation about the necessity to gather knowledge about them. This knowledge is acquired for the need of construction of specific commercial offers related also with retail formats and proper location. Here it should be mentioned that retail trade enterprises in practice apply measures that aim at better identification of target customers. Representatives of various generations are customers of these companies. "Y" generation is a generation of people born in Poland between 1986 and 2010, and in other countries, like for example in the USA, they are the generation of population boom of the 80s and 90s of the twentieth century. They are also called "Millennium generation", "next generation", "digital generation" and the "generation of flip-flops and iPods". Technology M2M [machine to machine] is active communication between the devices ["machines"]. It takes place via wireless or wired connection.

Other very important group of customers influencing location strategies of retailers and their decisions about developing retail formats is so called "silver generation". The demographic structure of the world population indicates the increasing role of older adults (seniors). The elders market segment is different from other age-defined segments and different from older adults that was observed in the past. The differences are observed in terms of attitudes, activities, opinions and behaviors, including purchasing. In Poland most of them prefer purchasing close location of retail entities.

Development targets are the major issue in shaping operation strategy of commercial chains. The goal of commercial chains is development (growth) on competitive Polish market, in other words, achievement of long-term success. Implementation of this goal is practically expressed by formation of own, unique strategic profile.

Retail chains are focused on strategies of market penetration and market development through implementation of the option of geographical expansion and development of new selling formats. Location in outer zones of polish cities is a part of that strategy. It ought to be added that dynamic development of Internet channel, that is associated with recognition of needs of target market, is actually a new form of sale. Development of new retail formats plays important role in retailers strategies. Expansion into new markets is imposed by the search for new places that should allow gaining profits.

The article is based on quantitative and qualitative analysis of secondary data and presents the results of research run on polish retailing market. The analysis included the development of retailing formats operating in outer zones of polish cities.