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THE FUNCTIONING OF RETAIL STORES OF FMCG IN CIRCUMSTANCES OF CRISES IN THE REPUBLIC OF SERBIA

Abstract: The retail sector with its network of stores is an inseparable and one of the most important parts for the functioning of the economy and society in general in the modern dynamic market environment. This is particularly evident when it comes to the retail sale of fast moving consumer goods (FMCG). The fact is that the vast majority of the population does not produce food and other existential goods for daily consumption, but is completely dependent on the purchase of these products. Considering this, it is clear that any major turbulence caused by a certain crisis that directly or indirectly affects retail sector also affects consumers' life quality. Crises, such as those caused by the COVID 19 pandemic, lead to product shortages on the shelves, reduced opening hours of the stores, closure of stores in many locations, changes in the assortment of stores, increase in prices of products on retail shelves, longer waits for product delivery, less employees in the stores that are available to consumers, etc. If the global events that caused crises on market in the recent past have shown as anything, it is that crises will be more and more frequent, with an unpredictable length and even faster expectations for adjustments to market conditions in order to persist and remain competitive. The objective of this research is to look at the impact of these crises and their consequences on retailers and consumers, in order to predict new crises and make suggestions so that retailers can react to mitigate the effects of these crises.

Keywords: retail, consumer, retail store, FMCG, crises

INTRODUCTION

Contemporary consumption and market conditions in which supply significantly exceeds demand in all categories of products could not be imagined without FMCG and a widespread network of retail stores that sell these products. Considering the fact that the natural production (products consumed by the people that made them) has been almost completely replaced by the commodity production (products for the market), the fact is that the majority of modern people do not produce food and other necessary products of daily consumption, it is clear that a developed network of such stores is essential for the functioning of urban areas in particular. Crises that are inevitable in modern business are present in some form at any moment. When one crisis ends, a new one emerges. In fact, crises have become so common that today they can be considered as normality rather than the exception. Each of these crises has an impact on the performance of numerous and complex activities within FMCG retail stores. These crises that have external influence on retail business, companies could only adapt to them and contiunously rising of consumerism, which is also recogniseble on the Serbian market, create retail microclimate on the market.

In the first chapter, the FMCG are defined in more detail, their categorization is carried out, the market potential of FMCG is explained and the forecast for the growth of this market in the future is given. In addition to this, the SWOT matrix of the entire FMCG industry with key strengths, weaknesses, opportunities and threats of doing business in this segment is explained. The trends shaping the FMCG market, the growth factors influencing this industry, the basic characteristics of FMCG important for their purchase, as well as the most typical FMCG sales channels are explained.
The second chapter deals with the impact of various crises on the FMCG market in the Republic of Serbia individually. The impact of two global and two domestic crises is explained. The influence of the COVID 19 crisis, the Russo-Ukrainian crisis and the crisis of shortages of milk and sugar, as the most representative FMCG on the market of the Republic of Serbia, is analysed. Each of these crises affected some or most of the activities of FMCG retail stores (displaying products, setting prices, generating demand, etc.). The paper explains the consequences caused by these crises, which affect the normal functioning of both retail stores and consumers in them. At the end of the analysis of each crisis, the explaination of measures taken to facilitate the activities within the retail stores and to mitigate the effects of such crises is given.
The aim of the work itself is to analyze the impact of these crises on traders and consumers, to predict the impact of new crises and, based on previous experiences, to give advice on what retailers can do to successfully overcome such crises. What gives this work additional importance is the fact that there are gaps in the contemporary retail literature in this area, which this work fills.

1. FEATURES, SPECIFICITIES AND TRENDS OF THE FMCG MARKET

FMCG, also known as CPG, are mainly products with higher turnover ratios and lower prices compared to consumer durable goods. These are goods that are mostly completely consumed after the first consumption and often have to be bought again and again. FMCG include five categories of products such as packaged foods (prepared meals, canned foods, sweets and snacks), beverages (soft drinks, juices, water, alcoholic beverages), cosmetic products and household chemicals (shampoo, soap, toothpaste), non-prescription drugs (vitamins, analgesics, first aid kit) and other consumer products such as hygiene products, pet food, office products.
In 2021, the global market for FMCG reached a value of 11,490.9 billion dollars. Estimates are that this market would reach a value of $18,939.4 by 2031 through a compound annual growth rate (CAGR) of 5.1% according to Allied Market Research, the main growth generator of this market is certainly the global population growth that has exceeded 8 billion people in 2024 (Deliverect, 2019).
If we look at the SWOT analysis of the entire industry, we could conclude that the main strengths and opportunities for the growth of the FMCG industry are the development of electronic commerce (which has minimized geographical barriers), globalization and innovation (companies are expanding their global capacities, expanding and deepening their assortments), support of economic authorities of countries, etc. The main weaknesses and threats to the industry include low barriers to entry into the industry (which could threaten existing companies in the FMCG market and create a state of perfect competition), dependence on agriculture and climate conditions (any changes in agricultural cycles or disasters such as droughts or floods automatically reduce production), price sensitivity and price elasticity of demand i.e. any major price changes in terms of price increases will reorient consumers to competitors and substitutes (Verhoef, Noordhoff, & Sloot, 2022).
The FMCG market is significantly influenced by the trends that shape modern consumer. The modern consumer is well informed, able to distinguish quality from what it is not, globally oriented and less loyal to brands. One such trend is the "consumer as producer" phenomenon. Today, some companies enable consumers to produce FMCG at home. A company like the Club de las Grandes Cervezas del Mundo sells its consumers the equipment to make their own beer at home. Categories such as confectionary have seen growth by educating consumers on how to make their own sweets, highlighting the joy of making sweets at home and sharing what they have made with their families. One of the latest novelties in this area is the option of a 3D printer capable of producing all categories of food, the initial price of such a printer is around 1000 euros, this will certainly be one of the widely accepted novelties of the FMCG sector in the future.
The main sales channels for FMCG are hypermarkets (the youngest and largest self-service format in Serbia) and supermarkets, convenience stores (such as stores near airports, gas stations, newsagents, etc.), discounter stores, specialized stores, and online retailers. When we look at the Serbian market of FMCG, the appearance of discounters (German „Lidl“ and Russian „Svetofor“) has influenced the growth of the concentration of modern trade to the detriment of small traditional formats in the form of neighborhood stores. In 2023, compared to 2022, a growth trend of medium format (from 40 to 300m2) was recorded in the percentage amount of 3%, while in the same period, a growth of 5% was recorded by hypermarkets and supermarkets (RetailZoom, 2024).
More significant trends regarding FMCG are reflected in the growing demand for natural, healthier and "wellness" products. In addition to more environmentally friendly products, practices of environmentally friendly packaging of such products, such as edible and returnable packaging, are increasingly dominating. Electronic commerce, which has traditionally not been focused on food FMCG, is growing more and more in this segment. Personalization and adaptation of FMCG to the individual needs of consumers is becoming more and more relevant, examples of which are vegan and vegetarian friendly food products, lactose-free milk, etc.

When it comes to the factors that affect the growth of the FMCG industry, they include the population growth, which is the most important factor for the growth of the consumption of most food and non-food FMCG, important factors are also urbanization, increasing disposable income, technological advances (the production of the food with reduced costs will be increasingly relevant with the increase of global population) and change in consumer preferences (Deliverect, 2019).
From the consumer point of view, FMCG are bought frequently, they require minimal effort when choosing and purchasing products, they are completely consumed after the first consumption (or a smaller number of consecutive consumptions), relatively low price compared to durable products. From the producer's point of view, the profit per product unit is relatively small, the volume of sales is critical for the profitability of business in the FMCG industry, in most cases intensive distribution is the type of distribution of the FMCG, the competition in the industry is relatively high, which puts pressure on the prices of these products (Marić, Vukmirović, Marić, Leković & Vučenović, 2024).

2. THE CRITICAL REVIEW OF CRISES` INFLUENCE ON THE FUNCTIONING OF FMCG RETAIL

There is almost no activity within retail store that is not affected in some way by external crises if they exist. The most representative example is the COVID 19 crisis in 2020. As a result of the panic that occurred among consumers after the outbreak of the crisis, a phenomenon known as "manic shopping" occured. Consumers, fearing a larger-scale crisis, were stockpiling certain categories of food products with a longer shelf life and certain categories of non-food products. "Manic" purchases of flour (in 25kg packages), oil, sugar, yeast, water, toilet paper, disinfectants, soap and other food and non-food hygiene products led to the disappearance of these products from the shelves of a large number of retail stores. In response to this kind of consumer behavior, retail stores have introduced quantitative restrictions on the sale of these products per consumer, the so-called "you can only purchase two pieces" policy. Such a policy was supposed to keep the shelves of the stores filled with the goods, on the one hand (which would prevent consumers from purchasing from the direct competitors who have deficient items on the shelves) and to prevent situations in which individual consumers would buy abnormally large stocks of some items which would lead to shortages of these items for other customers (Sharma & Sagar, 2023).
Of course, this policy does not imply necessary on a limit of purchases of up to two pieces. The retail chain "Sainsbury's" limited the purchase of certain items to two pieces, the "Tesco" chain moved this limit to 3, while the German supermarket chain "Aldi" set a limit of 4 pieces on certain products (Ministarstvo unutrašnje i spoljne trgovine, 2022). In Serbia, such restrictions were less significant and related less to food products than to disinfectants and other protective equipment (protective masks, etc.). Of course, the policy itself has its flaws, some consumers (dissatisfied with these restrictions imposed by some retailers) changed the place of purchase and purchased from those retailers where such restrictions do not exist. On the other hand, the question arises how to regulate situations in which the consumer buys a limited quantity of a given item, leaves the store and returns after a short time for additional quantities of the limited item (or simply sends someone else to do it). This was not a rare case during the COVID 19 crisis, especially in the developed countries. The prices of many goods that were the target of "manic" purchases would have skyrocketed if the government had not restricted the prices by regulation. So, even though sales increase for retailers in the short term under the influence of "manic" purchases, it should be considered that accumulated stocks of these products in the consumer households will delay future purchases of these products for a longer period of time. The situation with shortages of certain products caused a situation in which retailers formed waiting lists to sell certain products to consumers when the products become available again, so it was not a rare situation in which the new stocks of products in the store would be sold even before they arrive in the store (for instance yeast, flour, milk, etc.). This was common, first of all, for smaller neighborhood stores, which would make reservations for certain items to their everyday and most loyal customers (Kumar, 2024).
As a consequence of the change in the behavior of consumers and their purchases under the influence of the COVID 19 crisis, there was also a disruption in the procurement of these stores. Certain items such as flour, sugar, oil and yeast were either not easily procured by these stores or would be procured under worse conditions such as delays in deliveries, advance payments, higher prices, etc. Even if they managed to procure these items, retailers would procure them in much larger quantities than usual (in order to secure their stocks in the long term), which would further burden storage capacities and increase storage costs. Many retailers ran out of storage space, so it was not uncommon for them to close cafes, mini pizzerias and other facilities within supermarkets and hypermarkets in order to free up additional storage capacity. The products would also be temporarily stored in trucks due to the lack of adequate storage capacity (Ministarstvo unutrašnje i spoljne trgovine, 2022).
The COVID 19 crisis has imposed strict rules of behavior for employees and consumers in the stores. Many of these rules were prescribed by the government of the Republic of Serbia, application of these rules was monitored by competent state inspections. Prescribed physical distance of 2 meters between consumers, wearing of medical masks inside stores, restrictions of the number of people allowed in stores at the same time, installation of special equipment to prevent the spread of virus such as dezo-barriers (at the entrance into stores), special visors that had to be worn by retail employees, gloves when serving customers, etc., were just some of the measures taken to prevent the spread of this virus ("Sars-cov-2"). All these measures and additional mandatory prescribed equipment by the trade authorities of the

country imposed significant complications in the execution of daily activities in the stores. Employees often wore medical masks and gloves under their visors, which could be extremely tiring during eight-hour physical work in these stores, on the other hand, they had to monitor the behavior of consumers in the stores in terms of wearing medical masks, keeping the prescribed distance and the number of consumers who could be in the store at the same moment. This monitoring of the consumers was extremely important for FMCG retail companies, the measures had to be implemented otherwise in the case of detection of irregularities in the implementation of these measures (situation in which the consumer does not wear a mask in the store for instance), the authorities would punish the retail company. All of this put additional pressure on the employees in these stores and made it difficult for them to perform their daily work activities (Olutimehin, Nwankwo, Ofodile, & Ugochukwu, 2024).

As one of the consequences of the COVID 19 crisis, there was a lack of employees in FMCG retail stores. The lack of labor in the retail sector in Serbia was present even before the COVID 19 crisis. In addition to retail sector, the sectors with a labor force deficit in Serbia include catering and construction. However, the COVID 19 crisis made this situation even more difficult. Employees in the retail stores, which are the most vulnerable due to the nature of their work, would go on sick leave in the form of two-week home isolation. The number of employees within the stores decreased significantly, which was reflected in the dynamics of customer service in the stores, but also in the dynamics of refilling the shelves with new stocks. Due to this problem, some retail companies would shorten the working hours of their stores or, in a worse case, would close them completely. In order to protect the rights of employees during sick leave, the government of the Republic of Serbia made a recommendation (for all companies) that sick leave should be paid in the form of 100% of the regular salary during the period of sick leave that is caused by „Sars-cov-2“ virus, which in regular circumstances would be 65% of the regular salary (Ministarstvo za rad, zapošljavanje, boračka i socijalna pitanja, 2020).

One of the measures adopted by the authorities of the Republic of Serbia, which significantly affected the working activities within the stores, is the limitation of the working hours of consumer goods stores. It should be taken into account the fact that these measures were primarily related to catering facilities such as restaurants, cafes, discotheques. As a result, these facilities had the most restrictive limited working hours (for instance complete suspension of work on weekends, weekdays working limit until 6 p.m., etc.). Retail stores selling FMCG had a bit milder restrictions on working hours, firstly working hours were limited to 10 pm, and later the government tightened the limit firstly to 9 pm and then to 8 pm. These limits mainly applied to the afternoon hours of work, and less to the morning hours (from 5 in the morning all facilities and stores could start working again). As a consequence of this, many activities that were carried out in later hours are now moved to earlier hours (requirements for new supplies had to be made earlier, counting of money at the end of the working day, etc.). Such a measure can potentially disrupt the sequence and time frame of performing basic work operations within the stores, which can cause problems. The consequence of such a measure may be a drop in the daily turnover of certain stores, because there would be a consumers who at a given moment would like to buy something but cannot.

Therefore, it is clear that the COVID 19 crisis affected consumer behavior in terms of the frequency of purchases and the volume of purchases. Consumers began to buy significantly less often compared to earlier periods before the crisis due to the potential possibility of contracting the virus, on the other hand, due to the lower frequency of purchases, consumers began to buy in significantly larger quantities compared to the period before the crisis. Many companies, especially at the global level, have started to introduce alternative channels and types of sales. This should not be surprising considering the results of an survey which showed that as many as 80% of respondents included in the survey reoriented themselves to buying FMCG online. As a result of these changes, the online purchase of FMCG increased from 3% before the pandemic to 12.5% after the pandemic. In this regard, a huge number of trading companies have started to introduce delivery as an integral element of the offer. In addition to classic physical delivery, the so-called "click and collect" strategy was applied. This strategy would include consumer orders online or for example by phone, immediately after the retailer of FMCG receives the order, he packs the products and separates it to a specially prepared place from where the consumer will pick it up physically (Delasay, Jain, & Kumar, 2022).

Both of these strategies take the consumer out of the retail store completely (as in the case of delivery) or almost completely (as in the case of the "click and collect" strategy). In the first "delivery" strategy, retailers often used the services of so-called "Third-party" companies to perform physical delivery. In another "click and collect" strategy, the consumer has to come physically to the retailer's store, but stays there minimally, practically just paying and picking up the package (Delasay, Jain, & Kumar, 2022). On the other hand, the strategy of delivering products to the consumer's home address is an option that requires less involvement of the consumer in terms of arrival, but is a significantly more expensive option compared to the "click and collect" strategy for the retailer (fuel costs, driver's wages, vehicle amortisation, etc.). These are the two most used omnichannel strategies during the COVID 19 crisis. What further increased the implementation of these omnichannel strategies is the fact that there were waiting queues in front of the stores. Restrictions in the form of the maximum number of consumers who can shop in a retail store at a same moment often resulted in the formation of endless queues in front of the entrance to the retail store (this was not characteristic only for retailers of FMCG). The fact that it is necessary to wait in front of the retail store outdoors, and often for a long period of time, has forced consumers to turn to more sustainable alternative omnichannel strategies, regardless of the fact that the use of some of these services would require the payment of a premium amount for the service by the consumer. One way to make these strategies cost-effective to the retailers is to set a minimum purchase amount that customer must make in order to be eligible for delivery or curbside pickup service.

When it comes to home delivery, which retailers began to significantly develop after the outbreak of the COVID 19 crisis, the effects that this crisis had on electronic commerce in the Republic of Serbia should be highlighted. According to data from the National Bank of Serbia, 2020 is the first year in which in the first half the value of transactions on the Internet via payment cards in dinar currency was higher than the value of transactions on the Internet via payment cards in all other currencies combined. On the other hand, in the same period (the first half of 2020), the number of transactions made on the Internet with payment cards in the dinar currency (about 14 million) significantly dominates in relation to the number of transactions made on the Internet with payment cards in all other currencies combined which is about 6 million (Narodna Banka Srbije, 2024). The very impact of the COVID 19 crisis on e-commerce in Serbia is visible in the increasing involvement of the "baby boom" generation in online shopping since 2020. (Tanasković, 2022).

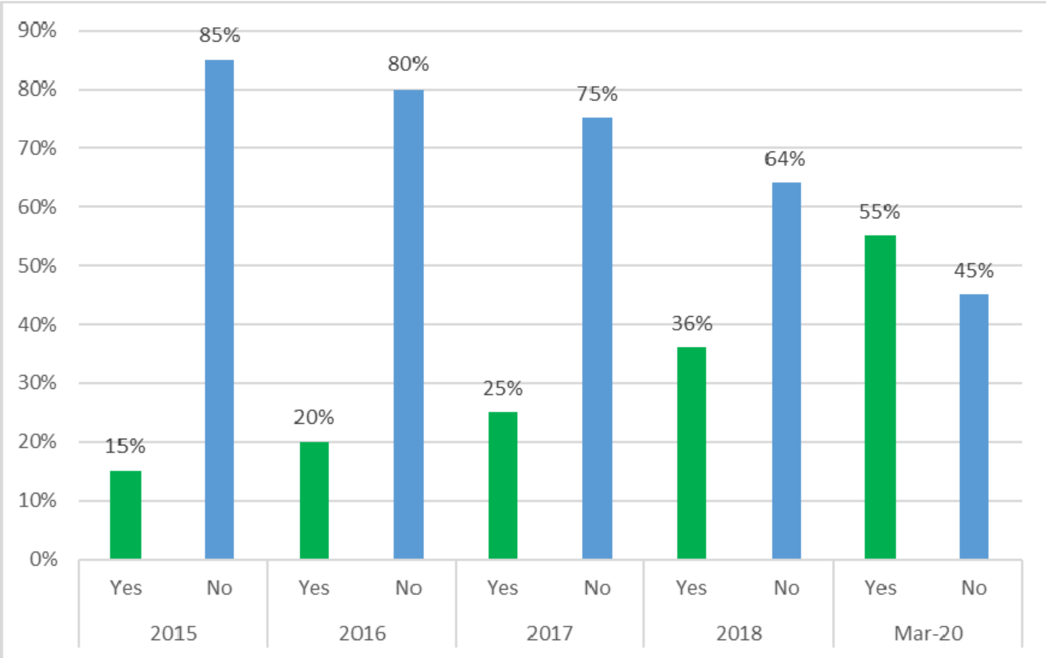

Chart 1: The Answers of 1500 USA consumers asked if they bought FMCG online
Izvor: (Soper, 2020).

On the Chart 1 we can see results of the research which is carried out by the global investment bank "RBC Capital Markets" conducted a survey of the attitudes of USA consumers regarding the purchase of FMCG for 5 consecutive years. In just five years from 2015 to 2020, the percentage of those who said they bought FMCG online increased from 15% in 2015 to 55% in 2020. It is clear from the graph that the percentage of those who bought FMCG online increased from year to year. However, this increase is most visible precisely in the survey conducted in March 2020 (1500 respondents) when the percentage of those who bought FMCG (55%) is higher than the percentage of those who did not (45%), this clearly indicates the impact of the COVID 19 crisis on the change in purchases of FMCG when it comes to the sales channel.

Almost all crises, especially those like the Russo-Ukrainian crisis, cause an increase in FMCG prices in retail stores. The official annual inflation rate in the Republic of Serbia in 2023 was 12.5%, at the beginning of that year it was 15.8%, while at the end of 2023 it was 7.6% (Republički zavod za statistiku, 2024). The impact of this and similar crises on FMCG prices is best evidenced by a survey (panel) conducted by "RetailZoom" that included more than 4,700 retail stores (panel participants). The periods from November 2022 to October 2023 and from November 2021 to October 2022 were observed. In these two periods, changes in sales (value and volume) of the most important categories of FMCG in the Republic of Serbia were observed. The extrapolation method was applied.

According to the panel, the entire FMCG market (in the Republic of Serbia) recorded a decrease in sales volume of 1.3% compared to these two periods, while the growth in value sales amounted to 10.8% (RetailZoom, 2024). Therefore, it is clear that such a case (decrease in the quantities sold with an increase in the nominal amount of sales) is possible only with higher rates of inflation (in this case caused by the aforementioned global crisis). Research carried out by the RetailZoom showed that when we look at specific categories of FMCG, tobacco products had the smallest drop in volume sales and it amounted only 0.3%, while the value growth of sales of this category was 5.8%. After tobacco products, the smallest drop in sales volume, which is 0.4%, was recorded for the category of non-alcoholic and alcoholic beverages, while the value sales of this category increased by 10% between the two periods. The category of fresh fruits and vegetables had a 4.7% drop in sales volume, while the value sales growth for this category was 17.4%. Products in the food category had a drop in volume sales of 8.2%, while the increase in value amounted to 14.6%. The pet food category recorded a drop in volume sales of 8.8%, while the growth in value sales for this category, taking into account the two observed periods, amounted to 17.4%. The reason for the smallest decline in tobacco products compared to other categories of FMCG when it comes to sales volume lies in the fact that the demand for these products is price inelastic, therefore volume sales are less sensitive to nominal price growth.

Certain categories of FMCG recorded growth in both volume and value of sales. The most prominent example of this is electronic cigarettes, where the volume of sales increased by 52%, while the value sales of this category jumped by an enormous 212% (RetailZoom, 2024). This is not surprising considering that the electronic cigarette market in the Republic of Serbia is still in its infancy. In addition to the category of electronic cigarettes, growth in both fields (volume and value) was recorded for the categories of meat and meat products (volume 1.9% and value 17.3%), as well as category of baby food (volume 1.4% and value 12.8 %). If we look at the analysis at the level of sales formats, hypermarkets and supermarkets recorded an increase in sales volume by only 0.1%, while value sales increased by up to 15.5%. Larger and medium-sized stores grew in volume by 0.5%, while the value growth of sales amounted to 13%. Small shops (neighborhood) decreased in sales volume by 2.9%, while value sales of this format increased by 5.2%. Convenience stores grew by 2.3% in terms of quantity, and 4.5% in terms of value. If we look at the analysis at the level of individual regions of the Republic of Serbia, between the two periods, the Belgrade region had a decrease in volume sales of 1.2%, while value sales increased by 13.1%. The North region recorded an increase in volume sales of 1.5%, in terms of value, that increase was 13%. The East region had a decrease in sales volume of 1.3%, while it recorded an increase in value sales of 10.9%. The western region recorded a growth of 5.5% in the volume of sales, while the growth of value sales amounted to only 3% for the observed two periods (RetailZoom, 2024).

The increase in prices of certain categories of FMCG in Serbia during the current Russo-Ukrainian crisis was so frequent that many employees of various retailers of FMCG complained about the situation in which it is physically impossible to set all of the price tags regarding to price changes. All this leads to confusion for consumers who take products from the shelves at one price, only to pay a higher price at the checkout, which meanwhile went upwards.

One of the crises that hit the retail sector in the second half of 2022 was the so-called "milk crisis". The cause of this crisis was the unrealistically low purchasing price of raw milk charged by the producers, which in that period ranged from 40 to 50 dinars, while at the same time there was an increase in the prices of concentrates for feeding livestock. Also, one of the causes of this situation lies in the fact that the livestock fund in the Republic of Serbia has been significantly reduced in the past few years. The biggest blow to the supply of milk was recorded in September, in order to put milk back on the shelves, the Government of the Republic of Serbia canceled the regulation which was limiting the retail price of milk to 128.99 dinars per liter (in retail) and imposed export trade barriers for the export of domestic milk. During that period, retail stores in Serbia either completely ran out of milk or sold more expensive imported milk. Some of the most famous imported milk brands were the Polish "Uchate" which was sold for 166 dinars per liter and the Czech „Kunin“ which was sold for 133 dinars per liter. Many trade experts believe that this shortage was artificially caused, they believed that there were hidden stocks of milk, which were not marketed intentionally in order to increase the market price of the milk. Many believe that one of the reasons for the shortage of milk is that it was more profitable for producers to process milk into cheese and other dairy products because their prices are relatively higher, so such placement is significantly more profitable. In that period, milk stocks were one of the instruments of companies (of those who had them) to attract consumers to their stores (Ministarstvo unutrašnje i spoljne trgovine, 2022).

Another crisis affecting retail shelves in the Republic of Serbia, which occurred in May 2022, is the so-called "sugar crisis". The cause of this crisis lies in the low retail price of sugar per one kilogram package, which was prescribed by the government decree. The problem lay in the fact that the price was limited only for packages per kilogram, while for other packages such as 5, 10 and 15 kg packages there was no price limit by regulation. Sugar processors (such as those in the confectionary industry, brandy makers, etc.) have realized that it is more profitable for them to buy sugar in kilo packs in large quantities instead of paying the relatively higher price of 5, 10 and 15 kg packs that did not come under government regulation (the price of such packages expressed per kilogram was higher than the price of 1 kilogram packages). As a consequence of this, there were shortages of kilo sugar in most retail stores in the Republic of Serbia. The situation, although similar to the previously described situation of milk shortage, was solved in a different way. This time, the government did not decide to unfreeze the prices (which would increase the amount of sugar offered on the market), but decided to freeze the prices of sugar in packages of 5, 10 and 15 kilograms (so that the total price divided by the kilogram cannot be more than prices of sugar per kilo package). In this way, it was no longer more profitable for certain producers of the confectionery industry and other sugar processors to buy sugar in kilo packages, which certainly affected the return of one kilogram sugar packages to the shelves. On the other hand, the trade authorities placed on the market about 260 tons of sugar from state commodity reserves, which was supposed to satisfy the usually higher demand of the population for sugar in that period, many retailers also introduced a policy of limiting the purchase of sugar (in the packages of 1kg) per consumer by certain volume (Ministarstvo unutrašnje i spoljne trgovine, 2022).

A large number of cases like this are caused artificially by the participants of the distribution chain in order to increase the wholesale or retail price of the product which is or is not limited by the regulation. Very often, false information is published about shortages of certain essential products in the market, which causes panic among consumers who then purchase in large quantities. In this way, increased demand puts upward pressure on prices, which is good for the sellers of such products. In such situations, a retailer who has a sufficient quantities of a deficit item achieves a competitive advantage over the others. All the described crises that had an impact on retail, such as the COVID 19 crisis, the Russo-Ukrainian crisis, the crisis of milk and sugar shortages, affect the changed work and functioning of retail stores in terms of health protection measures (COVID 19 crisis), the increase in the prices of products on the shelves (Russo-Ukrainian crisis), product shortages (COVID 19 crisis, "sugar crisis" and "milk crisis“), etc. These crises occure completely independently of individual retail stores, in that sense the stores can only adapt to them. One of the most important things in such moments is the education of consumers by retail stores, in this way the effects of „manic“ purchases that only aggravate the crisis will be mitigated and the preconditions necessary for alleviating the crisis will be provided.

MENAGERIAL IMPLICATIONS

The fact that most retail companies cannot influence these crises does not diminish the practical importance of the work, especially in the field of management. Examples of crises, their causes, impacts and symptoms given in this work can potentially be useful to retail managers when identifying new crises based on the analyzed ones. By understanding the analyzed crises, the retail store managers create a basis for easier solution of the future crises and mitigating their consequences. So even though all analyzed crises have different causes (epidemic, war, speculation, etc.), the consequences of these crises are identical (product shortages and price increases). Considering this, retail managers, while recognizing emerging crises, can create a set of preventive measures to mitigate the consequences of these crises, which would be reflected in more efficient procurement of products and mitigation of the price pressure.

CONCLUSION

The real viability and stability of a retail system and retail network is revealed only after the outbreak of turbulence and crises, this is the true test of the retail FMCG system. Each of the analyzed crises leads to a series of consequences for activities within retail stores and to a series of governmental and corporate measures aimed at eliminating them. Some of the government measures that have been implemented to mitigate the effects of the crises are freezing and unfreezing prices, placing additional stocks of products from commodity reserves, health restrictions in the form of the maximum number of consumers in retail stores and other health restrictions such as mandatory prescribed distances in retail stores and shortening the working hours of retail stores. Some of the company's measures are setting a limit on the number of pieces that a consumer can buy, creating a waiting lists for certain goods, introducing delivery, educating consumers, etc. In fact, the main goal of retail stores in these situations is to keep shelves full of goods and retain loyal customers in crisis conditions. Crises have become the normality in the modern business world. Retail and logistics activities within the retail stores are under their constant pressure (Nuševa, Marić, Vukmirović, & Macura, 2023). If we look at the timeline of the four analyzed crises, it is clear that they took place one after the other, practically without longer periods of stability, often even overlapping. Constant shortages, irrational behavior of consumers, supervision of state authorities, huge and frequent price jumps, lack of employees in retail stores, rising costs (during the Russo-Ukrainian crisis the prices of renting facilities in Serbia rose significantly) and many other consequences become normality of FMCG retail stores. Unfortunately, crises appear and disappear completely autonomously in relation to the retail system of a country, the only thing left for retail stores is to adapt to them, hoping that the crises are of a temporary nature. Practice has shown that the greatest burden of these and similar crises is borne by final consumers in most cases, and most often through the payment of higher product prices as a consequence of such crises.

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