

DETERMINING THE SOCIAL AND ECONOMIC EFFECTIVENESS OF RETAIL BUSINESS

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The method of the estimation of result and effectiveness of retail enterprises on the basis of the development of dynamic norm is examined. Mathematical apparatus of rank statistics is used for the comparison of a normative and actual number of the indices of results, conditions and expenditure of retail sector.

The method of separate calculation of the economic and social and economic effectiveness of retail business according to the indices of its profitability and turnover is proposed. The estimation of social and economic and economic effectiveness as a whole according to all the indices on the basis of Z- calculation is proposed.

The choice of the factors of social and economic effectiveness of the enterprises of service sector of economy is based on the following requirements:

- ◆ complexity of estimation of social and economic effectiveness;
- ◆ simplicity and substantiality of the indicators;
- ◆ absence of duplication of the indicators;
- ◆ the possibility of practical determination on the basis of the information available

While developing the system of indicators of social and economic effectiveness it is necessary to take into account the following factors:

- 1) Frame (special) indicators of the activity;
- 2) Issue and expenses indicators;
- 3) Final result of the activity indicators.

It is known that the functioning of a commercial organization depends on the interrelation of various technological, social and economic processes [4].

Table 1

Indicators of profitability of a retail network

Indicators	EE (economic efficiency)	SEE (social and economic effectiveness)	Deflection (+/-)
Profitability of trade activity			
Profitability of variable expenses (Profit from main activity/Variable expenses), %	36,3	58,7	22,4
Profitability of constant expenses (Profit from main activity/Constant expenses), %	54,5	88,1	33,6
Profitability of all expenses (Profit from main activity/Expenses), %	21,8	35,2	13,4
Profitability of sales (Profit from main activity/Receipts from realization), %	3,33	5,02	1,69
Profitability of general activity			
Balance profit to total expenses on marketed commodities, %	27,8	43,5	15,7
Estimation without loss			
Breakeven point, mln. rub.	673,9	1073,6	399,7
Absolute deflection of breakeven point, mln. rub.	173,9	373,6	199,7
Margin of safety, %	25,81	34,8	8,99
Price coefficient (Profit margin/ Profit from main activity), %	9,46	10,73	1,27
Trade lever (Profit margin /Profit from main activity), %	283,7	213,5	-70,2

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Table 2

Indicators of the turnover and the profitability of a retail network

Indicators	EE (economic efficiency)	SEE (social and economic effectiveness)	Deflection (+/-)
Turnover ratio			
Fixed assets turnover, times	7,68	11,15	3,47
Fixed assets turnover, days	46,9	32,3	-14,6
Turn circulating (current) asset, once	10,67	10,93	0,26
Quick assets turnover, days	35,7	32,9	-2,8
Total assets turnover, times	4,36	5,52	1,16
Total assets turnover period, days	82,6	65,2	-17,4
Factors to profitability			
Profitability of whole capital, %	23,2	42,2	19
Profitability of own capital, %	18	38,3	20,3
Profitability of shareholder capital, %	23,2	42	18,8
Profitability of fixed assets (Net profit/Fixed assets), %	25,6	56	30,4
Profitability of current assets (Net profit/Current assets), %	36,6	54,9	18,3
Analysis of the DUPONT formula			
Profitability of own capital, %	18	38,3	20,3
Total assets turnover, times	4,36	5,52	1,16
Sales profit, %	3,33	5,02	1,69
Factor of capitalization	1,24	1,40	0,16

All of these processes can be divided into three groups:

- ◆ initial processes,;
- ◆ intermediate processes;
- ◆ terminating processes.

Another important factor is identifying the normative mode of operation of organizations, which is characterized by the following correlation of the variety of results:

$$R_{entry} < R_{con} < R_{out}$$

where R_{entry} - is the variety of the entry; R_{con} - is the variety of the conditions; R_{out} - is the variety output.

Let's consider the sample social and economic effectiveness calculation based on the data acquired from the "Perekrestok" hypermarket (the Park House mall) in Samara and

the trade network H5 Retail Group, based in Samara too (See Tables 1 and 2).

The above given data can lead us to the conclusion that social and economic effectiveness of retail business is, with rare exception, higher than its pure economic effectiveness.

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