

**Stefan-Alexandru CATANA**  
*The Bucharest University of Economic Studies*

# A NEW APPROACH TO RETAIL MARKETING – WAYS OF SERVICES MARKETING

Review  
Article

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## **Abstract**

*This paper approaches a topic discussed in marketing literature, in the context of global changes and modern ways of retailing. Nowadays, as a retailer, it is very important to be in line with the customer needs and with their aspirations to be competitive on the market. Starting from this aspect, the article presents some points of view to the effect that retailing must be treated in terms of services marketing. The paper highlights that retailing must be treated as a process and as a sequence of inter-related, intangible, variable and inseparable activities resulting in a certain benefit for the customer, not only as a process of selling goods.*

## SERVICES MARKETING AND RETAIL MARKETING

**Services** are defined as a succession of inter-conditioned, intangible, variable, inseparable and perishable activities that result in a certain profit (benefit) for the client. The sequence of activities gives the services the character of the process, which is an excellent process of work and, consequently, becomes the object of study of management (Olteanu, 2000). These elements in fact represent the criteria by which services and goods are differentiated.

**Retail marketing** is the range of activities undertaken by a retailer to promote awareness and sales of the company's products. This is different from other types of marketing because of the components of the retail trade, such as selling finished goods in small quantities to the consumer or end user, usually from a fixed location.

Retail marketing makes use of the common principles of the marketing mix, such as product, price, place and promotion.

### THE SEQUENCE OF THE ACTIVITIES IN SERVICES MARKETING

The sequence of activities defining services is found within retail marketing both in a narrow sense and in a broad sense.

In a narrow sense, retail appears as a succession of activities that take place at the point of sale (product selection, purchase, payment, as well as post-sale activities: service, maintenance and so on).

In a broad sense, we highlight the stages that take place during the whole product marketing process: supply, product storage, sorting, shelf exposure, end-user purchase, and ending with customer feedback on the experience they had in the store, after leaving it.

Note that the succession of activities in the narrow sense contains an element that distinguishes the tradesmen between them, being a particularity that makes a customer prefer a trader to another. The atmosphere in the shop, the interaction with staff and customer experience when purchasing products are further arguments for the importance of this succession.

### SERVICES CHARACTERISTICS IN RELATION TO RETAIL MARKETING

Services characteristics are the second element of differentiation between goods; it presents some peculiarities in relation to other categories of services (Zeithaml, 1981).

**Intangibility** is smaller in scope, with retail showing many components of the relatively tangible performance process. First of all, the range of traded goods is tangible in terms of the stability of suppliers and brands. The exterior and interior architecture, the arrangement of the districts, the arrangement of the goods on the shelves, the shelves, the way they are signaled, the interior design as a whole are added value to the process. The tangible role of these elements is amplified in the context of customer loyalty by repeating purchases, thereby constituting buying habits.

**Retail variability** is similar to intangibility and is generated by inappropriate management of the performance process: changing the assortment from one period to another, changing suppliers and brands, changing components of the performance process and so on. Per a contrario, proper management of the performance process reduces variability. In the case of the use of some forms of sales based on staff, the variability is also generated by the different attributes of the contact staff.

**Inseparability** is the essential feature of retail, as the whole process is practically the result of direct sales-buyer contact. Depending on the subject of sale-purchase and the forms of sale used, this contact is longer or shorter, more or less intense, with or without the participation of contact persons. Contact includes, as a rule, a number of pre-sale actions, the sale-purchase of products, the way of payment, the transfer of the property and post-sale actions. The importance of these actions is reflected in theory by their distinct approach in the marketing vision, within the specific concept called suggestive interactive marketing. Inseparability has also specific implications on the components of the marketing mix, the distribution being reduced practically to the logistics activities, to the sales forms practiced and to the customer relationship management (Gilbert, 2003).

The **perishability** - defined as the impossibility of storing services due to intangibility - is found in the exercise of the storage function; it occurs as a result of a low rotational speed on the one hand, and on the other hand, when the demand is strongly variable due to management staff, cash registers and so on.

### COMPONENTS OF THE SALES PROCESS

**The sales network** is made up of buildings (shops and sales units) and equipment. It can be a first element of disagreement between the retailer and the customer, especially if we consider its rather rigid character. In retail, it is fundamental that the sales area (stores) are in line with market trends, with the demands of consumers and ease purchasing decisions. Given the fact that we live in a society where time is very important, the sales

areas must be designed in such a way that they are interactive and represent a motivation for the client in choosing the store. In the case of e-commerce, the performance network necessarily includes the web platform (site), and the features listed above need to be adapted and completed accordingly.

**Sales staff** plays a special role in retail regardless of the position in which they appear in the relationship with the client. This role is evident in stores where the training, involvement and knowledge of commercial workers are essential in the assisted sales process. Their attitude and performance are elements that differentiate between traders and are reflected in the variability of services in retail. This variability is the basis for possible disagreements between demand and supply, but under the circumstances of contemporary dynamism, a series of strategies and tactics can be achieved that reduce variability and mitigate the inconsistency of the supply with the demand.

**Buyers** - although at first glance we can say that in this succession the role of the client is not so important in the retail trade, a more careful analysis can highlight the fact that there are traders that involve the consumer more in this process and they are sensitive to the feedback received. An example may be given by self-service shops, in which case the client is an active participant. Kotler et al mentioned that the client's involvement in this sequence is a new concept of marketing (Kotler et al., 2010).

services, James H. Donnelly and William & George Publishing, Chicago.

## CONCLUSIONS

All the components of the sales system discussed represent ways of differentiating traders and determine the customer to opt for certain traders. In the light of new socio-economic developments and in the context of the growing need to bring traders and customers closer, it is essential that retailers embrace new trends and understand the service delivery system in retail as a succession of elements that can differentiate them positively or negatively.

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