

# THE EVOLUTION OF MODERN TRADE AND ITS IMPACTS ON TRADITIONAL TRADE, EMPIRICAL STUDY FOR ALBANIA

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## **Abstract**

Many developing countries, including Albania as one of them, are experiencing the expansion of supermarkets. This kind of retail outlets generally known as modern trade include various formats such as hypermarkets, supermarkets, chain stores, etc, started to be part of the retail since the early 1990s in developing countries and from 2000s in Albania. The modern retail systems could have important implications in customer behavior and a great impact at the traditional trade. Supermarkets are attracting different segments of final customers, generally upper – and – middle – class of the mass market. The evolution of modern trade presents two challenges. First, they are implementing different standards in consumer service, lowering prices and creating best opportunities for food processing and food-manufacturing enterprises to have access in retail market. On the other side, it creates a great challenge for traditional retail, especially for small retailers and unorganized sellers or resellers, because these are facing a growing competition from modern trade. The governments in developing countries are continuously improving the fiscal policies to eliminate the informal market and to help both, traditional and modern trade because it is the sector that has the biggest number of employed or self-employed.

**Keyword:** *modern trade, traditional trade, retailing, multichannel, Consumer behavior*