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**Convenience Stores in Romania. What Has Changed
after the COVID-19 Outbreak?**

Andreea STRĂTILĂ (IRIMIA)¹

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Abstract

Purpose - The purpose of this paper is to identify the main attributes that are defining the new convenience in Romanian modern grocery retailing after COVID-19 outbreak.

Design/methodology/approach – The literature review is presenting the general description for convenience stores. The paper also presents the context of Romanian modern grocery retailers for 2019 and the current context, the changes caused by COVID- 19 outbreak. In the end, conclusions are presented.

Findings – The new convenience is reflected by the changes resulting from the imposed safety measures, which mean utilitarian needs accomplished, in a fast time and a safe manner, and these can be done by transparent communication.

Research limitations/implications – The paper is conceptual, so future research will be necessary to empirically validate these findings.

Originality/value - This study is an important instrument for further research and for retail managers. It offers a valuable response to what convenience stores should do to meet customers' new expectations.

Keywords: convenience stores, modern grocery retailers, COVID-19 outbreak.

JEL Classification: L81, M31

1. Introduction

Convenience stores in modern retail in Romania reflect an upward trend in line with trends in developed countries. Increasingly busy consumers choose to shop quickly, close to their home, their office or close to their children's school. After the declaration of the state of emergency on March 11th, 2020, the purchasing and consumption behaviour underwent substantial transformations and in the context of a poorly implemented e-commerce for groceries, people increasingly turned to convenience stores, the term convenience gaining new dimensions. The new context has led to a rapid adaptation to new consumer demands and a change

¹ Bucharest University of Economic Studies, Bucharest, Romania, irimia_andreea_elena@yahoo.com.

in marketing strategy. Customer loyalty and the way customers choose to patronize a store depend on the promptness with which the retailer responded to the new demands, the integrated marketing communication strategy playing an essential role.

2. Problem Statement

Convenience stores general description by literature review

First developed in the USA and then in Japan, the convenience store format is characterised as a small-scale store, with an assortment of daily necessities and an extensive open hours. The development of this format was based on logistical efficiency connected to IT progress. The change in lifestyle, the increase in population density, the number of persons in a household, in close connection with the increase in the number of professionally active women (full time) responsible for household management, have led to the growth and development of this format (De Kervenoael, Hallsworth and Clarke, 2006), (Seiders, Berry and Gresham, 2000).

For defining the convenience format, the literature emphasises common elements given by the attributes that make the shopping experience easier, effortless in terms of time efficiency. So, we are talking about physical attributes (surface, assortment, layout, location, open hours), but also about the multitude of services that make the shopping experience more convenient.

According to Guberman (1971), the modern convenience store is a miniature supermarket, but it indicates that the definition of the store should be based mainly on its operation and not on its size. Baron, Leaver and Oldfield, (2001) describe it as a store of approximately 280m², in a location close to the customers' homes, which has a "wide and superficial" range of products. Convenience is expressed in various ways, such as long hours of operation (open at least 16 hours a day, six and even seven days a week) and a self-service approach that gives speed to shopping. Its range of products covers the urgent needs and impulse purchases of the inhabitants in the area (Jones, 1986). The most popular products sold in these stores are tobacco, alcohol and dairy beverages (Kirby, 1976). A convenience store can also supply food, vegetables, fresh fruit, frozen products, fast food, household goods and newspapers (Jones, 1986). Prices seem higher on average than in supermarkets and there is also a limited variety of "healthy foods" (Guy, 2004; Liese et al., 2007).

The main reason for creating these store premises is the intention of consumers to achieve a high level of quality, convenience and service, combined with an efficient use of time spent on their purchases (Kirby, 1976; Crafton, 1979; Brown, 1989; Reimers and Clulow, 2001). It has been estimated that the average time a consumer spends in a convenience store is three to four minutes (Brown, 1989). Another important factor is customers' reluctance to cover long distances for shopping (Lorch and Smith, 1993). These stores meet the need for small, well-organized neighbourhood stores that are considered supplements for large

retail stores and satisfy consumers with basic needs (Kirby, 1986). Since their appearance in Texas in 1927 (Kirby, 1976), considerable attention has been paid to the development of convenience stores in the US retail market (Morganosky, 1997).

Romanian general context

According to Euromonitor (2020), in 2019, Romanian grocery retailers continued to dominate the retailing landscape. Several trends drove an increase in sales; including the growing interest in health and wellness, and an increasing demand for convenience. With consumers having increasingly busy lifestyles, their changing habits and higher incomes increased the demand for convenient shopping solutions – such as close proximity, dedicated selling areas for healthy food and ready meals, and time-saving solutions such as e-commerce, and mobile e-commerce. As the health and wellness trend gains more influence, more manufacturers are offering organic, preservative-free and natural healthy food and on-the-go meals and retailers have launched their own to-go private labels in these areas, thus improving access to a broader range of products, across the country. The expansion of modern retailing provided benefits to both consumers and retailers - while consumers benefited from a more extensive array of goods, from economy to premium health foods, retailers benefited from accessing new areas of the country, promoting their private label ranges and stores in these areas. Modern grocery chains also attract price-sensitive consumers, which account for a large majority of the population. The hardship of times experienced in the 1990s, and then in 2010, resulted in many Romanians habitually hunting for low prices, deals and bargains. Modern grocery retailers meet these demands, offering low priced private label ranges and regular promotions and discounts.

Proximity shopping was a key development for convenience stores in 2019, with aggressive expansion strategies resulting in the lockout of some local traditional small independent grocers. Many of these small independent stores failed to compete with the new competition and lost share – particularly in large cities. However, where small independent grocers lost share against modern retailing, it was mainly because of the focus on the sales of packaged food, whereas many maintained an essential position in sales of unpackaged products. This was particularly the case for specialised stores that benefited from a strong turnaround for making a difference, with many selling traditional products such as chilled processed meat and cheese.

The international grocery retail chains that are operating in convenience store format in Romania are Profi, Mega Image, Carrefour and Auchan.

Rural shopping remains underdeveloped and dominated by small independent grocers, but a movement is seen to the opening of convenience stores such as Profi Loco, La Doi Pași and CBA. When looking to large cities, but also to secondary towns, modern retailing dominates and the offer of commercial premises is strong.

3. Research Questions / Aims of the Research

The aim of this paper is to identify the main attributes that are defining the new convenience stores in the Romanian modern grocery retailing after the COVID-19 outbreak.

The COVID-19 outbreak is still producing effects and in the near future an economic crisis is imminent as is predicted by experts. The retail sector was deeply affected, especially in the non-food area, which operated in Romania only online, as during the state of emergency all stores were closed except for groceries.

4. Findings

For grocery retail, change was very dynamic and not for all predictable or similar with previous crises, as this time COVID-19 caused a pandemic with disruptions in the global supply chain.

Table 1 is presenting the main changes in the Romanian grocery shopping during pandemic based on data published by GfK Consumer Panels & Services report (first quarter, 2020) and EY online study carried out on 393 participants during May 13th to June 2nd, 2020, including 25 questions related to the isolation period behaviour and next future possible changes.

Table 1. What has changed after COVID – 19 outbreak

household spending per consumer goods	rose by almost 14% in the first quarter of 2020, compared with the same period of last year
private brands	gained ground ahead of national brands and came to cover 21% of total sales
stocks (volume of purchasing per households)	11% increase in the amounts of consumer goods purchased, compared to the first quarter of 2019
favourite formats	Romanians turned to proximity stores, with modern small shops and discount stores thus registering the largest increases
quality of products	the largest increase in importance during the pandemic, of 66%, followed by price
type of products	with a migration to local products to the detriment of imports
new expectations	safety measures in stores, cleaning and disinfection; useful information, not only commercial actions taken by retailers during pandemic
need for digitalization	poor implemented e-commerce, less than 1% from total sales

Source: based on data published by GfK Consumer Panels & Services (2020), EY (2020)

The COVID-19 epidemic produces various effects at global level, considering the different degree of spread of the virus in the affected countries and its different evolution. But the usual activities and the dynamics of consumption have been similarly disrupted throughout the planet. Thus, we can notice patterns in the Romanian consumer close to those of consumers in developed markets such as the USA, the United Kingdom, France, or Germany (Cârstoiu, 2020). The poor implementation of e-commerce, especially for fresh products made the proximity stores the most convenient for quick and safe shopping.

Modern grocery retailers have adjusted their brand communication, moving from commercial to information and support, choosing social media as the main communication channel. This was an opportunity to humanize the brand and prioritize relationships with customers and with their own employees too. For instance, the top 3 engagement theme posts on Facebook were related to thanks for the front-line employees, safety measures in stores or the mobilization to provide support to hospitals and vulnerable people (Strătilă & Mehedințu, 2020).

5. Conclusions

Compared to the set of concept and with the trends of 2019, the new convenience stores are rather related to safety, which could mean utilitarian needs accomplished, quickly and in the proximity, which suppose not out of stock caused by supply chain disruptions. Own brands and local producers offer could be the strategy for patronizing, attracting new customers, with good quality and price offers, saving costs and getting sustainable competitive advantage. Digitalization, operating omnichannel, in store technology and increasing engagement by leveraging social media are closely connected to convenience and timeliness, in order for customers to get information in due time and make the shopping experience easier, which now means safely, by avoiding spending too much time inside public agglomerations. Safety is also closely related to transparency and accuracy, thus the communication should focus more on the utilitarian aspect.

The paper is conceptual. So, in the near future, a research is needed to empirically validate these findings. The research objective will be related to the implications on the marketing strategy of convenience stores as a consequence of the imposed safety measures.

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