Original scientific paper

CRISIS CHALLENGES FOR CUSTOMERS AND RETAILERS IN HUNGARY

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Abstract

Our paper gives an analytical evaluation of customer and retail responses to today's market- and non-market-related challenges. In the first part of the study, we deal with the classification of crises and review the international literature on the relationship between crises and consumption. We then focus on analyzing the effects of the COVID-19 pandemic and the war between Russia and Ukraine on trade and consumption. In the third main part of the study, we review the effects of the already mentioned crises on domestic trade and shopping behaviours. Finally, we examine the effects and new challenges of today's crises on retail strategies and identify the main areas that, with proper management, can make commercial companies "crisis-resistant". In the paper mixed methods (primary and secondary data collection and analyses) are used for reaching a best-possible insight into these fast-altering consumption and retail processes.
Our novel findings can be categorized into consumption-related (demand-side) challenges and retailer-related (supply-side) responses. In our research on consumption the impact of fear from infection, price sensitivity, age and some other factors on shopping behaviour are examined, along with shop- and delivery preferences based on online surveys conducted during the COVID-waves. In the supply-side analysis the possible retail measures and responses are summarized based on secondary data collection and analysis.

Keywords: crisis, retail, customers, shopping behaviour, COVID-19

INTRODUCTION

The last two decades of the 21st century have been marked by a number of economic, social, environmental, and geopolitical crises. From the turn of the new millennium onwards, major, and long-lasting crises of various nature followed one another: the attacks of 9/11 in 2001, the credit and economic crisis of 2008-2011, the new challenges posed by global climate change (tsunamis, droughts, extreme temperatures), the COVID-19 pandemic in 2019 and the war between Russia and Ukraine in 2022 are just a few of the more important examples.

It can be stated that the new business challenge of recent decades is how companies are able to respond to new situations caused by a wide variety of economic and non-economic crises, and the extent to which they are able to adapt their corporate strategies to new situations (Sikos T., Kozák, & Kovács, 2019).

The aim of our research is to show how different crises can be characterized and classified, and how all of these have / can have an impact on corporate strategy.

In our study, we focus on commercial companies and their strategic responses, because these organizations play a key role in consumption, thus ensuring the functioning of the society and the economy, and on the other hand, they are significantly affected not only by economic anomalies but also by social, environmental, and political crises. In our research – after synthetizing the relevant literature – by means of data analysis and content analysis based on secondary sources, we analyze the crisis strategies of international and Hungarian commercial companies and their adequacy. We included several retail companies of different sizes and areas of activity in our study in order to point out the role and importance of strategic planning and flexible adaptability for both SMEs and large Hungarian and international companies.

THEORETICAL BACKGROUND

Classification of crises

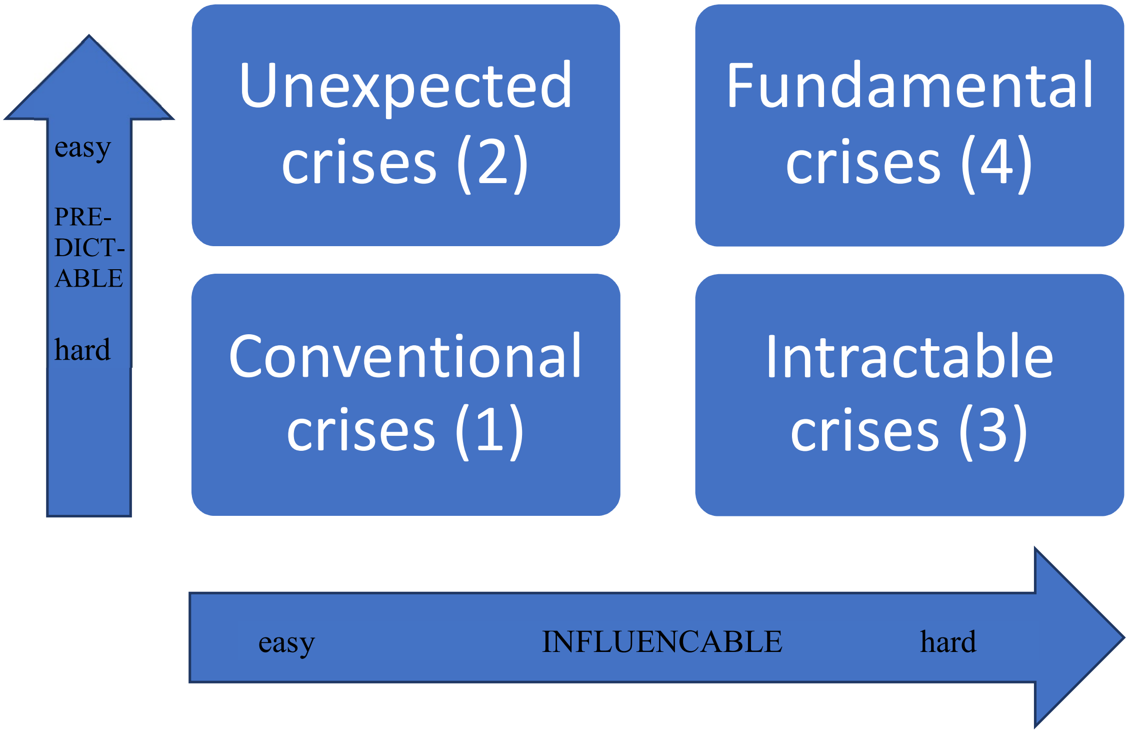
Before discussing the relationship between crises and corporate strategies, it is important to clarify what we consider to be a crisis and what classifications exist for different crisis situations. This clarification is essential because, in terms of their nature, size and impact, different crisis situations can show very different signs.

The oldest classification of crises distinguishes the so-called “natural” and “man-made” crises (Rosenthal & Kouzmin, 1993). However, the classification today is not so clear, in many cases human and non-human factors appear together, and the causes and victims of the crises are both people. Another important issue in relation to crises is their predictability and impact, as Gundel points out in his work in 2005 (Gundel, 2005).

The Gundel classification distinguishes 4 types of crises along the two dimensions mentioned earlier (influence and predictability):

- Conventional crisis (1): e.g., significant power outage
- Unexpected crisis (2): e.g., Titanic
- Intractable crisis (3): e.g., Chernobyl
- Fundamental crisis (4): e.g., 9/11, 2001 WTC attack

Figure 1 Crisis-matrix by Gundel



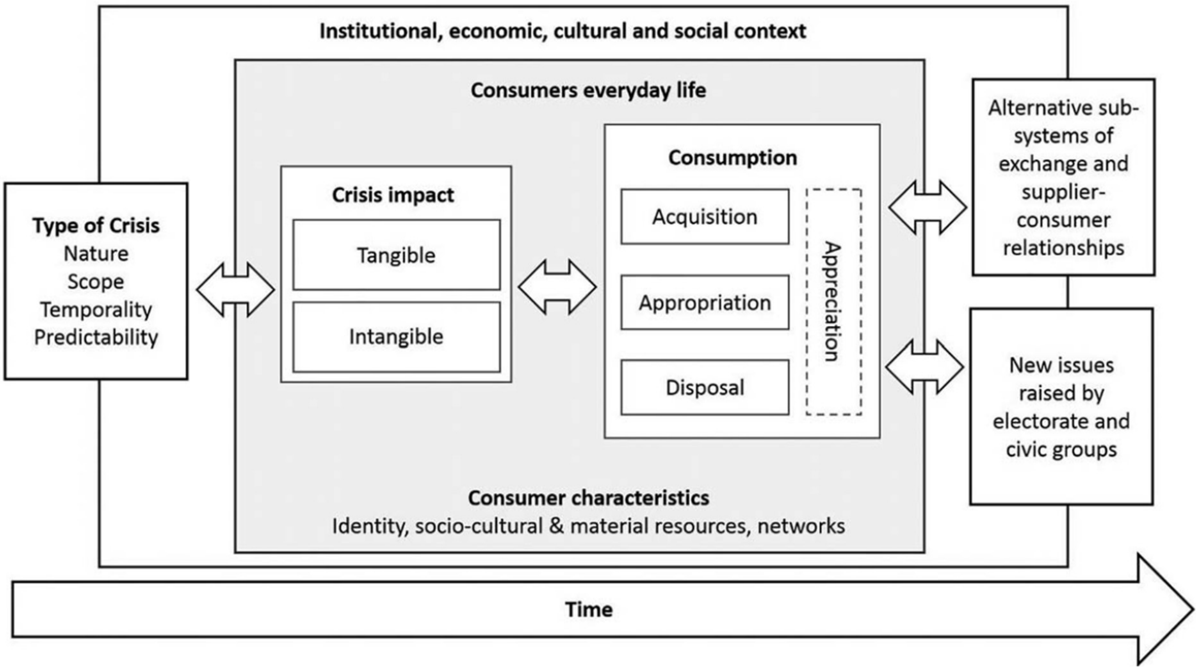
Source: Gundel, 2005

The various consumption-related crises analyzed in our study belong to the type of the most significant, persistent, and fundamental crises with long-term effects and have a significant impact on consumption (financial crisis in 2009, COVID-19, Russian-Ukrainian war). Due to the above factors, international literature on crisis management is very extensive, crisis management puts great emphasis on public policy planning, corporate management in environmental protection, geopolitics, and many other fields. The scope of this article does not allow for a comprehensive presentation of crisis management, so we will focus on our narrower topic: consumption and crises.

Crisis-related challenges and responses in consumption

In the following, we rely on the interpretation of the impact of crises on consumption based on the model published by Koos and co-authors in 2017. We highlight the most important features of the model and later interpret our own empirical research results based on them (Fig. 2).

Figure 2 Conceptual model of crisis and consumption



Source: Koos et al., 2017

One of the key findings of the Koos model is that it distinguishes between tangible and intangible crisis effects. While the former can be clearly seen in economic statistics such as declining incomes or employment and unemployment statistics, the latter can be much less linked to measurable variables on consumption: such as the psychological factors, feelings of uncertainty that affect (in the case of crises negatively) consumption trends (Alonso et al., 2015). The second important aspect of the model is that it shows the impact of crises on the acquisition, retention / use of goods and their disposal. This process affects every detail, the nature of access to the products (purchase, preparation, gift), the quantity and quality of the purchase, the purchase costs, price preferences, store selection, etc. (Pech & Kopová, 2022). However, not only the purchase and the use of goods change, but also the time and quality characteristics of getting rid of them: we use certain products for a longer period of time, we repair damaged tools, we recycle them, and so on. At the same time, the way in which members of society value certain elements of their consumption may change with norms and values (Kubíčková & Holešinská, 2021), such as nationalist attitudes and the development of local preferences in consumption (Lekakis, 2017) (domestic products may be appreciated while members of society may boycott products from other countries – cf. Russian-Ukrainian war and gas purchases).

Koos and co-authors also emphasize the macroeconomic, social, and socio-cultural components of the crisis, highlighting the selective impact of crises on individual members of society. The subjective financial and income situation, the individual's abilities, and his/her social network (embeddedness) all have an influence on the development of consumption in a crisis (Bourdieu, 1984).

As the formerly presented Gundel model and also Koos and co-authors point out, the impact of different features of the crises (i.e. the location, size, time, its predictability) has a great significance for consumption, just like central political rules, regulations and systems that are changing in the midst of the crisis – see the changing system of bank loans and the connected regulations during the 2008 economic downturn, or restrictions on retail during the COVID-19 pandemic (Kincses & Tóth, 2020).

In addition to the above-mentioned factors, reciprocity, and state redistribution, and market sharing practices, as well as new phenomena that “bypass” market exchange, such as the sharing economy, decommodification (reducing market dependence), or even “de-ownership” might also spread.

In summary, crises, be they man-made or caused by vis major, have a significant impact on society's behaviour and, therefore, on consumer behaviour. In the following, we examine where and how our various empirical researches carried out in Hungary correspond to the models presented by Gundel and Koos et al., and whether these correspondences can really be identified in the Hungarian examples.

However, before introducing the Hungarian examples, we analyze the international trends and effects of crises on consumer behaviour.

Can a global supply crisis be expected?

The first quarter of the third millennium saw a series of local and global crises, the effects of which are unfortunately still being felt today. The first major crisis of the 21st century was the stock market crisis, which began with the dotcom bubble, resulting from the overestimation of often zero-value Internet-based companies. Investors poured money into these dotcom companies in the belief that they were actually worth billions of dollars, which led to a collapsed growth index on March 24, 2000. This also meant the bankruptcy of most investors.

Less than a year after the bursting of the dotcom bubble, the attack of the WTC on September 11, 2001, launched the war in Afghanistan, which unfortunately only ended in 2021. During the years of the war, a series of local and global crises arose such as the war in Iraq in 2003, which brought the oil crisis, or the Ebola epidemic, which also struck locally in 2013, affecting mainly West African countries, and, to a lesser extent, the citizens of other continents as well, mainly those who returned home from the infected zone or interacted with people from there.

The year 2006 witnessed another turnaround in the real estate and banking sectors in the United States, which brought along significant problems in the financial sector. During this period, many U.S. banks went bankrupt, which weakened not only the U.S. economy but also Western European economies, both in the bank and the economic sector.

During this period, the world's financial institutions suffered losses of about 435 billion USD. Many multinationals were also hit and had to merge with their own competitors to survive. Bankruptcy and economic uncertainty eventually led to the economic and financial crisis of 2008, which marked a long period of economic uncertainty and the situation only normalized by the beginning of 2018-2019. Barely has everything stabilized again, the COVID-19 pandemic broke out and has been unfolding since then. The economic crisis caused by the pandemic created a shock both in supply and demand in commerce. Trade has undergone a significant transformation both globally and locally as a result of the COVID-19 pandemic, new technologies and business models have emerged, and new innovation solutions have been introduced as digitalization strengthened. Online commerce has become increasingly important, with omnichannel sales appearing besides multichannel solutions. This, in turn, strengthens and develops the use of digital payment technologies, the need for a home delivery system. The COVID-19 pandemic has created a whole new situation in local and global trade. Transport methods and techniques from the infected areas need to be rethought. The methods previously used can no longer be applied, as e.g., a breach of food safety regulations would only spread the epidemic. That is why in the field of food supply new technologies such as automation, robots or artificial intelligence have gained increasing importance. The pandemic has increased the extent of mail order and e-commerce in retail, thus the volume of this sector had doubled by April 2020 compared to the same time in the previous year (CSO, 2020). In addition, the popularity of various digital solutions has grown exponentially within stores, the main driver of which was increased customer demand for contactless shopping (Pintér, 2020).

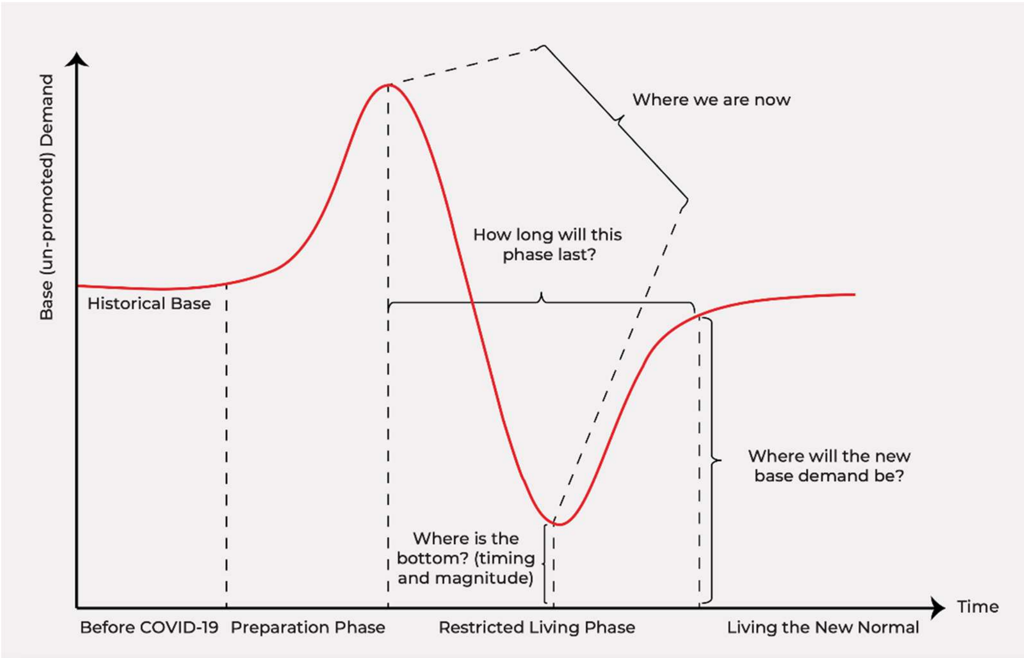
In order to understand the processes taking place during the crisis, it is necessary to briefly review the characteristics of the periods that have developed in connection with COVID-19:

1. The first period or the "pre-storm" period is characterized by normal purchasing processes,
2. The second stage is characterized by "panic buying" when customers stocked far more products than necessary,
3. The third stage is characterized by restrictions, lockdowns, and conscious purchases, as well as efforts to satisfy basic needs,
4. In the fourth period "anger" purchases or additional purchases appeared,

5. The fifth stage is characterized by a period of new normal, marking the end of the pandemic period, with customers returning to the usual purchase quantities (Sikos T. & Kovács, 2022).

In the specific development of the epidemic situation, when examining the basic necessities, we can describe the individual periods of the epidemic situation with the following demand curve (Fig. 3).

Figure 3 Demand for Essential Categories During & After the Outbreak



Source: Ayer & Gurman, 2020

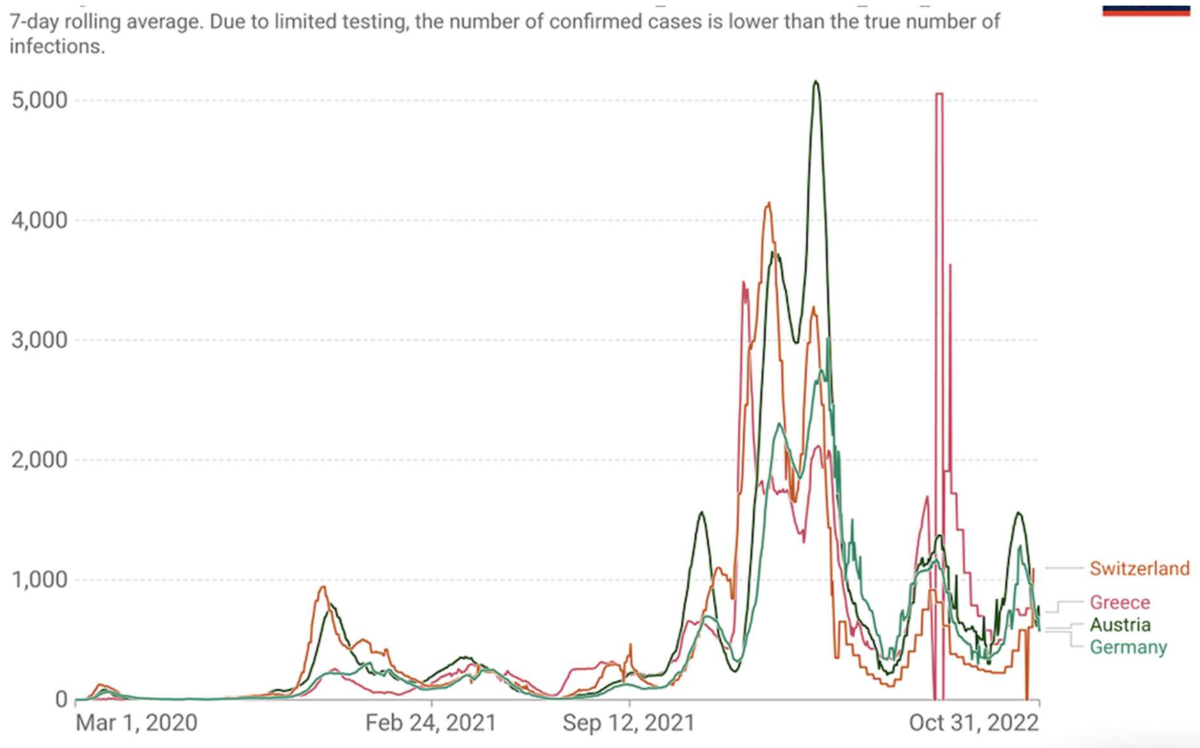
The question is basically how long the COVID-19 pandemic will last. To what extent will it affect the further development of supply chains locally and globally? Vaccination rates vary from country to country, which is why the periods of the pandemic have differed from continent to continent, and we are now in the 6th cycle, and it is not over yet.

In China, big cities have now been completely cut off from the outside world again, e.g., in Jilin Province, Changchun and Jilin, or Shenzhen, known as the "Silicon Valley" in China, which hosts the busiest ports in the country, but there have also been serious manufacturing problems in Shanghai as well (production in Tesla was halted for a short time).

Traffic restrictions and mass testing have also been ordered in China's largest steel-producing center, Tangshan, with a population of 7.7 million. Only emergency and supply vehicles are allowed on city roads.

The free movement of the inhabitants of the city, located 156 km from Beijing, is subject to a separate permit. It should be also noted that in addition to China, the number of COVID-19 cases has increased in several Western European countries, despite higher vaccination rates, e.g., Austria, Switzerland, Germany, and Greece are not in a good position either. WHO data clearly suggest that the COVID-19 pandemic is far from over, according to current estimates we are somewhere in the middle of the epidemic (Fig. 4).

Figure 4 Daily new confirmed COVID-19 cases



Source: John Hopkins University CSSE COVID-19 Data from Global Change Data Lab (2022)

The crisis caused by the COVID-19 pandemic is further exacerbated by the outbreak of the war between Russia and Ukraine. So far, more than 3 million Ukrainians have fled the country due to the war.

The present war situation has generated both local and global crises. In Ukraine, it is becoming increasingly difficult to provide food supplies and logistics lines as a result of the war and EU and US sanctions have hit Russia hard. Among other things, the following have become uncertain:

- Food trade,
- Iron and steel shortages,
- Car manufacturing,
- Computer industry,
- Gas and oil supply,

- Air transport between Europe and Asia (the shortest route is via Russia),
- Sale of agricultural products (e.g., wheat, corn, sunflower oil),
- Forage,
- Chip production (due to lack of neon gas),
- Palladium, fluorine, nickel shortage, etc.

Nowadays, it is still very difficult to provide a clear answer to the question of what kind of outages occur in the global chains due to the war. It is a fact that outages in fragmented global supply chains will sooner or later appear in the final stage of product assembly, which will lead to significant delays in production. According to Interos, a research company specialized in risk analysis for supply chain management companies, more than 2,100 U.S. firms in the USA and 1,200 European firms have at least one direct (tier-1) supplier in Russia. More than 450 U.S.-based firms and 200 companies in Europe have tier-1 suppliers in Ukraine. But the impacts will be larger if we look at indirect tier-2 or 3 relationships. "More than 190,000 firms in the U.S. and 109,000 firms in Europe have Russian or Ukrainian suppliers at tier 3. More than 15,100 firms in the U.S. and 8,200 European firms have tier-2 suppliers based in Ukraine."[21]

Another area potentially affected by the crisis could be the services sector, in particular the IT services. However, the loss of a significant share of agricultural products is likely to be a much bigger concern than for industry and services. Trade sanctions in the case of Russia and the war situation in Ukraine could also cause a shortage of important agricultural products on the world market, as the two countries together account for a third of world wheat exports, a fifth of maize exports and 80 percent of sunflower oil.

In addition to the financial and economic crisis, the current global crisis has also resulted in a very serious humanitarian crisis. Not to mention the fact that this serious war situation has hit the world in the midst of a climate crisis.

DATA AND METHODS

In the empirical part of our study we will introduce some findings related to COVID-19 and the conflict between Russia and Ukraine.

In our COVID research, we examined the impact of the health and global economic crisis situations on the shopping habits of the Budapest population in the last two years. We aimed to

[21] https://www.forbes.com/sites/stevebanker/2022/02/24/the-russia-ukraine-war-could-have-dire-impacts-on-global-supply-chains/?sh=6eaa54b14919

reveal the change in purchasing attitudes at different stages of the pandemic situation and the frequency of using the different retail channels. The database required for this was compiled from an online questionnaire survey conducted in May 2021. Then, we also examined the extent to which the frequency of using the different last-mile delivery methods had changed as a result of the COVID-19 outbreak and the severe restrictive measures. The required data were collected in June 2020 on Facebook, via an online questionnaire. A total of 353 people participated in the survey. The questionnaires were surveyed in the largest community groups in the Budapest districts. Facebook groups were selected on a territorial proportion basis. The results of the questionnaire surveys cannot be representative, because the proportion of women and higher education graduates was higher in the survey than in the Budapest population. Descriptive statistical methods and cross-tab correlation analyses with Chi-square tests were applied in the research.

The possible implications of the war between Russia and Ukraine were evaluated by processing and analyzing the available literature and secondary data.

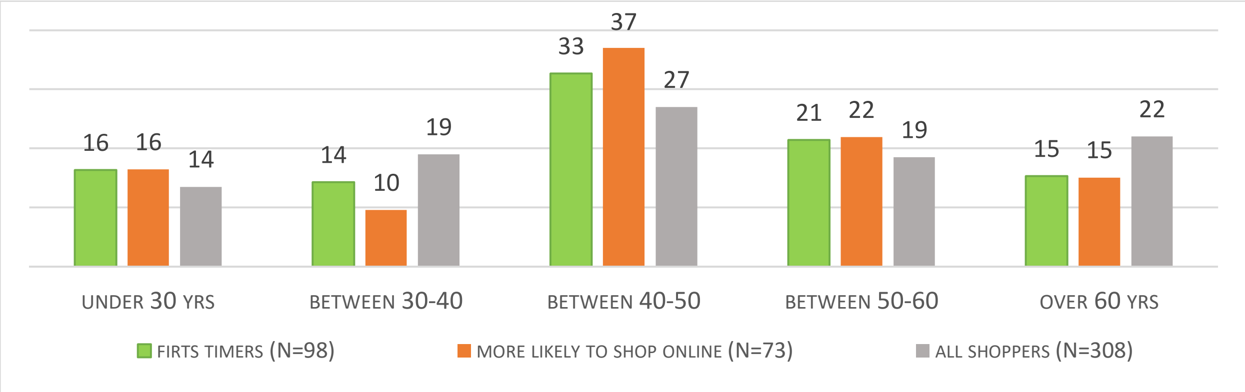
RESULTS AND DISCUSSION

Shopping behaviour of Hungarian consumers during the time of the COVID-19 crisis

As a consequence of the current health crisis, the retail market structure has become more concentrated, with the largest companies further strengthening their positions. Results of the 2021 survey showed that small shops were hit the hardest by the COVID-19 pandemic, which were already in a difficult situation before the world crisis. 17.5 percent of respondents did their shopping in large FMCG chains more often than before the pandemic. In contrast, local stores were only a priority for 12 percent of shoppers. However, it is worth noting that around 7 percent of shoppers shopped during the pandemic in a store they had not previously visited. It was also found that almost one in ten shoppers tried a new brand during this period (9%). The scale of these changes cannot be considered negligible, as these shifts took place in a very short period of time, less than one year, in the retail market.

Online retailing was the most affected by the changes, with almost a quarter of respondents preferring to shop online during this extraordinary period (23.6%). According to the results of the survey, the proportion of those trying online shopping for the first time was even higher among customers (35.1%), and the questionnaire responses also showed that 14% of respondents ordered less online from foreign online stores. Fig. 5 shows the age structure of those who tried online shopping for the first time during the curfew, those who preferred online shopping, and all respondents to the questionnaire.

Figure 5 Age distribution of online shoppers during the curfew period (%)



Source: own research based on survey data, 2021

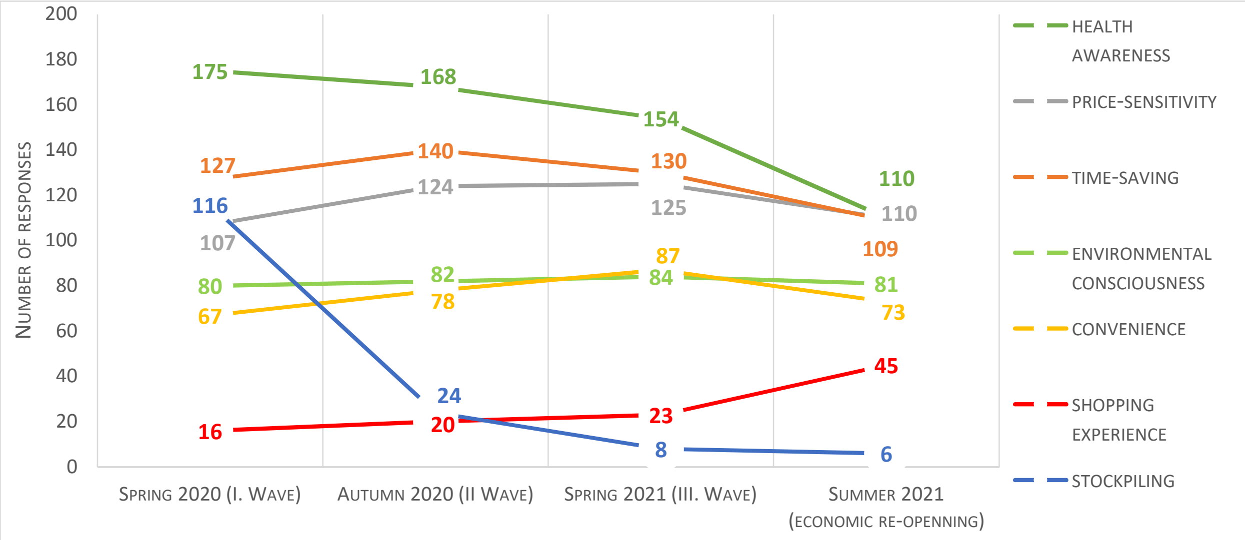
The proportion of middle-aged shoppers (aged 40-50 years) who preferred to purchase online during the curfew was higher (37%) than it would be expected from their age distribution in the total survey sample. In the age group of 50-60-year-old shoppers the percentage of online shoppers was 22, which is significantly lower than this number in the 40-50 age group. Results show that the age distribution of new entrants corresponded to the total sample, with no significant structural differences. It can be also seen from the responses that the proportion of first-time internet shoppers is significantly higher in all age groups than the pre-pandemic levels. The public health emergency accelerated the pre-pandemic development trajectory of the online FMCG sector by many years.

The relationship between price sensitivity and the intention of using an online shopping service can be pointed out. A medium-strength and statistically significant association was detected between those who were more price-conscious during the outbreak and those who were open-minded to try out online shopping for the first time.

The direction of the correlation was the opposite between these variables, i.e., less price-sensitive shoppers are more likely to prefer online retail channels. The importance of cost-consciousness also decreased significantly when those who had been using online shopping for a longer period of time were included in the sample. In other words, there was an inverse relationship between the preference for online shopping and cost-consciousness.

The main preferences of product purchases were also examined in the research (Fig. 6). Not only the rank of these factors, but also the change in their relative position can be traced on the graph during the different stages of the pandemic era.

Figure 6 Preferences of product purchases by the number of responses 2020-2021



Source: own edition

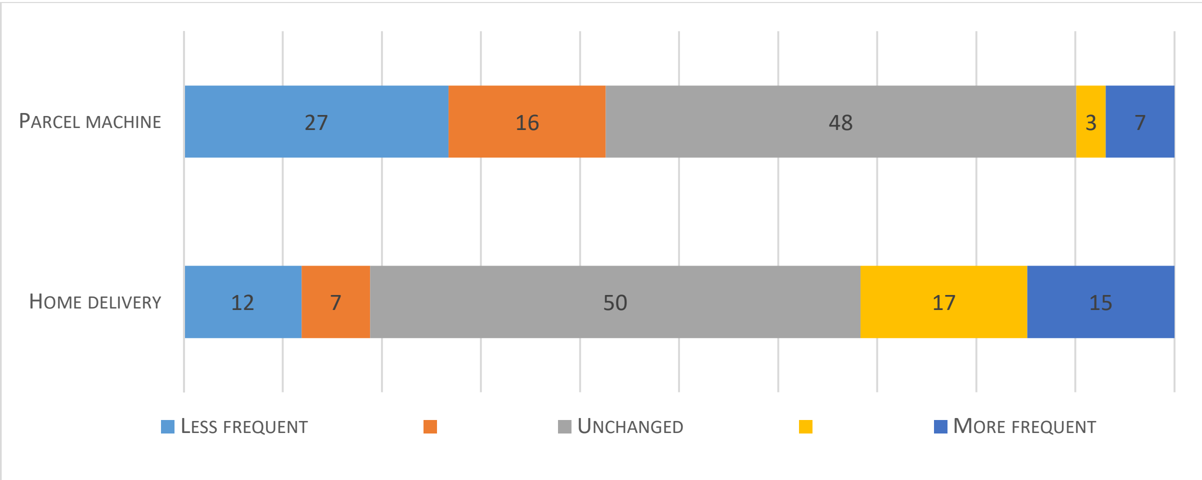
The results showed that, due to fears of viral infection, health-related purchasing considerations were the most significant influencing factor at each stage of the pandemic, but the priority for this aspect declined at an accelerating rate in three waves of the epidemic.

As a result of the panic buying in the first wave of the epidemic, stockpiling was still one of the biggest buying motivations in the spring of 2020, but it was no longer a major factor during the next epidemic waves. The importance of the shopping experience was greatly influenced by the fear of the pandemic.

The line graph showed a steady upward trend, starting with a significant increase in dynamics at the end of the third wave. At that time, the number of those who wanted to make up for missed purchases ("anger buyers") almost doubled. A significant group of respondents showed a lower willingness to buying compared to the beginning of the epidemic, and their buying intentions were further reduced during the period of mass vaccinations and economic reopening. They are mainly characterized by price sensitivity, convenience, and time savings. In terms of environmental consciousness, however, there is no significant change between the examined epidemic waves. According to the analysis, health and environmental consciousness are significantly correlated to the level of education. Younger age groups tend to have higher levels of education, so these aspects are also much more articulated in the case of GenY than in generations over 60 years of age. It seems contradictory that while the older generations felt much more vulnerable during the pandemic, health considerations were more important for the younger generations.

Not only in terms of purchasing habits did the COVID-19 crisis influence customers' habits, but their delivery choices also changed, which can also be considered an important issue in the long run (Fig. 7).

Figure 7 The intended frequency of use of delivery services after the public health emergency, compared to 2019 in the share of total respondents (%)



Source: own research based on survey data, 2020. (N=353)

Behavioural changes are not expected to disappear completely once the epidemic is over. For both delivery methods, roughly half of the respondents indicated that they would change the frequency of using the service compared to the previous year. The coefficient of the Spearman rank correlation used in the cross-tabulation analyzes by age group showed a negative, loose relationship for the planned frequency of home delivery (-0.21) and e-parcel point services at the 95% significance level most accepted in the social sciences (-0.26). There are many similarities between the two delivery methods, but there are also significant differences in the evolution of the results. The proportion of those who want to increase the use of parcel machines is similar in all age groups. However, there is a clear age distinction among those who plan to reduce the frequency of use of parcel points: a quarter of the respondents are aged 20-30, a third of those aged 30-50, roughly half of them are between 50-60, and two-thirds of them are 60+. In terms of home delivery, respondents between 20 and 30 claimed in the highest rate that they would increase the number of deliveries in the future. This represents an increase of approximately 10 percentage points compared to the overall average of 32%. Meanwhile, this age group also has the lowest rate of those planning to reduce the number of their delivery orders. By far the highest proportion of people over the age of 60 responded that they would change the frequency of using delivery services (67.2%). In contrast to other age groups, most of those senior customers who would like to change their behaviour after the pandemic will reduce the frequency of use home delivery services. Overall, this group accounts for 62% of the oldest age group. At the same time, compared to the results in other age groups, it is very favorable that almost a quarter of respondents aged 60 and over plan to increase the use of home delivery services. This value is only 7 percentage points below the proportion in the overall survey sample.

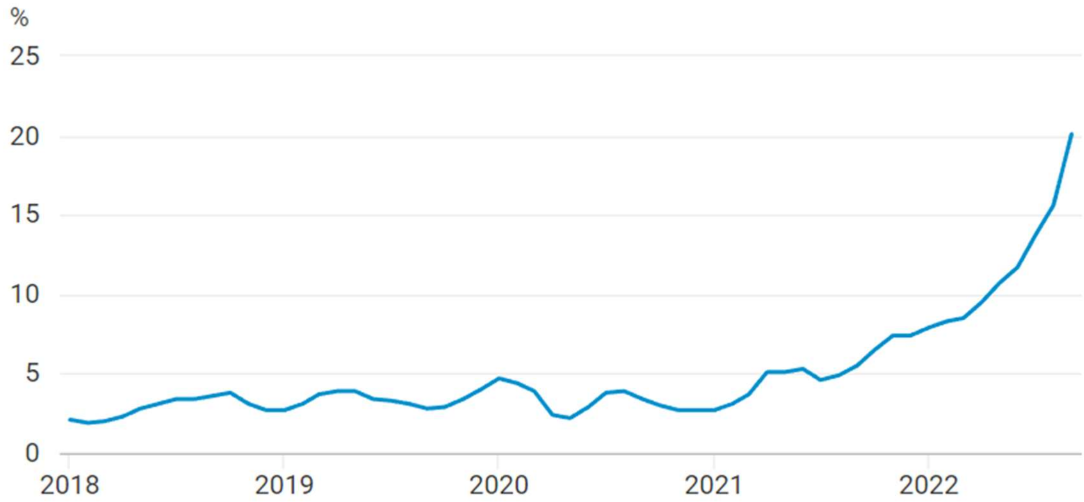
First reactions on the military conflict between Russia and Ukraine

There are no major disruptions in the Hungarian FMCG retail supply system one month after the outbreak of the military conflict in Ukraine on 24 February (Thurzó, 2022). Impacts of the war on the retail sector are perceived by Hungarian shoppers in the form of a steady increase in prices. However, it is difficult to calculate exactly how much of the price increases is due to the conflict in Ukraine, as the reasons are not only attributable to the war (Szabó Tamásné, 2021). Price caps on essential food products (e. g. UHT milk, basic fresh meat (chicken)), which artificially dampen the scale of price increases, are recently distorting real market prices in consumer markets. The Hungarian government introduced price caps on seven basic food products for three months [Government Decree 6/2022 (I. 14.)]. Furthermore, the introduction of the fuel price cap in November [Government Decree 626/2021 (13.11.2021)] indirectly contributes to increasing the security of supply chains and reducing price increases (MTI, 2022).

Due to the fast increase of energy prices and to the uncertainties in the global energy markets a higher volatility of the Hungarian national currency (HUF) could have been observed from the 3rd quarter of 2022. These unfavorable macroeconomic processes contributed to a fast increase in consumer prices (Fig. 8), this way the price-cap measures were sustained according to the decision of the government.

However, the disinflationary impact of these measures is below what was previously expected, and they are becoming increasingly difficult for the Hungarian government to sustain, in large part due to the extreme runaway in world prices (Csiki, 2022). For the reasons mentioned above, panic buying was not experienced among consumers until the end of April in the Hungarian retail stores. At that time, there was an increase in the turnover of price capped products in retail stores due to fears of derailing the price (Portfolio, 2022). Eventually, these fears proved unfounded, with official measures being extended for another two months (Braunmüller & Madár, 2022).

Figure 8: Changes in consumer prices (previous year=100%)



Source: HCSO, 2022, www.ksh.hu

In the meantime, fears of fuel shortages led to a small buying boom at petrol stations before the four-day holiday in March. In order to tackle the tense crisis situation, the government intervened on the fuel market (Dajkó, 2022). Fortunately, as a result of the extraordinary interventions, the market calmed down in a few days after the holiday (Szabó Tamásné, 2022).

The Hungarian government introduced some customer protective measures in the financial market as well. The interest rates of loans for private clients and SMEs were maximized (via so-called interest rate stop), producing a trade-off in the amounts of mortgages in the short- and long-term: while the monthly expenditures remain on the same level for the families and SMEs, the length of the credit-payback period will be expanded, which will decrease the discretional incomes of families and SMEs in the long-run. All of the above introduced changes in consumer and shopping behaviour caused by different crises (health-related, war-related) have a significant impact on the suitable and applicable retail strategies. The possible way-outs for retailers will be drafted in the next part of the study.

Strategic reactions in retail

By referring to and analyzing international and Hungarian trends in retail, in the previous chapters we have presented the most important changes that are forcing commercial companies to (re)act. The changing market and customer patterns were summarized by Deloitte in their 2020 strategic analysis (Deloitte, 2020) in the following key points:

- Mobile (shopping)
- Individualization of products/services
- CX (customer experience)
- Instant availability and delivery
- Health and sustainability
- Less loyalty to brands
- Well-informed customers
- Social media

In order to be able to adapt to these changes at the right pace and to the right extent, for retailers a multi-level strategic intervention is essential. Re-thinking and adaptation are essential in the business model, operating model and strategy (mission and vision) of businesses.

Changing the operating model is critical, since implementing organizational, management and behavioural changes is a must (Deloitte, 2020):

- Organization:
    - organization structure
    - governance
    - capabilities
    - task designs
- Execution:
    - Budgeting
    - Processes
    - Tooling
    - KPIs
- Behaviour:
    - incentives
    - culture
    - workplace

As can be seen from Deloitte's previous analyses, retailers need a more flexible response adapted to market changes, which is in connection with digitalization, and a continuous oversupply. However, the second and third decades of the 21st century brought a number of non-market uncertainties (pandemics, war, climate change, etc.) with unexpected and significant market effects such as fluctuations in demand / supply, resource supply problems, logistical problems, restrictive measures by the government, etc.

These challenges call for new strategic responses from retailers to the following issues:

- Dealing with sudden demand or supply shocks
- Development of an appropriate response strategy for the introduction of temporary / permanent state measures restricting market mechanisms (e.g., opening hours, central pricing, etc.)
- Management of supply disruptions (e.g., stock shortages, fluctuations in demand)
- Customer service development due to changes in customer behaviour, increase in needs and expectations (e.g., immediate customer service, omnichannel sales)
- Responding to anomalies (operation, product range, services) caused by climate change (e.g., weather extremes).

In order for a retailer to be able to meet these many unforeseen challenges, it is essential to make its operating model "crisis resilient". This requires a strategic, marketing, financial, controlling, HR, sustainability approach and measures too (Fig. 9).

Figure 9 Conditions for retail success today

Source: own edition

CONCLUSION

As a conclusion of our study, we can state that in the turbulent decades of the 21st century, the overall approach, methodology and tools of retail trade are constantly changing, and business success depends on the extent and speed with which retailers are able to adapt to these market and non-market changes. In the third decade of the 21st century, commercial companies need to be able to face challenges not only of market origin but also non-market ones such as pandemics, wars, and climate change.

This means that challenges and responses are different, as hitherto "unusual" phenomena such as the introduction of active state restrictive measures, oversupply markets, stock shortages, etc. need to be addressed. All of this makes it essential for retailers accustomed to operating in a very competitive market and oversupply to develop radically different conceptual and operational practices.

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