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## **METHODOLOGICAL APPROACHES AND KEY DETERMINANTS OF FORMING COMPETITIVE ADVANTAGES IN UKRAINE'S GROCERY RETAIL TRADE**

### **Summary**

*The section examines the methodological foundations and key determinants of competitive advantage formation in Ukraine's grocery retail sector under wartime challenges. Particular attention is paid to digital and omnichannel transformations that have defined a new model of retail competitiveness in 2021–2024. Based on the analysis of performance indicators of major food retail chains (ATB-Market, NOVUS, VARUS), it is revealed that the strategic combination of innovative services, Big Data analytics, and loyalty programs contributes to the growth of LFL sales and enhances operational efficiency. It is established that digitalization serves not only as a tool for process optimization but also as a source of new customer value creation. Omnichannel solutions have proven effective as a factor in stabilizing demand and maintaining profitability even amid the disruption of logistics chains. The study shows that retail networks integrating mobile applications, express delivery, and personalized offers demonstrate higher NPS levels and repeat purchase frequency. Empirical data have been summarized to outline the relationship between a company's level of digital maturity and its competitive resilience. An analytical interpretation of LFL sales dynamics, profitability, and customer loyalty has been proposed, reflecting the adaptability of Ukrainian retail to wartime conditions. The findings suggest that digital innovation, logistical flexibility, and customer experience orientation are the decisive factors ensuring the long-term competitive advantages of Ukrainian retail chains.*

### **Introduction**

In the current conditions of transformation of the Ukrainian economy, ensuring the competitiveness of retail trade has acquired strategic importance. This issue has become particularly relevant during wartime challenges, when destructive processes in production and logistics chains, declining consumer purchasing power, changing behavioral patterns, and business relocation require grocery retail chains not only to adapt but also to form fundamentally new competitive advantages. Under conditions of uncertainty, risk, and resource constraints, the efficiency of grocery retail operations is determined by the ability of enterprises to respond promptly to external shocks, maintain the stability of product supply, and simultaneously build consumer and public trust.

It should be noted that in a wartime economy, traditional market mechanisms of competition undergo significant changes. Whereas before 2022 the key factors of competitiveness included pricing policy, product assortment breadth, operational efficiency, and service quality, today the main emphasis has shifted toward flexible logistics solutions, supply chain resilience, local partnerships, digital process integration, and corporate social responsibility. Grocery retail chains are now compelled not only to optimize their business models but also to fulfill the socially significant function of ensuring food security for the population. Consequently, their competitiveness is increasingly determined not only by economic indicators but also by social and ethical parameters.

The experience of leading Ukrainian grocery chains such as ATB-Market, NOVUS, and VARUS demonstrates that, in a crisis environment, competitive advantages are formed through innovation, customer orientation, digital transformation, adaptive personnel management, and business process localization. The resilience of these networks is ensured through the implementation of omnichannel strategies, the development of private label products, the effective use of Big Data and demand analytics systems, as well as socially oriented initiatives supporting local communities, volunteer movements, and internally displaced persons.

In the context of forming competitive advantages in grocery retail, the methodological systematization of key determinants becomes particularly important. This involves identifying the interrelation between resource potential, innovation activity, digital technologies, marketing strategies, the institutional environment, and consumer behavioral characteristics. Such generalization makes it possible not only to deepen the understanding of competitiveness formation mechanisms but also to substantiate the directions of state support for the retail sector under wartime conditions and during post-war recovery.

Therefore, the purpose of this section is to provide theoretical and methodological justification of approaches to studying the competitive advantages of Ukraine's grocery retail trade, to identify the key determinants of their formation, and to outline the specific features of these factors under wartime challenges. Achieving this goal involves examining the evolution of scientific approaches to the concept of competitive advantage, systematizing internal and external factors that ensure it, and analyzing practical models of adaptation employed by Ukrainian retail chains under extreme economic conditions.

## **Chapter 1. Theoretical and methodological foundations for the study of competitive advantages in retail trade**

The issue of forming competitive advantages in Ukraine's grocery retail sector integrates dimensions of strategic management, logistics, marketing, and corporate social responsibility. In the post-pandemic and wartime periods, the study of competitiveness has acquired an additional dimension – *resilience*: the ability of retail chains to quickly adapt to external shocks, maintain product availability, and sustain consumer trust.

The methodological foundation for studying competitive advantages in retail trade is multifaceted and rests upon the integration of systemic, situational, behavioral, and resource-based approaches. The *systemic approach* allows viewing a retail chain as an open, complex socio-economic system that interacts with the macroeconomic environment, consumers, suppliers, and state institutions. The *behavioral approach* focuses on the motives, expectations, and models of consumer behavior – particularly under crisis conditions – that shape companies' competitive strategies. The *resource-based view (RBV)* facilitates the identification of unique internal assets and competencies of retail chains, both tangible and intangible, which form their long-term competitive advantage. Meanwhile, the *institutional approach* reveals the role of government regulation, social norms, institutional practices, and partnership relations in maintaining the stability of the retail sector.

Thus, the task of forming competitive advantages in grocery retail requires the combination of several scientific paradigms:

- systemic approach – to model interrelations among elements of a retail network (logistics, supply, assortment, customer service, and digital platforms) and their interaction with the external environment;
- resource-based approach (RBV) – to identify specific resources and competencies that create sustainable competitive advantages (distribution infrastructure, IT platforms, managerial expertise, and brand equity);
- behavioral and marketing approaches – to analyze transformations in demand and to develop customer-oriented strategies, particularly omnichannel solutions. Recent studies emphasize that digital channels and omnichannel services have become key catalysts for customer retention in times of uncertainty [1];
- institutional and social approaches – to assess the role of state policy, international technical assistance, and retail social initiatives in ensuring food security and supporting economic recovery. The OECD review highlights the importance of digital transformation as a factor in strengthening business resilience in Ukraine [2].

Over the past three years, a growing body of empirical and analytical research has focused on the resilience of the Ukrainian retail sector and logistics risks under martial law. Studies from 2023–2025 highlight the systemic impacts of war on supply chains and the critical importance of strategic diversification and risk management scenario development [3; 4]. International and national reports (NIQ, OECD, and analytical reviews by Ukrainian agencies) demonstrate the acceleration of retail digitalization, the growing share of online sales, and the more intensive use of data analytics for demand forecasting. These trends confirm that investment in digital platforms has become one of the core sources of competitive advantage [5; 6]. National reviews from 2023–2024 also reflect the adaptive practices of Ukrainian retail networks: assortment optimization, operations under curfews and logistical uncertainty, and participation in volunteer and humanitarian initiatives – all of which strengthen companies' social capital [6].

A broad range of academic research has addressed the theoretical and practical aspects of Ukraine's competitive environment and the challenges of securing competitive advantages for retail networks under turbulence. Literature review reveals both well-developed areas and underexplored gaps requiring further study.

Study [7] identifies key challenges for Ukraine's retail sector, including insufficient investment due to political instability, limited use of innovative technologies, low consumer demand, rising raw material and energy costs, and high logistics and rental expenses. Using the example of a leading domestic grocery chain, the study outlines ways to remain competitive under these constraints.

Publications [8; 9] generalize the development trends of Ukrainian retail networks, emphasizing business process digitalization, omnichannel expansion, and structured managerial approaches that enhance retail efficiency and competitiveness [8]. In the context of network retailing, [9] examines the competitive advantages of private label implementation.

Study [10] identifies core retail competitiveness factors (price, assortment, service, innovation) and explores how performance correlates with advantage achievement before and during wartime.

Publication [11] shows how Ukrainian retail adapts to global changes by balancing sustainability, efficiency, digitalization, and emotional connection with consumers.

Research [12] proves that integration of online and offline (omnichannel) sales significantly improves performance and competitiveness and provides practical insights into price synchronization, stock balancing, and retail transformation under war and crisis.

Study [13] examines the implementation of IT personalization, loyalty programs, mobile apps, and Big Data analytics, emphasizing their role in price competition among Ukrainian grocery chains. The positioning of grocery retailers within the current competitive environment, their key advantages (assortment breadth, geographic presence, pricing strategies, and promotional mixes), and directions for improving marketing strategies (personalization, expansion of private label products) are discussed in [14].

Study [15] generalizes diagnostics and innovative adaptation in crisis conditions – resilience ensured through flexible supply chains, warehouse relocation, e-grocery and delivery expansion, last-mile logistics, and dark-store models during wartime risks.

Based on global experience and Ukrainian realities, [16] justifies the need for state regulation of retail-supplier relations as a factor in sustainable competitiveness. Research on private label (PL) dynamics and consumer perception trends – mainly at the European level, but also reflected in Ukrainian analytics – can be found in [17]. Market data from RAU and media sources confirm revenue growth and store expansion among leading networks from 2023 to 2025 [18].

Hence, amid multidimensional challenges – from war to economic instability – Ukrainian grocery retailers are increasingly adopting strategies aimed at reinforcing their market position. However, current academic literature still lacks sufficient exploration of innovative aspects of competitive advantages in the context of Ukrainian grocery retail. This underscores the need for an integrated approach to analyzing factors that ensure strategic resilience and competitiveness.

Based on the analysis of contemporary literature and analytical reports, the following *key interrelated determinants* of competitive advantage in the context of wartime challenges can be identified [2; 3; 4; 19; 20]:

- supply chain resilience and flexibility through diversification of sources, localization of inventories, and adaptive logistics solutions. Studies of the war's impact on global and local supply chains emphasize that diversification and buffer stocks remain critically important;
- digital transformation and omnichannel integration, including the convergence of online and offline channels, demand analytics systems, e-commerce, and digital services that enhance responsiveness and customer retention (global NIQ reports confirm the acceleration of omnichannel adoption in grocery retail);
- local supplier and partner networks, which enable rapid assortment recovery and reduce dependence on import supply chains through established cooperation with Ukrainian producers;
- institutional support and corporate social responsibility (CSR) – including government and international efforts to rebuild infrastructure and retail networks' participation in humanitarian initiatives, which enhance brand reputation and consumer trust. OECD emphasizes support for business digitalization as a key driver of economic resilience in Ukraine;
- human capital management and operational adaptability, ensuring effective workforce management under stress, flexible scheduling, and safety measures.

Given the multidimensional nature of factors ensuring sustainable competitiveness, it is methodologically appropriate to employ mixed research methods: quantitative analysis (panel and cross-sectional sales data, logistics metrics), qualitative interviews with retail managers and stakeholders, and case studies of adaptation practices. Scenario analysis models can be applied to evaluate supply chain resilience under varying levels of geopolitical risk.

Methodologically, research can integrate quantitative panel studies of financial and operational indicators (2020–2025), structured interviews with logistics and procurement managers, and case studies of networks with different ownership and regional presence models. To assess the contribution of individual determinants to competitive advantage, multivariate regression and factor analysis are recommended, while Monte Carlo techniques and SWOT-scenario modeling may be used to simulate outcomes under geopolitical uncertainty.

## **Chapter 2. Cases of adaptation of food retail chains in wartime conditions**

Military operations, inflationary processes, disruptions in logistics chains, increasing cost pressures, and shifts in consumer priorities have created new challenges in Ukraine's food retail market. The reorientation of consumers toward online channels, high sensitivity to food price fluctuations, and growing expectations regarding service quality have posed significant problems and required new managerial approaches to retail organization. Competition among grocery retail chains is becoming increasingly intense, and the key factor of success lies in companies' ability to adapt rapidly, implement innovative solutions, and build unique competitive advantages. Within these transformations, special attention should be given to the analysis of specific adaptation cases of Ukrainian grocery retail chains, which not only manage to maintain their positions but also strengthen consumer trust

under crisis conditions. Such analysis allows a transition from abstract determinants to practical models of retailers' responses to extreme circumstances.

This section presents three cases of retail operators in Ukraine's market – the supermarket chains VARUS and NOVUS, as well as the ATB-Market corporation. Each case illustrates how specific retail chains apply strategic, operational, and social measures to preserve their competitive advantages, enabling them not only to survive but, in some areas, to continue developing during wartime.

#### *Case 1. VARUS.*

The VARUS supermarket chain (operating in Ukraine since 2003) is represented across multiple regions and operates in various formats: traditional supermarkets, *To Go* stores, and an online platform (*varus.ua*). Before the war, the chain had a well-developed logistics system, a strong brand, and a significant share of private label products in its online sales turnover.

Key adaptive practices of VARUS under wartime conditions included the expansion of online sales channels and the advancement of digital consumer analytics. For instance, during the first half of 2025, turnover through *varus.ua* doubled compared to the same period of the previous year – indicating a successful strategy of shifting consumers online, service personalization, and increased purchase frequency.

The network has also implemented innovative technological solutions – including artificial intelligence for operational optimization, customer support, recipe suggestions, and subscription management – enhancing convenience and consumer retention. In terms of social responsibility, VARUS has been proactive in supporting employees and internally displaced persons (IDPs): since the start of the Russian invasion, the company has employed over 700 IDPs, offered housing assistance, and covered living expenses. Even amid war, the chain continues to invest in sustainable development, energy efficiency, and environmental practices [3; 21; 22; 24].

#### Results:

- positive financial dynamics: turnover grew by 18.1% in the first half of 2025 compared to the same period in 2024, demonstrating the effectiveness of adaptive strategies and consumer trust;
- network expansion: new stores continue to open during the war – including *DarkStore* formats, which demonstrate flexibility and long-term strategic planning;
- strengthened online presence: *varus.ua* increased its market share, average transaction value, and customer base.

#### *Case 2. NOVUS.*

The NOVUS retail chain (operating since 2008) manages hyper- and supermarkets across Ukraine and is part of an investment group. Prior to the war, the company had several distribution centers, its own logistics network, and active initiatives in environmental responsibility and ready-to-eat food services.

Among its adaptation measures is the launch of an environmentally certified distribution center – a new logistics hub in Kyiv, built according to *BREEAM* sustainable construction standards and financed with a loan from the EBRD, operational since January 2024. This demonstrates the company's commitment to sustainability and energy efficiency even amid wartime. In the future, NOVUS plans

to consolidate several older facilities into a single large logistics center to optimize operations and reduce logistics costs. A signature feature of NOVUS is its in-house culinary production – preparing ready-to-eat meals in small batches, tailoring assortments to consumer tastes, and introducing evening discounts to minimize food waste [3; 23; 24].

**Results:**

- logistics efficiency: the eco-certified distribution center reduces energy consumption, enhances supply reliability, and reinforces the company's environmental commitments – a key component of corporate reputation;
- operational flexibility: the culinary department minimizes waste, adjusts promotional timing, and enhances customer loyalty while reducing internal costs;
- brand stability: NOVUS maintains a reputation for high standards – an important competitive advantage as consumers seek reliability and quality over low prices.

*Case 3. ATB-Market.*

ATB-Market, one of Ukraine's largest grocery retail chains (operating since 1993), has an extensive regional presence, a private vehicle fleet, strong logistics capacity, a well-established pricing policy, and a high level of consumer trust. From the early days of the full-scale invasion, the company reinforced its operations and logistics systems. Some stores adopted a 24/7 operating mode to ensure uninterrupted access to essential goods. Supply routes and import operations were revised to adapt to new realities. The company's European-standard multi-temperature warehouses and extensive trucking fleet enable quick responses to logistical challenges under disrupted transportation conditions. Given the high stress levels among employees, ATB-Market introduced psychological resilience programs, social responsibility initiatives, and workplace well-being policies. Moreover, despite wartime constraints, the company continues implementing environmental initiatives – for example, replacing plastic bags with biodegradable alternatives – reinforcing its image as a responsible and conscious business [3; 25; 26].

**Results:**

- reliability and stability: ATB-Market maintained and even expanded its retail network, ensuring significant domestic supply coverage, including in regions affected by infrastructure damage;
- consumer loyalty and social trust: the company's constant presence, reliability, and accessibility fostered trust – a vital intangible competitive asset;
- operational efficiency: the development of in-house logistics, trucking fleets, and multi-temperature storage enhanced inventory management and minimized supply disruptions.

In general, Ukrainian food retailers are actively implementing ESG strategies (Environmental, Social, Governance) – reducing plastic usage, developing recycling and reusable packaging programs, supporting local producers through special initiatives, and engaging in social projects for displaced persons and the Armed Forces. By combining technological innovation with social responsibility, retailers are shaping a new consumer paradigm: customers access goods via mobile apps, online stores, and delivery platforms; eco-friendly and sustainable products are

gaining popularity; and demand for domestic brands is rising – supporting national economic resilience.

Financial results of VARUS, NOVUS, and ATB-Market confirm that as of Q1 2025, for the first time since the full-scale invasion, none of these companies reported losses – indicating market recovery and successful adaptation (Table 1).

Table 1  
**Financial indicators (OpenDataBot Index, Q1 2025)**

Company	Revenue, billion UAH	Change vs. 2024	Profit, million UAH	Profitability, %
ATB-Market	208,9	+17%	3100	1,48
NOVUS	29,0	+23%	561	1,93
VARUS	20,0	+14%	38,2	0,19

*Source: compiled by the author*

Despite overall profitability, the profitability rates remain moderate – wartime conditions continue to exert pressure on operational costs. Nevertheless, Ukrainian retail demonstrates gradual strengthening and a notable capacity for recovery. In the fourth year of full-scale war, the sector has achieved relative stabilization while maintaining business efficiency and development potential.

A comparative analysis of adaptation cases is summarized in Table 2.

Table 2  
**Comparative analysis of retail chains' adaptation cases**

Aspect	VARUS	NOVUS	ATB-Market
Main Adaptation Strategy	Online channel expansion; technology adoption; social responsibility	Infrastructure investments; green logistics; assortment quality	Logistics stability; affordability; employee support
Sources of Competitive Advantage	Online services; digital analytics; brand trust	Eco-certified logistics; ready-to-eat meals; product quality	Extensive network; in-house logistics; economies of scale
Social Practices	Employment and support of IDPs; staff well-being	Fewer wartime social initiatives but strong environmental and service standards	Strong HR support, stress resilience, and social responsibility
Key Challenges	Rising logistics, energy, and security costs; unpredictable supply disruptions	High capital intensity of logistics; risks of damage and delays; need for long-term financing	Balancing price and quality; supply management; staff safety
Opportunities	Localization of suppliers; data analytics; social responsibility as a trust driver	Strategic investment in distribution and ready-made food; brand value via sustainability	Logistics as a competition core; staff welfare equally critical as innovation; price accessibility

*Source: compiled by the author*

So, the general conclusions of the review and comparison of cases:

1. Digital integration and online channel development are universal trends enhancing flexibility, responsiveness, and resilience against physical risks and mobility restrictions.
2. Infrastructure resilience (logistics, warehouses, fleet, multi-flow) is a key element of competitive advantage, as disruptions in transportation and logistics are one of the most critical risks of war.
3. Service and social responsibility – including employee support, environmental initiatives, and community engagement – are not merely image tools but critical elements of trust and market differentiation.
4. Financial efficiency and scale remain decisive for sustaining investment and stability under crisis.
5. Adaptive management and scenario planning – with diversified supply chains and contingency reserves – ensure continuity and minimize systemic risks.

Thus, to sustain competitive advantages, Ukrainian food retail chains should develop resilient infrastructure (multi-hub logistics, local suppliers, energy independence), invest in digital platforms and consumer analytics for real-time demand response, and enhance internal social systems for employee support and corporate responsibility (Table 3).

Table 3

**Key determinants of competitive advantage in Ukraine's retail chains under wartime conditions**

<b>Group of Determinants</b>	<b>Description</b>	<b>Implementation Examples</b>
Operational & Logistics	Supply continuity, flexibility, diversification, inventory optimization	ATB-Market established reserve logistics hubs in western Ukraine; developed proprietary delivery channels
Technological (Digital Resilience)	ERP/CRM systems, e-commerce development, demand analytics, cashless technologies	VARUS and NOVUS introduced mobile apps and use Big Data for personalization
Marketing & Customer	Loyalty formation, price stability, local brand support, social marketing	VARUS promotes “Buy Ukrainian”; ATB-Market stabilizes prices on essential goods
Financial & Economic	Cost optimization, diversified financing, crisis management	NOVUS attracted EBRD financing; ATB-Market introduced energy-saving technologies
Social & Organizational	Employment retention, HR development, CSR, internal communication	NOVUS provides psychological support; ATB-Market enables remote work options
Strategic & Institutional	Regional diversification, local partnerships, food security programs, innovation	All networks expanded into safer regions; joined “Food for Ukraine” initiatives

*Source: compiled by the author*

The competitive advantages of Ukrainian retail chains during wartime are defined less by business scale and more by adaptability, digital maturity, customer centricity,

and social legitimacy. Those retailers that managed to swiftly restructure operations, integrate digital channels, and strengthen consumer trust are now shaping a new architecture of competitiveness in Ukraine's retail sector.

### **Chapter 3. Digital determinants in shaping the competitive advantages of Ukrainian grocery retail chains**

Recent academic research emphasizes that the competitive advantages of modern retail chains cannot remain sustainable without the integration of innovative, digital, and socio-ethical components. The concept of *digital resilience* is increasingly employed in the scholarly literature to describe the ability of enterprises to maintain operational continuity even under critical conditions.

It is important to note that under the current wartime economic conditions, the digitalization of Ukraine's retail trade has acquired not only economic but also strategic significance. It has become one of the key factors ensuring business viability, maintaining food security, and enabling retail chains to adapt to extraordinary operating environments. The war has sharply actualized the need for operational efficiency, transparency, and managerial flexibility, which has directly driven the accelerated pace of digital transformation.

According to EVO Group (2024), the total volume of online sales in Ukraine reached approximately UAH 239 billion in 2024, representing a 31% increase compared to 2023, while the number of online shoppers exceeded 11.5 million. The share of food e-commerce in total consumer spending rose to 5%, compared to just 1.5% in 2021. These figures indicate a profound transformation of consumer behavior and the strengthening of those retail networks that actively integrate digital tools into their business models.

Digital determinants of competitive advantage can be defined as a set of technological, informational, and managerial factors that ensure the development and consolidation of retail competitiveness through the use of digital solutions. Such determinants include:

- automation of operational processes (ERP, CRM, SCM systems);
- development of electronic sales channels (e-commerce, mobile applications, marketplaces);
- utilization of data analytics (Big Data, AI, ML) for demand forecasting;
- personalization of customer experience through digital services;
- integration of omnichannel sales models combining online and offline channels.

Recent studies (Promodo, 2023; Kantar Ukraine, 2024; Deloitte, 2024) confirm that the digital maturity of retail companies has become not only a factor in improving efficiency but also a key condition for survival in a crisis environment. According to RAU data, the share of online transactions in Ukraine's retail market has gradually increased – from about 18.8% in 2021 to a projected 20.1% by the end of 2024. Although the growth rate may not appear extreme, it demonstrates a steady trend toward retail digitalization, even amid instability. Other sources also confirm that Ukraine's e-commerce market showed significant expansion in 2021 (about 27% growth compared to the previous period). According to Promodo, the number of online shoppers in Ukraine continued to rise between 2021 and 2023. The OECD

report “*Enhancing Resilience through Accelerating Digital Business Transformation in Ukraine*” emphasizes that digital technologies are critical for the resilience of enterprises, particularly retail, in a wartime economy [2, p. 27–29]. Therefore, under wartime conditions, digital solutions help ensure operational continuity, optimize costs, maintain customer loyalty, and improve the speed of managerial response.

Consequently, digitalization in a wartime economy has become not only an optimization tool but also a vital factor for the survival of grocery retail chains. The key digital determinants include:

- big Data and consumer behavior analytics, used for demand forecasting and product assortment personalization; chains implementing analytical modules report a 15–20% increase in inventory turnover efficiency (NielsenIQ, 2024);
- omnichannel technologies integrating online and offline sales, ensuring business resilience. In 2023–2024, the share of online grocery sales in Ukraine rose from 3.2% to 6.7% (Kantar Ukraine, 2024);
- digital logistics, including transport monitoring and real-time inventory management systems. According to EY Future Consumer Index (2024), 52% of Ukrainian retail companies have transitioned to digital supply chain management models;
- cyber resilience and data protection, forming a new dimension of competitive reliability amid rising cyber threats.

Although the grocery segment has yet to dominate Ukraine’s consumer market online, it shows rapid growth and significant potential for further digital transformation – especially under wartime conditions, where physical sales channels often face higher risks. Ukrainian grocery retail chains are actively implementing digital solutions and omnichannel strategies to strengthen their competitiveness (Table 4).

Table 4

**Innovative solutions and omnichannel strategies of leading Ukrainian grocery retail chains**

Chain	Mobile App	Delivery	Marketplaces	Innovative Solutions
ATB-Market	+	+	Rozetka, Prom	Dynamic pricing, automated warehouses
NOVUS	+	+	Zakaz.ua, Rozetka	Big Data personalization, loyalty platform
VARUS	+	+	Varus.ua, Glovo, Zakaz.ua	AI-based demand analytics, integrated CRM, electronic shelf labels, 1-hour express delivery

*Source: compiled based on [21–26]*

The adoption of Big Data analytics for personalized offers, warehouse and supply chain automation, the expansion of mobile apps and delivery services, AI demand forecasting, and the development of VR/AR customer engagement tools strengthen the competitive positions of players in Ukraine’s FMCG market. Thus, innovation directly correlates with NPS levels. The development of private labels (PL) also

emerges as a key source of competitive advantage – for instance, private label ATB-Market share reached 46%, contributing to a 12% increase in gross profit in 2023.

By defining how specific factors influence the competitive advantages of major retail networks, a conceptual model can be derived with clearly identified metrics – LFL sales, profitability, NPS, ARPU, and social impact – demonstrating how each strategic component not only enhances competitiveness but also creates a synergistic effect that drives success in a transformational environment (Table 5).

Table 5

**Dynamics of LFL sales and profitability in leading Ukrainian grocery retail chains**

Chain	LFL, % (2023)	Average Profit Margin, %	Change in LFL vs. 2021, pp	Comment
ATB-Market	+18,4	~21,7	+5,2	Market leader by number of stores and expansion in Western Ukraine
NOVUS	+12,5	~22,4	+3,1	Development of omnichannel services in Kyiv and Central Ukraine
VARUS	+13,8	~20,9	+3,9	Logistics optimization, express delivery, digital demand analytics, higher average check

*Source: compiled based on NielsenIQ, KPMG Ukraine, RAU, and industry reports (2023–2024)*

Despite wartime challenges, 2023 marked a partial recovery of LFL sales in Ukrainian grocery retail (10–18% growth across most chains). According to NielsenIQ Ukraine (2024), key factors included the revival of consumer activity, adaptation of logistics to wartime risks, and digitalization of trade operations. Profit margins remained relatively high, reflecting effective cost management and active private label strategies. ATB-Market led the market with +18.4% sales growth and maintained a strong ~21.7% margin. NOVUS pursued a balanced strategy of growth and profitability, while VARUS achieved steady expansion through sales analytics and CRM integration, enhancing personalized offers and minimizing surplus inventory.

Based on NPS, repeat purchase frequency, and ARPU (Average Revenue Per User), network positioning and strategic priorities can be assessed (Table 6).

The 2024 data indicate that the NPS of Ukrainian retail chains is gradually recovering after the decline of 2022, now aligning with Central and Eastern European benchmarks (GfK Ukraine, 2024). ATB-Market leads in NPS thanks to emotional branding, loyalty programs, and adaptive pricing. VARUS shows upward trends through AI-based recommendations and personalized discounts, increasing monthly repeat purchases by 0,4 times.

Table 6  
**NPS and customer loyalty in leading Ukrainian grocery retail chains (2024)**

Chain	NPS (0–100)	Average Repeat Purchases per Month	ARPU, UAH/month	Comment
ATB-Market	54	5,8	1120	High loyalty to private labels and pricing strategy
NOVUS	51	5,4	1300	Focus on omnichannel delivery expansion
VARUS	49	5,6	1180	NPS growth due to mobile app, fast delivery, and CRM-based personalization

Source: compiled from GfK Ukraine, NielsenIQ, Kantar Ukraine Retail Tracker, RAU (2023–2024)

The main factors driving customer loyalty growth for grocery chains (ATB-Market, VARUS, NOVUS) include:

- digital loyalty programs;
- convenient mobile services (cashless payments, click & collect, push notifications);
- enhanced trust through social responsibility during wartime.

The analysis of omnichannel strategies between 2021 and 2024 shows that the integration of online and offline channels has become a decisive factor for competitiveness. Retailers that actively implement personalized services, mobile apps, and delivery systems achieve higher LFL and ARPU growth, as well as improved profitability. The expansion of mobile apps, integrated delivery platforms, personalization systems, and pick-up points boosts customer loyalty, increases the average transaction value, and strengthens market positions (Table 7).

Table 7  
**Omnichannel strategies and their impact on the efficiency of leading Ukrainian grocery retail chains (2021–2024)**

Chain	Key Omnichannel Services	LFL Growth in Stores with Service, %	ARPU Change, %	Impact on Profitability
ATB-Market	Glovo, Rozetka Express Delivery, pick-up points	+13,2	+6,7	Neutral (due to low-cost format)
NOVUS	Click & Collect, Raketa Integration	+11,7	+7,4	Moderate increase
VARUS	Varus.ua, Glovo, express delivery, CRM integration, cashback program	+12,9	+8,5	Positive: ARPU growth and retention via digital loyalty

Source: compiled based on NielsenIQ, KPMG Ukraine, GfK Retail Panel, RAU (2023–2024)

Thus, omnichannel strategies have become a structural determinant of retail competitiveness by ensuring:

- diversification of sales channels under wartime risks;
- enhancement of customer experience and loyalty;
- stabilization of financial performance amid macroeconomic uncertainty.

#### Key Directions of Digital Transformation in Ukrainian Grocery Retail:

1. Automation of business processes. Between 2022–2024, most grocery chains automated inventory, order, and assortment management. ATB-Market introduced AI-based demand analytics, reducing excess inventory by 12–15%.

2. Omnichannel sales models. The COVID-19 pandemic and subsequent wartime challenges accelerated the transition to omnichannel retail. In 2024, over 65% of large grocery chains in Ukraine had online stores or partnered delivery platforms (EVO Group, 2024). *VARUS-Online* and *NOVUS-Market* integrate mobile apps, click & collect, and chatbot-based automation.

3. Data analytics and management. Big Data and customer analytics play an increasing role in pricing, category management, and offer personalization. VARUS uses purchase-history-based recommendation algorithms, while others apply AI for dynamic pricing.

4. Innovative customer interaction. Digital loyalty cards, contactless payments, and interactive feedback platforms are now standard. According to Kantar Ukraine (2024), over 70% of consumers prefer chains with their own mobile app, increasing repeat purchases by 20–25%.

Analytical findings demonstrate that digitalization provides several economic and strategic advantages:

- improved operational efficiency – lower logistics, accounting, and labor costs;
- enhanced customer experience – convenience, speed, and personalization;
- market expansion – online access to regions with limited offline retail;
- stronger brand resilience – digital presence increases consumer trust;
- adaptive intelligence – analytics enables rapid response to demand changes amid wartime risks.

Nevertheless, certain challenges of digital transformation remain: cyber risks and data security threats, a shortage of IT and data analytics specialists, unequal digital access in frontline regions, high implementation costs, and the need to integrate legacy systems with new digital platforms. Despite these barriers, digital transformation continues to serve as a key source of competitive advantage, ensuring long-term business resilience and flexibility.

## Conclusions

A systemic interdisciplinary approach that combines resource-competence, institutional, and behavioral methodologies represents the optimal framework for analyzing the competitive advantages of Ukraine's grocery retail sector under wartime conditions. A concise synthesis of the literature from 2022–2025 highlights the pivotal role of supply chain resilience, digital transformation, and local partnerships as foundational determinants of modern competitive strategies.

With the onset of the full-scale invasion, the industry faced unprecedented challenges – disruptions in logistics chains, product shortages, fluctuating demand, and shifts in consumer behavior. At the same time, this period became a catalyst for

innovative solutions aimed at ensuring supply continuity and supporting consumers. Retailers demonstrated remarkable flexibility, swiftly transforming their business models, digital tools, and communication strategies.

During wartime, the competitiveness of Ukrainian retail chains is determined by a combination of operational, technological, and social factors that underpin adaptability and consumer trust. A high level of digitalization, resilient logistics chains, and proactive social engagement have become the key conditions for business continuity. Retailers that have succeeded in integrating innovative sales models and balancing economic efficiency with social responsibility are shaping a new paradigm of competitive advantage in the national retail market.

It is worth noting that high profitability margins and positive LFL (like-for-like) sales dynamics demonstrate the effectiveness of the strategies employed by the leading domestic grocery chains. Moreover, indicators such as NPS (Net Promoter Score) and the development of private labels confirm that customer experience and consumer trust remain the core resources of success.

The methodological evolution in studying competitive advantages reflects a shift from classical models toward multi-level integrative approaches that take into account environmental dynamics, behavioral factors, and digital determinants. For Ukraine's grocery retail sector operating under wartime challenges, innovation activity and digitalization emerge as the key determinants. These factors define a new paradigm of competitiveness focused not only on profitability but also on the societal value of business.

The digital determinants shaping the competitive advantages of Ukrainian retail networks are defined by the level of technological maturity, the speed of adaptation to environmental changes, and the effectiveness of data management. Under wartime conditions, digitalization has become the catalyst for a new model of competitiveness, in which the key factors include information transparency, managerial flexibility, online channel integration, and personalized customer service. Consequently, Ukrainian grocery retail is undergoing a phase of profound digital transformation, during which a new architecture of competitive advantages is being established – one that functions not only as an economic construct but also as a socio-innovative system that will shape the future development of the industry in the post-war period.

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