The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Shoppers Complain of Artificial Food and Rickety Carts

By Lena Smirnova

September 13, 2012



Retailers agree that problems exist but say the situation is improving. **Vladimir Filonov**

Going shopping in Russia may no longer be as unpredictable as it was in the 1990s, but modern-day retail is also not immune from some of the Soviet-era glitches, according to an informal online survey presented Thursday at the Retail Business Russia conference.

LiveJournal's top-10 blogger Sergei Dolya collected 500 comments from his readers about their experiences with the retail segment in August. The top three complaints were about the poor quality of food products, unmanned checkout counters and a lack of bag packing stations.

Other common complaints concerned "artificial-tasting food," dirty stores, lines, misplaced or mislabeled price tags and shopping carts where "one wheel has a life of its own."

"I always give priority to honest stores. There have been fewer and fewer of them in recent

years," one reader wrote. "Russian-style sales have fundamentally undermined our faith in honesty. In principle, if their products are on sale, that means something is wrong."

The retailers agreed that problems exist but said that the situation is getting better.

"It is useless to argue with these points," said Ilya Yakubson, president of retail chain Dixy Group. "Undoubtedly, we repent. Undoubtedly, these problems exist, but from my point of view, the sector has never been as determined to solve these problems as it is now."

Major retailers are creating quality-control groups to keep expired food off the shelves, Yakubson said.

The top food retailer, X5 Retail Group, also has a policy that customers who spot expired products in the store can get the same fresh product for free.

When the campaign was first announced two years ago, it brought hordes of Russians rushing to the stores in search of outdated foodstuffs.

"A whole bunch of people rushed to look for expired [products]," said Mikhail Susov, the company's corporate relations director. "They have been looking for two years, and out of the many products on our shelves, maybe one or two such packages were ever found."

X5 Retail Group also lets customers who find price tags that don't correspond to the right product pay lower prices, Susov said.

Improving the quality of store workers, however, is much more challenging.

The retail segment has a large deficit of service personnel, especially in large cities. X5 Retail Group has about 60,000 vacancies right now, Susov said. Cashiers, truck drivers and porters are particularly in demand.

Retailers can often deal with these shortages only by hiring foreign workers, but ethnic Russians tend to complain about how many of these workers there are in stores as well as the general quality of their work.

At the same time, Russians in large cities don't want to take such jobs themselves.

Yakubson said that Dixy salaries for Moscow workers are at a "European standard," where cashiers earn about 50,000 rubles ($1,590) as a monthly net wage and truck drivers get up to 80,000 rubles. Despite these wage levels, few Muscovites apply for the jobs.

Sergei Lomakin, operation partner at Quadro Capital Partners and former co-owner of the Kopeyka store chain, said that comparison of the Russian retail segment to its foreign counterparts is unfair.

"We cannot say that everything is bad in Russia. This is a worldwide problem," he said, adding that the retail giant Wal-Mart also employs many foreign workers.

Russia's entry into the World Trade Organization last month may ease the strain on consumers.

There will be a bigger product selection and new suppliers from the European Union, said Andrei Danilenko, chairman of the National Dairy Producers Union.

X5's Susov was more cautious about the effects that the WTO entry will have on Russian consumers and retailers.

"We could end up in a situation where Russian-made products that are not competitive disappear from the shelves, but retailers will lose their competitiveness because some of our consumers will still want these Russian products," Susov said.

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