DISCOUNT CHAINS IN THE SMALL TOWNS AND RURAL AREAS IN POLAND

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Abstract: Trade is one of the key factors determining sustainable city development and its surroundings. City development is a result of provision of goods and services to city inhabitants, and residents of its surrounding areas. Retail trade in Poland belongs to economy sectors in which the processes of market changes were started the earliest. Discount stores that apply the strategy of low prices in the process of market conquering are currently one of the most dynamically developing selling formats. These shopping facilities are located in many Polish cities, including small towns and rural areas. The aim of the article is to show the scale of investments in new discount shops in small towns and rural areas in Poland in 2012–2015. Research focused at devoted to this field is important from the point of view of choosing the location of new investments related to discount chains and of the small towns and rural areas development strategies. Identification of consequences of discount chains operations in chosen rural areas and small towns can impact the verification of the policy adopted by local authorities in relation to spatial planning and forming the functional structure of the space. It will result in more conscious (rational) decisions in terms of localizing new discounts, which will reduce the number of local conflicts related to location of such facilities.

Keywords: discount stores; retail formats; small towns; rural areas, location

JEL codes: R11,R12,R58
1. Introduction

First discount chains were established in Poland in the 1990s and they were located in large cities and in medium-sized cities. From the beginning of the 21st century, discount chains appear also in small towns and rural areas. Nowadays the pace of development of discount chains in Poland is characterized by the most dynamic growth observed among European countries (Taccet 2014). It is probably related to limited legal regulations restricting this domain and a considerable interest from investors. Like in the case of countries of the Western Europe, it is possible to notice a trend of increasing the sales area of the discount shops enriching the offer by adding new products and changing preferences related to their location (in small cities and rural areas). The development of discount chains in Poland is a stage of qualitative transformation of trade resulting from: the needs of the market, its evolving infrastructure, changes in the character of consumption and lifestyle of Polish consumers. It is also an effect of an increasing interest of the financial markets, including foreign entities and capital groups, in implementing best practices related to the organization of large-format trade into the Polish reality (Maleszyk 2003). Although discount chains have been present in Polish urban areas for twenty years, there is a visible gap in terms of identifying the impact of discount chains on local development, especially in small towns and in rural areas.

In small towns and rural areas, discount chains are in competition with local shops and local producers. The aim of the article is to show the scale of investments in new discounts in small towns and rural areas in Poland.

Research focused at this field is important from the point of view of choosing the location of new investments related to discount chains and of the small towns and rural areas development strategies. Classical theories regarding the location of trade and services do not take into account the specificity of modern trade formats and conditions of their functioning in space.

The paper focuses on the verification of the following research hypotheses:

- Discount chains located in small towns and rural areas (in 2012–2015) significantly change the functional structure of these territories.
- The impact of discount chains on small towns and rural areas depends on the number of units and the structure of the local retail chain.

Identification of consequences of the operation of discount chains in the chosen in rural areas and small towns can impact verification of the policy adopted by local authorities in relation to spatial planning and forming the functional structure of the space. It will result in more conscious (rational) decisions in terms of localizing new discounts, which will reduce the number of local conflicts related to location of such facilities.

We can state that discounts chain stores make a very important economic potential of Poland, and moreover, conditions of their functioning are more and more competitive. It is worth adding that activities of foreign trade chains remarkably increase competition in retail trade sector, which in practice results in pro-customer actions undertaken by entities in this sector. These actions are strongly connected with the concept of relationship marketing.
2. Discount store as a trade idea

The retail format is the store ‘package’ that the retailer presents to the shopper. A format is defined as a type of retail mix, used by a set of retailers (Levy et al. 2002). A discount store is a retail store which: sells products at prices lower than the typical market value, an area of 400–1,000 m$^2$, leading sales mainly in self-service, offering a limited range of food, non-food and durable goods at low prices. Discount stores are based on the strategy of price leadership, promotion of own brands and reducing marketing costs (Bilińska-Reformat 2012). They are localized in residential areas and in the centres of large and medium-size cities.

The definition of the grocery discount chain focuses on a number of key attributes, as follows (Stych 2011):

- Low cost operations and merchandising: Discount stores have ‘everyday low cost’ operations, with low cost store fit-outs and multi-skilled staff who reduce store operating costs. Merchandising is basic (for example, pallets are placed directly on the shop floor) while display shelving is limited.

- Limited product range: Discount retailers exercise strict range discipline to limit the number of products available in their stores. This is at its most extreme among operators such as Aldi, whose in-store product count can be as low as 900. This compares with more than 20,000 in a typical European supermarket.

- Focus on price. The provision of low priced goods is at the core of the discounter model. Prices are prominently featured in-store, typically in a high profile position above the product itself, with the focus as much on price as it is on product in some cases.

- Small store formats. Core discount stores are relatively uniform in size and layout, which helps keep operating costs low. Typically stores range in size from 800 sq m (8,600 sq ft) to 1,500 sq m (16,000 sq ft).

- Limited role for branded products. Discounters traditionally emphasise private label products, and often ‘exclusive’ labels that do not carry the store name. However, important changes are taking place here, with a greater willingness by discounters to list manufacturer branded goods now emerging.

Traditionally, four classifications of discount retailers are identified (Table 1).

<table>
<thead>
<tr>
<th>Type of discount</th>
<th>Assortment offered</th>
<th>Difference in prices</th>
<th>Examples of chain stores</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hard discount/limited assortment store</td>
<td>500–1,000</td>
<td>15–30 %</td>
<td>Aldi, Lidl, Biedronka, Netto</td>
</tr>
<tr>
<td>Soft discount</td>
<td>1,500–2,000</td>
<td>10–15 %</td>
<td>Plus, Penny</td>
</tr>
<tr>
<td>Extended range discount</td>
<td>5,000–10,000</td>
<td>5–15 %</td>
<td>E. Leclerc, Intermarche, Champion</td>
</tr>
<tr>
<td>Warehouse store</td>
<td>5,000–8,000</td>
<td>5–10 %</td>
<td>Kaufland</td>
</tr>
</tbody>
</table>

Source: Own study based on http://retailanalysis.igd.com/ 2013 (07.08.2016).
However, the discount sector is evolving fast. While the core principles still remain, in a number of these areas there have been significant changes. For example:

- Enrich the offer of new products,
- Differentiation trade offer,
- Special offer e.g. Greek week, vegan products, organic food,
- Product differentiation in terms of price,
- Complement the offer of additional services, e.g. petrol stations, catering, mail facility.

Europe is the home of discount retailing, and more specifically Germany, from where four of the five leading European discounters originate. Furthermore, with a value of nearly €68 billion, the German discount sector is more than three times the size of any other discount market. However, although some western European countries, such as the UK, Ireland and Spain, saw discounters grow rapidly, the German market had already moved towards saturation and saw slowing growth. Looking across the discounter sector in western Europe, we can forecast that in the next five years the gains will be much harder to come by. Leading discounters are therefore looking to many eastern European countries (ex. Poland) and emerging markets to drive growth. But as shoppers increasingly look for quality and choice as well as value for money, discounters cannot purely focus on price and will have to flex their models and propositions to meet new and emerging consumer needs. Situation is slightly different in Poland, where customers increasingly buy in discount stores in large cities and small towns (http://retailanalysis.igd.com/2015) (access: 09.08.2016).

According to research conducted in Poland in the year 20131, on the frequency of buying food products, the largest percentage of respondents claimed to purchase the goods in Biedronka (65.56%), Lidl (41.42%), Tesco (31.55%) and Carrefour chain (30.11%). On the other hand, the least popular are elDe (0.50%), Spar (0.82%), Milea (1.01%) and Chata Polska (1.07%). Therefore we can state that discount chains are perceived to be the most popular shopping places. This type of shops is the most favourite shopping option for the Polish.

3. Discount retailers in Poland

Poland has the largest discounter market in all of Central and Eastern Europe. It is also the fifth fastest growing market with an expected retail growth rate of 40.3% from 2010 to 2017 (http://retailanalysis.igd.com/2015) (access: 09.08.2016). Discounters currently sell more than any other retailer channel, such as hypermarket/supermarkets, cash and carriers, convenience stores, and other grocery formats.

Analysing the structure of foreign retail trade enterprises we can state that the largest activity in conquering new markets is observed among French, British and German commercial chains. Retail trade chains can be divided with respect to their nature (size of the selling area, location and range of offered assortment) into three groups:

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1 Own research, conducted in 2013 by using statistical data network centres, partly used.
1. Hypermarket chains – this group may include the following entities: Auchan (Auchan Group), Carrefour, Real (Metro Group), Tesco Poland, Kaufland (Kaufland Markets), E. Leclerc (E. Leclerc group)

2. Supermarket chains: Tesco Poland, E. Leclerc, Carrefour Market, Simply Market (formerly Elea, Auchan owner, it has also taken over Billa chain), Savia Tesco,

3. Discount chains: – Biedronka (Jeronimo Martens – Portugal), Lidl (Germany), Netto (Danish chain), Aldi (German chain)

The largest European retail trade chains operate on Polish market (Kucharska et al. 2015; Grauer et al. 2015). There are Carrefour, Metro, Tesco, Schwarz (Kaufland and Lidl) and Aldi. European enterprises from Germany, Great Britain and France are found among the most powerful retail sellers. Table 2 shows the number of retail trade chains operating in various branches in Poland.

Most discount retailers are located in urban areas in small and medium sized towns, as large towns are already saturated with large hypermarkets and other grocery retailers (Global Consumer Survey Results on Apparel, Beauty and Grooming, 2013). Jeronimo Martins’ Biedronka currently dominates the discounter market, thanks to aggressive expansion and the takeover of 200 Tengelmann’s Plus stores

Table. 2. Characteristics of commercial chains operating in Poland

<table>
<thead>
<tr>
<th>Branch in which a commercial chain operates</th>
<th>Number of chains</th>
</tr>
</thead>
<tbody>
<tr>
<td>For kids</td>
<td>14</td>
</tr>
<tr>
<td>Markets, shops and building materials warehouses</td>
<td>36</td>
</tr>
<tr>
<td>Lighting and interior fittings</td>
<td>7</td>
</tr>
<tr>
<td>Furniture shops and showrooms</td>
<td>20</td>
</tr>
<tr>
<td>Discounts</td>
<td>5</td>
</tr>
<tr>
<td>Local commercial chains</td>
<td>84</td>
</tr>
<tr>
<td>Polish commercial chains</td>
<td>18</td>
</tr>
<tr>
<td>Foreign chains of super and hypermarkets</td>
<td>7</td>
</tr>
<tr>
<td>Jewelry, watches</td>
<td>7</td>
</tr>
<tr>
<td>Clothes showrooms and shops</td>
<td>108</td>
</tr>
<tr>
<td>Shoe shops</td>
<td>28</td>
</tr>
<tr>
<td>Bags and accessories</td>
<td>9</td>
</tr>
<tr>
<td>Radio, television and household chains</td>
<td>21</td>
</tr>
<tr>
<td>Computer shops</td>
<td>24</td>
</tr>
<tr>
<td>Maintenance materials and appliances</td>
<td>1</td>
</tr>
<tr>
<td>Alcohols</td>
<td>14</td>
</tr>
<tr>
<td>Bakeries and confectioneries</td>
<td>100</td>
</tr>
<tr>
<td>Coffee, tea and chocolate drinking rooms</td>
<td>9</td>
</tr>
<tr>
<td>Gifts and souvenirs</td>
<td>3</td>
</tr>
<tr>
<td>Music shops</td>
<td>3</td>
</tr>
<tr>
<td>Tea, coffee, alcoholic drinks and tobacco</td>
<td>1</td>
</tr>
<tr>
<td>Own food processing</td>
<td>8</td>
</tr>
<tr>
<td>Ecological food</td>
<td>4</td>
</tr>
<tr>
<td>Health, cosmetics, beauty goods</td>
<td>27</td>
</tr>
</tbody>
</table>


A new concept in discounting was created by Kaufland Discount Beverages. Its store is located in Brzeg and only carries soft drinks and alcoholic drinks (Taccet 2014).

Most of the private label products sold in Poland are manufactured in Poland, with around 95% of Biedronka’s private label products being produced domestically (http://www.euromonitor.com/global-consumer-trends-summary-of-2013-survey-results/report, 09.08.2016). Consumers also prefer to purchase products made in Poland as opposed to elsewhere. However, the increasing amount of branded products available in discount stores can include favourable prospects for foreign companies.

The majority of retailers in Poland do not conduct direct imports and instead, rely on local importers and wholesalers to obtain products. An importer or representative office may also be a wholesaler or distributor as well. Biedronka uses direct importers/distributors and wholesalers to purchase its products. Biedronka is also part of the AMS and Uniarme buying groups. The company also has its own distribution network in Poland consisting of six centres. Discount stores cover about 26% of food sales in Poland. Main retailers – Biedronka has 2,667 stores in Poland in 2015 and 24% market share. Lidl has 580 stores and 9% market share, Netto has 354 stores and Aldi has 106 stores in Poland in 2015. Trading with the discount channel requires a specific approach to negotiation, packaging, merchandising and managing the supply chain. Manufacturers must recognise the unique set of criteria that identify discount retailers and focus on meeting their distinct requirements. The case for suppliers to target the discount sector is more compelling than ever.

Growing market share, expanding demographic appeal, range enhancements, signs of a more welcoming attitude towards brands and rising consumer acceptance of the discount channel are just some of the reasons why they are becoming increasingly attractive accounts to target. The ground rules for supplying discounters are: maintaining a low cost base and offering low prices, delivering high quality, localization and operating an efficient supply chain (Colla 2004). The volume growth opportunity is a key advantage of supplying the discount channel. The combination of scale and modest product count, which drives high sales per item, means discounters are capable of delivering extremely large volume contracts to their suppliers. Location discounters is one of the key success factors (http://www.igd.com/Research/Retail/European-discount-retailing/) (access: 12.09.2016).

Location has a special role in planning the marketing strategies of retail entities and therefore it should be examined as a separate instrument of influencing the target market and developing relationships with customers (Davies & Ward 2002).

The search for gaps in the localization market is becoming increasingly important. Small towns and rural areas have the potential to invest in discount stores (Twardzik 2013).
4. Small towns and rural areas in Poland

Structural changes of retail trade chains that have been observed so far in big cities and agglomerations started to occur in small towns and rural areas because of new investments, i.e. discount stores, supermarkets or the so-called small shopping centres. Commercial chains started to search for new areas for location of their investments in smaller centres in which there is no competition yet, but there is a demand on commercial facilities of this type. Providing services to agriculture and rural population directly or indirectly associated with it was a traditional function of small towns. The structure has changed in the process of social and economic development, when “additional” functions gradually started to occur. They were complementing or replacing former marketplace functions. In many small centres, non-agricultural urban functions became predominant towards their primary structure while making them mono-functional cities associated with other economy sectors (including housing functions). Some authors (Szymla 2000; Heffner 2003) suggest that in the future housing function may become one of the paths of development of small towns but this may happen only in the case of continuation of general, positive trends of economic development. However, the group of mono-functional centres include, among others, the cities dominated by large plants of traditional industry that are in danger of recession and decline, urban centres with underdeveloped infrastructure and low level of services for people and unfavourable environment for local entrepreneurship, as well as those with scarcity or decline in network economic relationships, and those with low quality of human capital. Small towns perform many different functions, depending on their location (distance) with respect to other urban centres or metropolis, including administrative, commercial, industrial, tourism-related, recreation-related, and other functions. Contemporary development of small towns, both in economic and social spheres is determined in Poland by two processes: the process of social and economic transformation that is manifested by implementation of the principles of market economy, and external opening of cities and their economies to the impact of new development trends, technical and organizational innovations and foreign capital. In new social and economic conditions, a lot of small urban centres try to redefine their role and place in spatial structure of the region, while searching for new stimuli for development and opportunities for improvement of life of local communities. Investments of discount stores that while locating commercial outlets, contribute to economic activation of the town, are one of stimuli for development. Cities usually approach modern commercial investments in a positive way because construction of such a facility in rural areas is associated with generating tax liability resulting from property tax. Locating a store in a particular area also represents advantages from the point of view of local community. Benefits resulting from location of large format stores in the town area include construction of road infrastructure, because together with store construction, road infrastructure is modernized or built, unemployment is reduced as investment activities result in improvement of living conditions of population in these areas, local markets are used because discount stores sell goods of local producers. and the particu-
lar company makes use of local service market. Eventually, it is also beneficial from the point of view of town image and promotion. The process of functional transformations in rural areas is considerably less advanced but apparent. Despite urbanization processes, villages are still identified with agriculture and cities are identified with non-agricultural functions. Existing stereotypes concerning villages prove direct relationship of village inhabitants with farming and form the image that agricultural production is the main economic function of rural areas. Such an attitude determines monofunctional and agricultural nature. However, reality is becoming totally different. Such an image of rural structure has been untrue for long. Rural landscape is characterized by significant changes. This is mainly about the occurrence of numerous, non-agricultural activities in most peripheral rural areas. A remarkable part is included in new, different from agricultural functions which result in the change of predominant agricultural function into one of many other functions (tourism, trade, recreation). Multifunctional development of rural areas is based on intention to diversify economy of rural areas, i.e. departing from perceiving them as mainly agricultural zones, focused on plant and animal production (Heffner 2000). In Poland, rural areas became dominated by agricultural activities, therefore there is a need for diversification of economic function through development of tourism, trade, services, industry, forestry or housing that might complement the farming function. Trade and services are becoming the most dynamically developing sector of non-agricultural activity in villages. The largest concentration of services is observed in suburban areas where mainly transport, repair and construction services, as well as commercial chains and wholesale companies are located. New economic reality is characterized by developing trade in villages. State-owned and cooperative stores have been closed down and they were replaced mostly by private stores. Grocery shops are the largest group here. Śląskie province can be an example here. There are more and more commercial outlets of various formats, including supermarket chains, discount stores and integrated chains located in suburban areas. Apart from trade function, tourism and recreation have been developing in rural areas. Ecological farming approached as a new dimension in agricultural production is more and more popular. A lot of investments are initiated by projects implemented from European Union subsidies. Rural areas in Poland have been changing with respect to their structure, functions and landscape for a decade.

Therefore, emergence of new commercial facilities in small towns and rural areas has a positive impact on their functional and spatial development. Nevertheless, it forms a competitive threat to traditional forms of sale in small shops, in marketplaces and other forms of small retail trade. Small towns and rural areas in Poland in majority of cases is still searching for the path of development appropriate for them and in accordance with their capabilities.

Such a general direction of functional changes implies a decrease in the share of the exogenous sector in total employment and, at the same time, a process of concentration of these functions (“elution”) in few larger centres. Towns gradually lose their specialised service functions (higher level functions), which are overtaken by regional and supra-regional centres.
Although the communications and transport infrastructure is still underdeveloped, the decrease in the importance of the distance factor “takes away” service functions from local urban centres in which they were traditionally anchored. The process can be directly related to the phenomena of concentration occurring in the hierarchical layout of central places. It turns out that market thresholds for services and workplaces of the so-called creative sector are lower from thresholds for less specialised services and workplaces; their location is more casual. Thus, central functions located in small towns of metropolitan areas get eluted easier and faster as far as the domain of secondary services is concerned, which results in the gradual decrease in their attractiveness and competitiveness.

As for the direction of the development of small centres (small towns), the functional type of the rural hinterland is of key importance. Such a dependence is confirmed by functional changes which take place in local centres located in the outer metropolitan area. In the vast majority of cases, the nodal location in the local space (i.e. the availability of the rural, but highly urbanised surrounding), the urban landscape and the “centrality” understood from the functional perspective – constitute the basic indicators and re-activators of the urban character of small towns in the zones of progressive suburbanisation. The spatial layout of centres of such type is a result of a historically shaped set of layers in the morphological system and buildings, as well as of the evolution of municipal functions.

In the light of new socio-economic conditions which occurred after 1990, attempts were made in many small urban centres to strategically redefine the role and the place of those centres in shaped spatial structures of metropolises and their rural surroundings. In small towns, attempts are made to find new boosts to development and to identify chances for the improvement of living conditions of local communities. Taking into account the competition for growth factors (residents, capitals, demand potential, renown of the place, etc.) with central areas of urban agglomeration, actions and activities focused on the use of the specific character of places, local advantages and opportunities probably constitute the best development strategy. Key elements determining the success of these actions include:

– appropriate diagnosis of external conditions,
– ability to use the occurring development opportunities,
– mobilisation of the place’s own capacities by means of creating possibly the most favourable endogenous development conditions and maintaining local entrepreneurship,
– creation of organisational, social and economic structures supporting local pro-development initiatives.

The objective of such actions should not be to develop this category of towns in the quantitative aspect, but rather to increase the quality of life and the attractiveness of small centres by means of the improvement of living conditions, growth of wealth of their inhabitants and enhancement of the marketing position.

The majority of towns fit in the economy of rural areas, but their significance for the country is subject – if the relationships are not sustained and developed – to fast degradation. In areas of metropolitan type, their economic links with the rural surroundings disappear or decrease to a large extent due to the existence of new
forms of service and availability for rural residents, such as discount stores, shopping malls, wholesale centres, centres of tourist services, etc.

Little urban centres located beyond the territory of large agglomerations usually arrange the rural space and are particularly predestined to play the role of local development centres. Among features which constitute the starting point for their integration with rural hinterland leading to the emergence of structures such as local economic areas, the most important include the multifunctionality, quality of urban area, economic efficiency of local structures, spatial availability and openness of the urban layout.

At least some of relationships between the functioning of the local economy and economic behaviour of inhabitants in the zones of links between small towns are not known to local politicians and activists engaged in their economic and social development. Economic behaviour of residents of cities and their rural surroundings is also recognised in a very superficial way.

Generally, local economic links between companies operating in small towns are weak. They supply the local market, but they use mainly external potential. Non-agricultural companies constitute the main labour market for the residents of towns and are of particular importance for the rural surroundings.

The factor determining the development of towns and the size of the area of service is the attractiveness of their resources and the scope of services provided in a given town. It is therefore recommended for regional policy to support actions significantly increasing the attractiveness of resources of small towns (it can be housing stock, retail market, service institutions, sets of monuments, recreational and tourist advantages, investment areas, etc.) (Leibovitz 2006). An improvement of availability of the most important urban centres and, within them, an increase of security and better quality of the urban area represent important elements of the formation of identity of inhabitants as well as sources of the development of positive social approaches directly influencing the level of social and economic activity of residents (Waitt & Gibson 2009). It is also necessary to take initiatives in shaping the commercial network of small towns, taking into account the increasing competition discounters to win market competition from small, local shops. Emerging discount stores in small towns and rural areas, causing changes in the functional and spatial these sites, changes in consumption patterns and buying behaviour of inhabitant.

5. Localization of discount chains in small towns and rural areas in Poland

Currently in Poland, discount stores are created in small towns and even in rural areas (Fig. 1). Large and medium-size cities already have a high degree of saturation of retail space and become unattractive.

The steadily increasing number of discount stores (Fig. 2) in small towns is similar to rural areas (Fig. 3), although we can speak rather sporadic cases. The number
of discount stores in rural areas in Poland in 2015 was 19 stores.

Biedronka is the leader of discount stores in rural areas. It can be considered that the company has a monopoly on investments in rural areas.

Economists note worrying phenomenon in small towns, where construction of the discount store causes the collapse of dozens of local businesses (Maleszyk 2003; Twardzik 2014). Whereas, in the case of a big city such object affects the shape of the settlements, in a small towns it entails consequences for the whole city.

Fig. 1. Discount stores in small towns and rural areas in Poland (2012–2015)
Source: Own study.

Fig. 2. Discount stores in small towns in Poland (2012–2015)
Source: Own study.

Fig. 3. Discount stores in rural areas in Poland (2012–2015)
Source: Own study.
6. Conclusions

The development process of discount stores in Poland is very dynamic. The diversification of location focuses on small towns and rural areas occasionally. It can be concluded that:

- Location of discount stores in Poland play very important role in their business strategy,
- Discount chains function in large cities, medium-sized, small and even in rural areas,
- The importance of location in medium-sized, small and even in rural areas is still growing, because these places have big selling potential,
- Customers behaviours determine the location strategy of discount chains in Poland,
- Biedronka is the absolute leader in discount chains in Poland (also in small towns).
- Other discounters Lidl, Netto and Aldi do not invest in small towns.

The effects of the creation of modern forms of trade are, to the largest extent, perceived by entrepreneurs conducting commercial and service activity in small towns and rural areas. Negative consequences comprise a decrease in the turnover of companies and, thus, the deterioration of the economic situation, the collapse of businesses, reduced the number of customers and increasing competition.

Entrepreneurs admit that they were forced to reduce prices of offered goods and services, enrich or change the offered assortment or modify opening hours of their enterprises. As far as severe changes in the company are concerned, they mention the necessity to dismiss employees. It is therefore possible to state that discount stores in small towns and rural areas have a negative impact on the development of regions, they constitute a destimulant in relation to the development of small towns and rural areas influenced by them and they cause bankruptcy of small enterprises, their financial drain and loss of customers. Competition of discount stores is one of the main factors making it difficult to conduct business activity, especially for entrepreneurs with trade profile.

Supporters of statutory limitations of competition in trade are prevailing over opponents, however the highest number of people neither agrees, nor disagrees which such a solution or are indifferent about it. A discount stores located in small towns and rural areas may change the functional structure of the area. Over time, the number of small trade establishments may be reduced due to the loss of a significant part of the customers. Among positive boosts to the development related to the construction of discount stores, the respondents enumerated the creation of new jobs in both retail and service sectors.

In the territory of small towns and rural communes, progressive and diversified transformations of the structure of trade can be observed, as a result of changes in the consumer behaviour. The intensity of modifications depends on the size of a given commune and the number of discount stores in the trade chain. In rural communes, functional and spatial transformations related to the retail sector take place at a slower pace (much more considerable changes concern residential areas), while
in small and medium-sized towns they result mainly from the expansion of grocery supermarket chains.

Negative changes, consisting mainly in the liquidation of small shops, are considered to be a natural consequence of market gambling.

References


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