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**Services Marketing Management
in Commercial Companies**

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Abstract

In the current period, there is no doubt about the increasing importance of services in the economy of a country, this being one of the most important trends in a modern society. Thus, the service sector now exceeds at least half of modern world economic activities. The importance of the service sector was recognized early in the economic literature. The expansion of marketing in as many fields as from the second half of the 20th century is the result of an economic-social dynamism, which has manifested itself both in terms of the provision and production of services, as well as in the needs, preferences and behaviour of the consumer. The numerous variants of satisfying his needs, make today's consumer more demanding and focused on the value of the products and services offered.

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JEL Classification: M11, M31

1. Introduction

If in the pre-industrial stage, the economy was dominated by natural, agricultural activities and everything related to them, a series of changes in the economic life took place with the Industrial Revolution (Bran et al., 2018). These changes were noticed by economists such as Adam Smith, J. B. Say or Colin Clark. Thus, the English economist Adam Smith made a distinction more than two

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centuries ago between the “productive activity” that was materialized in the manufacturing of products and the “non-productive activity” that disappeared when the maximum performance was reached, rarely leaving a strictly economic value behind.

At the beginning of the 19th century, J.B. Say resumed this idea, using the term “services” to describe the intangible and material wealth. In the twentieth century, the first important references to the service sector were made after the great economic crisis when economists like Fisher (1935), Clark (1940), Fourastié (1952) conducted remarkable studies.

While the primary sector mainly refers to activities related to agriculture and mining activities, and the secondary sector includes industrial processing of products from the first sector, the tertiary sector brings together activities related to services (Ionita et al., 2009).

In Romania, the concerns regarding the issue of services marketing are modest. They were more pronounced in practice, especially in the field of marketing research (research conducted by the Institute of Tourism Research and the Institute of Commercial Research). Along the same lines, there are also the efforts made by different companies providing services in the direction of assimilating the marketing optics (Angheluta et al, 2019).

The service market is characterized by the fact that production and consumption processes occur simultaneously and by the fact that the consumer participates directly in the service production process (Grönroos, 2017, p. 219). Given this specificity of the services market, models have been developed that show that service consumption is achieved through a three-stage process: pre-acquisition, interaction and post-interaction (Lovelock and Wirtz, 2011, pp. 36-37).

Consumers can return and make repeated purchases from the same service provider if they feel comfortable consuming a particular service, if their positive expectations are confirmed, or if their negative expectations are denied. If one of these three conditions is met, then the consumer will not only repeat the purchase of the service, but will also become loyal, will recommend the service to others, will positively describe the experience and congratulate the service providers.

On the other hand, if positive expectations about a particular service are refuted, then consumers will rather be tempted to complain to the service provider, make negative recommendations, change the service provider, or make complaints to third parties. (to state authorities, for example) (Tsiotsou and Wirtz, 2015, p. 113).

In the field of services, the 7P model of the marketing mix is often used, a model that includes the following:

- (1) Product
- (2) People
- (3) Price
- (4) Place
- (5) Physical evidence
- (6) Promotion
- (7) Processes (Mohammad, 2015, p. 71)

A definition of the term “consumer satisfaction” is given by Hutchinson, Lal and Wang (2009), who view this concept as a positive refutation of expectations, which means that the perceived performance of the service is equal to or better than the expected result. This definition is closely related to the expectation-confirmation theory, which shows that a consumer always has expectations about a certain service, in some cases the expectations being positive, while in other cases the expectations are negative. If a particular service meets consumer expectations, the level of satisfaction is expected to increase and this will have a positive impact on future intentions to purchase the same service (Galib, Hammou and Steiger, 2018, pp. 76-77).

According to the literature, there is an essential factor that determines the degree of consumer satisfaction: the perceived quality of service (Han and Hyun, 2015, p. 20).

There are, in essence, three main effects of high consumer satisfaction: increased trust in the staff who provided the service, increased trust in the company that provided the service, and triggered the intention to make repeated purchases (Han and Hyun, 2015, p. 20).

Due to perceived risk and uncertainty, consumers rarely limit themselves to a single source of information and tend to collect data on the desired service from several sources, chosen on the basis of previous experiences, to which degree the consumer has an innovative spirit, and on the basis of the perceived pleasure of the acquisition experience (Konus, Verhoef and Neslin, 2008, pp. 398-400).

2. Quantitative Analysis

In this paper, the *particulars of practical* management pertaining to marketing of services are surveyed, measured and used to determine a more general trend relative to the marketing of services put into practice by (Romanian) commercial companies using data as to the multi-annual activity of the said services company, based in Romania.

The commercial company has the following identification data:

- (1) Date of establishment: 2011
- (2) City of residence: Bucharest
- (7) Working location: Bucharest
- (8) Object of activity: Retail.

The data listed above indirectly show that the commercial company represents a small enterprise opened in Bucharest has as main object of activity the sale of products by commercial means. The store opened in Bucharest sells mainly food products, but also tobacco and alcoholic and non-alcoholic beverages and other non-food products.

The current situation of the company can be described in terms of financial indicators such as turnover, profit / loss and average number of employees:

Index	2017	2018	2019
Turnover (RON million)	2.15	1.99	2.34
Annual turnover change	-4%	-8%	18%
Net result	45.931	4.317	-16.245
Net profit margin	2%	0%	0%
Average number of employees	7	7	7

Table 1. Financial status of the Commercial Company

Source: Risco, 2020, p. 1

The data in Table 1 shows a relatively stable financial situation of the commercial company, which had the same average number of employees in each of the years 2017-2019 (seven employees) and an approximately constant turnover, around RON 2 million.

Two other perspectives from which we can make the presentation of the commercial company are the ones that show the company's positioning on the market and its market share. In terms of positioning, it can be said that the commercial company is recognized among its customers as a small neighbourhood store, with affordable prices and a wide range of products available to customers (both food and non-food). From the point of view of market share, it cannot be said that the commercial company holds a favourable position, given that the retail market is dominated by large hypermarket chains such as Kaufland, Carrefour or Metro Cash & Carry - as it can be seen below:

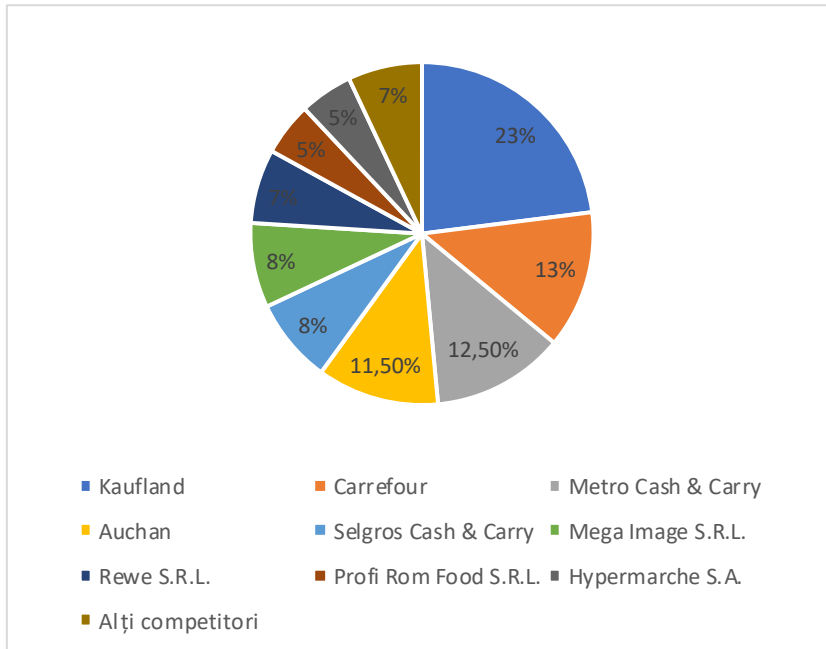


Figure 1. Market shares of the main companies on the Romanian retail market

Source: Mihai, 2016, p. 1

In order to deepen this study, a bivariate analysis was performed which allowed the correlation of satisfaction with the variables reflected in the last questions of the questionnaire, segmentation, age, monthly income, place of residence and studies. For example, in the case of the “product range” variable, an average score of 8.09 was obtained, reflecting on a scale of 1 to 10 a relatively high level of consumer satisfaction. With the help of bivariate analysis, we can deepen the research and highlight whether this relatively high degree of satisfaction is found in all age groups.

In order to perform the bivariate analysis, we associated each of the age categories considered with a numerical value, as follows:

Age	Associated numeric value
18-30 years	1
31-40 years	2
41-50 years	3
51-60 years	4
> 60 years	5

Table 2. Numerical values associated with age segments considered in the study

Based on these data, we can calculate the correlation coefficient that shows the link between the age variable and the variable that reflects company consumer satisfaction with the product range using the following methodology:

Values of X variable (age):

$$\Sigma = 265$$

$$\text{Average} = 2.65$$

$$\Sigma (X - M_x)^2 = SS_x = 202,75$$

Values of Y variable (consumer satisfaction with the product range):

$$\Sigma = 809$$

$$\text{Average} = 8.09$$

$$\Sigma (Y - M_y)^2 = SS_y = 540,24$$

Combined value of X and Y variables:

$$N = 100$$

$$\Sigma \frac{(X - M_x)(Y - M_y)}{\sqrt{(SS_x)(SS_y)}} = \frac{-201,4}{\sqrt{(202,75)(540,24)}} = -0,6085$$

The value of the correlation coefficient of -0.6085 shows that there is an inverse relationship of average intensity between the two variables considered. This means that as the age of respondents increases, the level of satisfaction decreases. In other words, young people tend to be more satisfied with ABC S.R.L.'s product range than older people.

In conclusion, the study conducted to measure consumer satisfaction with regard to the ABC store showed that, in many ways, the customers of this small store are satisfied with the services received. However, there are also exceptions, as a relatively high degree of dissatisfaction was highlighted with regard to some aspects. These issues need to be improved in order to finally achieve a higher degree of consumer satisfaction. Therefore, the recommendations regarding the improvement of services provided by S.C. ABC S.R.L. are the following:

1. Diversification of product range marketed in sweets and canned goods segment, given that customers displayed low(er) degree of satisfaction as to these product categories.
2. Corrective measures to be taken to improve the perception of the ABC store's customers regarding the way managers arrange products on shelves.
3. Practice of a lower surcharge for the products preferred (i.e., most frequently consumed) by store customers.
4. Change of the current logo placed at the entrance to the store.
5. Purchase of more shopping carts and taking the necessary measures for placing them in multiple locations in the ABC store.

3. Design of Services Marketing Management

A specific feature, characteristic of the evolution of marketing in the current period, is its specialization, depending on the profile of the economic activity but also the penetration in social activity fields.

In the field of services, the nature and roles of marketing differs from the field of production of tangible goods, in particular because the products are made before being sold while the services are sold before they are made. Moreover, in the field of services marketing, there is a limit in terms of consumers, which cannot be influenced during the pre-purchase period by different brand policies, promotion, and price, specific to the marketing of goods. Given this, in services a very important role is played by the marketing of after-sales services but also by personal communication in order to win customer loyalty.

In order to provide qualitative services and to make a preference for them, some specific marketing activities must be carried out and marketing strategies used regardless of the organisational structure of the respective company.

Therefore, services marketing requires more than the use of the “4P” in the traditional marketing. The emergence within the mix of elements specific to services leads to the idea that services marketing consists of both internal and external marketing and relational marketing. Internal marketing – Given the importance of the service personnel in the service sector, the successful practice of marketing is conditioned by the efficiency of the internal marketing. This involves investing heavily in the qualities and performances of the employees.

The quality of the services provided depends to a large extent on the efficiency of the staff, on the fact that they must be aware that they form a team whose purpose is customer satisfaction.

Relational marketing – also known as interactive marketing or marketing for existing customers. It takes into account that the way in which the quality of the service is perceived depends very much on the quality of the provider-customer relationship.

Relational marketing involves, in the author’s opinion, attracting, developing and maintaining the relationship with the clients, transforming them from mere occasional beneficiaries into loyal clients.

External marketing – takes into account the usual activity of the company, preparing, setting tariffs, distributing and promoting services.

3.1. Services Marketing Complex

In order to build and implement marketing policies and strategies in the field of services, aspects related to the marketing complex must be considered.

The product represents the most important component of the marketing complex in the services field. Given that the goods can be defined in relation to their physical attributes, and in the case of services this is impossible due to the most important feature (the intangibility), the meaning of the three elements that put a mark on the product policy differs.

Due to these particularities, as well as the nature and characteristics of the services, the main activities aimed at the product policy are:

- establishment of the content of the service offer - in most cases, this is constituted by the “global service”;
- service quality management - especially due to the generalization of the needs of

the population and the competitive pressure, the most important strategy in this regard is to guarantee a higher quality level;

- differentiation in the service offer – this strategy is very important and together with the provision of quality services, it leads to the net delimitation of the main competitors;
- use of tangible associations – tangible associations (objects, goods, helping promotional materials are very important and contribute in particular to good customer information, an increase in the level of satisfaction and also a differentiation of the company's service offer;
- positioning of services within the package offered - this is done in relation to the importance and quality of the services, the means of achievement being the direct research on a sample of consumers;
- positioning of the company within its competitive environment becomes a mandatory step.

In this sense, the company must know very well its differentiation attributes, permanently hold new information about the competitive environment, to create its own image based on a wide offer, of a higher quality.

The distribution is defined by the totality of the activities by which the material goods are brought from the producer to the consumer. In the field of services, the distribution presents a series of specific aspects determined by the characteristics of intangibility and inseparability of services.

Although most services are performed and consumed simultaneously, there are still services that can make a clear distinction between production and consumption. This leads to the emergence of distribution within the services, its purpose being to make the service more accessible to the consumer.

In the sphere of services, the distribution acquires new values, especially regarding the place of the service and the means by which the service is distributed. In most cases, due to the inseparability of services, the only way of distribution is direct selling, given the difficulty of expanding the geographical area.

The promotion or communication brings together all marketing decisions regarding the messages that the company sends to its audience, regardless of the means used. Due to the nature and characteristics of the services, they are not easy to promote and they customize both the content and the means of promotion used. To substantiate effective promotional strategies, the provider must have information about: the economic-social environment, the competitive environment, its market and mechanisms, the concrete actions carried out in this field by the competing companies and the effects of these actions.

Thus, a series of strategies can be highlighted, as follows:

- depending on the objectives pursued by carrying out the promotional activity, there may be: strategies to promote the image and strategies to expand the image;
- according to the mode of development in time, there are: permanent strategies and strategies with intermittent development;

- given the nature and conditions of the market, the following strategies may exist: offensive (for the purpose of conquering new segments) and defensive (defence);
- depending on the position occupied by the company within the market, one can opt for a concentrated promotional strategy or a differentiated strategy;
- strategies may also consider the use of promotional activities relying on their own or sometimes in collaboration with certain specialized institutions.

The companies will consult the results of the researches before spending money on the advertising campaign, in the desire to choose the appropriate model and to select the best advertising medium. Marketing research can also provide information on personal sales: number of personnel required, payment method, sales zoning, retention of customers, new customers. In the field of services, within the marketing mix, the main role can return to any variable, but the most important aspect is that the marketing mix is not a mere sum of components, but between these components there are important interdependence relationships. The guarantee is a promise from the manufacturer (seller) that the product will work as intended. It can give the buyer the reinsurance he/she needs in order to buy the product. One of the aspects is the nature of the market. If an international trader is present on a market such as the Common Market, where the goods are traded freely within it, a standardized guarantee is desirable. Competition on international markets is another important consideration. For example, the company may not have a guarantee policy developed on the domestic market, but on the international market it may be forced to supervise the guarantee desired by competitors and to adapt it to local conditions.

Conclusions

The transition from the centralized economy to the market economy is one of the most severe challenges of the national economy. In this situation, the marketing activity of the companies becomes more and more significant. Given that interactive marketing also pursues the ability of staff to deliver services to the consumer, the connection between internal marketing and interactive marketing is easily discernible, the latter being inextricably linked to the former.

These oftenly promoted components of marketing, together with the aspects related to the elements of the marketing mix (materialized in the existence of external marketing) lead to the establishment, completion and adoption by the marketing department, but also by the top management of the company of marketing strategies in services field (considering the double activity of the company). These strategies are very useful, leading to major changes in the company's activities. Realizing also that the product is the central pillar of the marketing activity, the companies attach a special importance to the product strategies and all elements are imprinted on them, namely: exclusivity, brand, service capacity management.

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