

Warehouse Stores are a Modern Form of Small Wholesale Trade

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Abstract:

In this article, based on an analysis of the efficiency of organizing the activities of warehouse stores, that is, wholesale stores in the "Cash&Carry" format, the possibilities of carrying out wholesale trade using warehouse stores in our republic are considered. Based on an analysis of the activities of warehouse stores, such as Costco, METRO, Walmart and Светофор, the advantages and amenities of warehouse stores are given and a number of recommendations are given.

Keywords: warehouse stores, cash and carry, retail, Costco, METRO, Walmart, wholesale trade.

Introduction

Warehouse stores have become popular recently and offer a unique shopping experience that differs from traditional retail stores. These stores allow customers to buy products in bulk at discounted prices, making them an attractive proposition for budget-conscious consumers. Warehouse stores are also useful for small business owners who need to purchase large quantities of items on a regular basis.

One type of wholesale market is small-scale wholesale warehouse stores, which are primarily aimed at small buyers - retailers, stall owners, small shops that buy small quantities of goods. Small wholesale warehouses are popular abroad and are called "Cash and Carry", which means "fill and take away".

Today, manufacturers and large trade networks in developed countries are integrating into the world economy and trying to increase the size for increasing competitiveness in the conditions of active race.

It would be appropriate for the producers of our republic to introduce warehouse-store activities in order to increase the efficiency of their activities, improve the type and range of products, satisfy

the population's demand for quality goods and services, increase the competitiveness of local producers, and further develop small wholesale trade.

Literature review

Pankratov F.G. and Soldatova N.F. In the book "Коммерческая деятельность" it is stated that the operation technology of warehouse stores of this format is simple and very effective, that a warehouse store abroad is a place equipped with rows of shelves (racks), that a warehouse store operates on the basis of self-service, and that the customer buys all the goods. they emphasized that they will have the right to access their reserves [3].

It is said that stores in this format appeared for the first time in the 30s of the 20th century Pankratov F.G. and Soldatova N.F.

Taisheva G.R. and Chagayev D.A. in their article "К вопросу о возникновении и функционирования торгового предприятия типа магазин-склад" they said about the first appearance of warehouse stores: "They were first registered in Europe in the XVII-XVIII centuries, their stocks fed the army, which, most importantly, allowed to move away from their bases up to 150 kilometers, or in other words, up to 5 marches" [4].

Tikhonov N.A. In his article entitled "История становления и развития сети мелкооптовых магазинов-складов самообслуживания («кэш энд керри»)" he said about warehouse stores in the cash and carry format: "Cash stores offer quality food and non-food products and offers a wide and stable assortment packaged in accordance with business needs. It greatly facilitates the delivery of products to small and medium-sized businesses, restaurants, hotels, etc., allows them to purchase the necessary goods in small quantities when necessary and pay them immediately" [5].

Yakushenkova S.Yu. and Astrakhanseva A.S. in their article "Роль современного склада в деятельности коммерческой компании" the role of modern warehouses in the activity of commercial enterprises, the tasks of the warehouse and the efficiency of its use were considered. The main aspects of the foreign experience of large foreign commercial companies in using warehouse complexes are highlighted. The article presents the economic indicators of "Leroy Merlin", "Ashan" and METRO Cash&Carry trade networks [6].

Shepakin M.V., Oblogin M.V., Mikhailova M.V., Sokolova L.I. in the article "К разработке классификаций розничных торговых сетей в условиях их маркетинговой адаптации к требованиям нестабильного рынка" by the authors, retail trade networks in the commercial sector are divided into classes based on their various indicators. Filippova T.A. considered the main classification features in terms of forms of ownership, specialization and the method of organization of trade activities, forms of trade services, types of retail trade enterprises. According to these indicators, more than 50 enterprises are given as examples [13].

In our opinion, warehouse-shops are a very convenient trade format both in terms of technical organization and efficiency. To imagine the warehouse format, we think it is enough to look at the stores of Costco, one of the leading warehouse stores in the USA.

We believe that stores in this format are very convenient for organizations that make small wholesale purchases. Warehouse-stores are a popular format in the commercial sector and have many benefits, and this format has shown that stores in this format are convenient in every way, reduce overheads, and optimize the use of sales and warehouse areas.

Research methodology

The methodological basis of the research is the work of small wholesale trade networks in the Cash&Carry format, the advantages of using warehouses of this form, and its economic efficiency. In the process of analysing, methods of observation, generalization, grouping, comparative analysis and theoretical interpretation were used. The effectiveness of the use of warehouses was evaluated

through the observation method and appropriate conclusions were formed through abstract-logical thinking.

In addition, the scientific basis of the article is made up of textbooks in the field of commerce, research data conducted by scientists in foreign scientific publications, analytical and statistical data of specialists of mass-information and commercial platforms in the field of trade in our country.

Analysis and results

Typically, Cash&Carry stores are B2B stores targeting small wholesale and wholesale customers who purchase goods with cash. Ideally, warehouse stores are self-service outlets and not intended for individual retail customers. Some brands in this format also offer membership benefits. Another way to look at Cash&Carry is to see it as a hypermarket or warehouse-style one-stop shop for bulk purchases at low prices.

The main buyers of warehouse stores (the so-called HoReCa market - hotel, restaurant, cafe) are small trade, public catering, and service industries. The tasks of such stores include the wholesale purchase of goods from manufacturers, their storage and sale for cash, and in some trade networks of this format, payment for goods may also be provided through bank transfers.

For example, in Great Britain, brands of this format account for 65% of the wholesale turnover for food products, while in the Russian Federation, more than 30% of the retail turnover is accounted for by small wholesale warehouse networks, which are contributed by small private traders [3], [6].

The operation technology of these warehouses is simple and very efficient. A warehouse store abroad is an area equipped with rows of shelves. The warehouse store operates on a self-service basis. The buyer will have access to all stocks of goods.

On the lower levels of the shelves, goods are placed freely, openly, which is designed to make it easier for the customer to check and choose what he needs. Everything the customer decides to buy is placed in the shopping cart. Then it goes to the checkout process, just like in a self-service store: before exit, where the cashier takes money for the goods and the operator presents the invoice to the customer. Delivery of purchases to the specified address is carried out by the buyer.

Low warehousing costs enable low prices for customers. This is one of the important advantages. Another advantage of the warehouse store is the wide range of products aimed at the specific characteristics of small retail businesses. Purchases for warehouse stores are made through direct contact with industrial enterprises, which allows to sell goods to customers at low prices.

At the same time, the following facilities are available for retail customers:

- lower prices compared to retail stores;
- the possibility of making purchases in a large volume, that is, in a small wholesale form (in some cases, the quantity of goods in hypermarkets may not be sufficient for wholesale purchases);
- a wide range of products (in this case, the availability of all types of products of the same manufacturer);
- possibility to pay the fee in cashless form;
- readiness, speed, etc. of accounting documents.

In 2019, the total revenue of the world's 250 largest retailers was \$4.85 trillion - an average of \$19.4 billion per sector participant. 7 of the world's top 10 retail companies are located in the United States.

In the list of 250 best retailers (retailers), Europe leads: 87 of the world's leading retail companies are listed in this region. North America accounted for the largest share of total revenue (47.1%).

The largest product segment remains the segment of consumer goods. In 2019, 135 companies operating in this field (54% of the total number of network representatives) accounted for 66% of the total revenue.

In 2019, 9 of the 12 new entrants to the world's top 250 retailers were from the Asia-Pacific region.

E-commerce and off-price retailing have fueled rapid growth in retail revenue among the 50 fastest growing companies [9].

Let's take a look at the world's leading Cash&Carry brands.

Costco Wholesale Corporation

The largest warehouse store in America is Costco Wholesale Corporation (1983), which focuses on selling products from a limited number of manufacturers at minimum prices. To shop in these stores, the customer must purchase a club card - Executive Member, Business Member or Goldstar Member [4].

Today, it is one of the largest retailers in the world with annual revenue of over \$150 billion. Its US sales are expected to exceed \$176 billion in fiscal year 2023. According to Costco's annual report, grocery categories account for about 55% of total sales. We estimate Costco's 2023 grocery revenue to be approximately \$97 billion.

Costco stores offer a wide range of products - food, electronics, appliances, furniture and more. It's a membership-based warehouse club with operations in 12 countries and over 800 locations worldwide. The company is known for low prices, bulk purchases and high quality products.

METRO Cash&Carry

The company was founded in Germany in 1964, and today METRO is the largest management company in the international Cash&Carry business format (small wholesale) within the METRO AG holding, a global operator of retail and small wholesale trade. More than 750 METRO shopping centers are successfully operating in 25 countries of the world. The company's sales in the 2019-2020 fiscal year amounted to €27.1 billion. The number of employees is about 100,000. The development of METRO is based on the strategy of internationalization. METRO Group took 1587th place in the Forbes Global 2000 list of the world's largest state-owned companies for 2023. As of 2022, the company has 233 stores in the east, with a turnover of €10.0 billion [7].

Walmart

Walmart Cash&Carry is a member-only wholesale club serving small and medium-sized businesses and individuals for bulk purchases at competitive prices. The company offers a wide range of products - food, cleaning products, electronics and equipment, stationary and other office equipment, household goods and more. Walmart offers products with attractive price tags. The reasons for this are the elimination of middlemen from the value chain and the use of crowdsourcing. Benefits are ultimately passed on to customers. Walmart also offers many benefits to its members. These benefits include free shipping, discounts at select gas stations, easy checkout, and more. Walmart's total revenue for 2023 was about \$505 billion. Walmart dominates the US grocery market and is by far the largest grocery retailer in the country.

Светофор

Светофор is one of Russia's largest chain of grocery stores. In 2009, the first Светофор store was opened by brothers Sergey and Andrey Schneider in Krasnoyarsk. In 2017, Светофор opened stores under the Маяк brand, and in 2018 in Europe under the Mere brand. The main feature of this trade network is that the products are cheaper than other chain stores. The difference can be one and a half or even two times [8]. The store format is a hard discounter. The assortment - food and non-food goods does not exceed 2000. Светофор is primarily a warehouse store that caters to

individuals, allowing its customers to do retail at 20% lower prices than other stores. In 2020, the sales turnover of the company's stores made 18.16 billion rubles of revenue and 410.97 million rubles of profit.

Retail trade in the Republic of Uzbekistan is regulated on the basis of the decision of the Cabinet of Ministers of the Republic of Uzbekistan dated February 13, 2003 No. 75 "On approval of the rules of retail trade in the Republic of Uzbekistan and the rules of production and sale of catering products (services) in the Republic of Uzbekistan" [1].

Organization of entrepreneurial activity and permanent establishment of business activities in the III-priority direction of the Decree of the President of the Republic of Uzbekistan dated January 28, 2022 "On the development strategy of the new Uzbekistan for 2022-2026" No. PF-60 In order to create conditions for the formation of sources of income, to increase the share of the private sector in the gross domestic product to 80% and the share of exports to 60%, the benefits given to entrepreneurs are indicated [2].

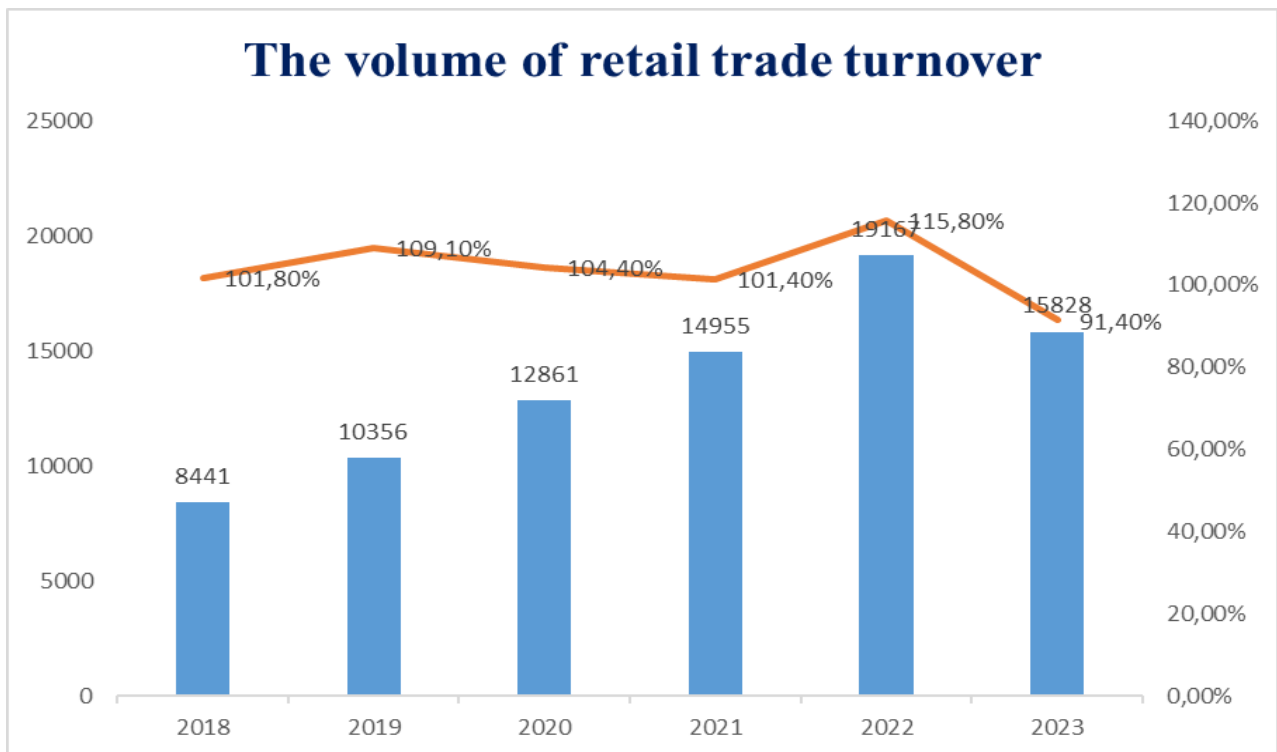


Figure 1. The volume of retail trade turnover in the republic in 2018-2023

Source: Uzb. Res. It was developed by the author based on the information of the Statistics Committee under the Ministry of Finance

In January 2023, the retail trade turnover of the republic was 15,824.7 billion. amounted to soums and reached 91.4% compared to January 2023. In particular, the turnover of large enterprises is 3,449.6 billion. soums (growth rate of 123.9%), the turnover of small business and private business entities is 12,375.1 billion soums. soums (growth rate of 85.1%), of which non-organized trade turnover is 1,717.2 bln. amounted to soums (87.8% growth rate).

As can be seen from the diagram, the highest growth rate of retail trade turnover in the last 6 years (2018-2023) was observed in 2022. In this case, the turnover of retail trade increased by 115.8% compared to the corresponding period of 2021, or 19,167.0 billion. made soums [10].

"EastFruit" experts used the data of the State Tax Committee of the Republic of Uzbekistan to determine which supermarket chain of Uzbekistan is the leader in the country's retail trade turnover. At the end of 2022, more than 241 million consumer checks were recorded in the system, and their

cashback amount was 1 trillion soums. reported that it was more (about 91 million US dollars). Among the top 20 trade entities according to registered checks for December 2022, the following information is given about 8 chains of supermarkets of Uzbekistan that sell food, including vegetables and fruits [11]:

Table 1. Merchandise turnover of supermarkets in Uzbekistan in December 2022 (soums)

№	Brand name	Amount of checks in December 2022 (soums)
1.	Korzinka.uz	450 billion
2.	Havas	69.58 billion
3.	Makro	50.75 billion
4.	Baraka market	17 billion
5.	Magnum	21.34 billion
6.	Carrefour	6.6 billion
7.	Asia.uz	3.64 billion
8.	Bi1	2.14 billion

Source: East Fruit website, 2022

"Korzinka.uz ", one of the largest retail chains in Uzbekistan, launched a new brand "Korzinka Biznes" focused on small wholesale trade. This store is a warehouse-store in the format of Cash & Carry, which we mentioned above, and is intended for work only with legal entities. Korzinka business - offers a range of more than 3500 products, provides necessary documents for purchasing products and accepts payments in any form of payment. To cooperate with the store, i.e. to use it, it is necessary to open a club card [12].

Conclusions and suggestions

Warehouses and stores operating in our republic have a direct impact on the speed of circulation of goods and money, and on favorable trading conditions. We can see their relevance today. For example, the Magnum trade network can be compared to a warehouse-store format. Korzinka business started its activity as a store in the same format.

As we mentioned above, the advantage of warehouse stores for the economy of the Republic is the acceleration of the turnover of goods, that is, the transfer from the producer through this store directly to the consumer in a small wholesale volume; to the acceleration of money circulation in bank accounts, due to the fact that payments are made by money transfer; the emergence of new opportunities in the field of trade, which in turn leads to the development of entrepreneurship.

For entrepreneurs, the circulation of goods and cash flows will be accelerated, they will be able to use the trade area optimally, and their operational costs will be low.

Consumers and/or organizations will also be able to transfer money from their bank accounts to trade and receive benefits.

As a result of research, we show the following advantages of working in the Cash&Carry format:

1. Generalization of the common space as a trade and warehouse leads to efficient and maximum use of the space.
2. When the general area of the store functions as a warehouse, a few types of warehouse operations, that is, the execution of the receiving operation, lead to a reduction in the total volume of work.
3. In the process of storage, the goods do not move excessively, which significantly reduces the operations of loading and placing them.

4. Providing the area with excess equipment, not spending too much on repairs and interior work - leads to a reduction in costs.
5. Implementation of self-service - reduces the need for personnel and costs.
6. No need for a large number of cash registers - reduces labor requirements and costs.
7. Making purchases in a large volume leads to a faster turnover of goods compared to retail trade.

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