TRENDS REGARDING RETAIL BUSINESSES. A CONSUMER PERSPECTIVE ON THE COMMERCIAL ACTIVITY IN THE CITY OF RESITA

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Abstract: *Every business has a series of objectives to achieve. Most of the businesses in the field of commerce follow a certain strategy in order to achieve a higher level of turnover or profitability. Over time, the importance of stores in general and supermarkets in particular has increased, with the transition to a consumer society. The consumer behavior thus becomes an important aspect for the way organization generally or the marketing departments develop their strategies. In order to achieve their goals, it is important for companies to be able to attract and maintain a large number of customers. The general trends in this regard, that can be identified worldwide, can be easily observed in the city of Resita also, reason why it can be studied a direct connection between the number of customers and the level of development of the stores. Whether we speak about supermarkets or small, proximity stores, it cannot be denied the fact that the commercial area has gain power and has been extended very much over the years. Still, each of these faced a new threat, namely the expansion of online stores, reason why many of them try to adapt in the digital environment also. Every analysis, however, depends on two perspectives: the consumer perspective and the managerial perspective. The present paper aims to present an overview of the first one, offering the possibility of further development from the managerial point of view. The first part of the paper consists in a theoretical background regarding commercial management, presenting general aspects regarding the consumption phenomenon, while the second part consists in a study carried out on a sample considered representative for the population in the city of Resita, in order to achieve the perspective of customers regarding the development trends of retail businesses in this part of the country.*

Keywords: *commerce; retail; consumer; business; commercial network; turnover.*

JEL Classification: *L81.*

1. Theoretical Background

"The consumption phenomenon has reached important dimensions" (Stefan, Craciun, 2011) nowadays, worldwide. Commercial activity is one that a person faces day by day, interfering with sellers, merchants and a number of other categories of staff. Literature in the field has defined each of these categories over time, while imposing a number of specificities in terms of commercial management.

According to literature, "Originally, the term 'sales management' referred to the direction of sales force personnel (…) Now, the sales management meant

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management of all marketing activities, including advertising, sales promotion, marketing research, physical distribution, pricing, and product merchandising" (Kundu).

Thus, there are several aspects that trade enterprises need to focus on, as "the term 'selling' encompasses a variety of sales situations and activities" (Jobber et al, 2016) the underlying principles of which are the following:

- Selling involves building a dialogue with the customer
- Sales involve a high level of customer interest
- Selling involves building a climate of mutual trust.
- Selling provides maximum contribution to profit (Khan, 2012).

What is the basis of the sales process is mainly the customer's need, but it is in direct relationship with the trader's needs, and the seller's by default.

The sales force performance level thus becomes directly related to the characteristics, motivation and determination of the sales staff, in order to create a "winning team" (Cates, 2015). Thus, "the sales organization, commonly referred to as the sales force, plays a key role in the growth, development, profitability and impact on customers" (Noonan, 1998).

The most important difference between the sale and the other elements of the marketing activity is personal contact. "Today, a salesforce must have a wide range of skills to compete successfully" (Jobber, Lancaster, 2009). The need to establish personal contact may vary depending on multiple factors such as: the type of buyer, the frequency of buying process, the novelty of the product, etc.

It is important for the management of the enterprise to know the types of staff that form the sales force, their characteristics and their specificity, precisely, in order to adapt the management strategies in general and the personnel strategies in particular to their development needs.

According to Kundu, the elements of sales management are: planning, coordination, controlling and motivating, while "a SWOT analysis is a basic tool for planning that a salesmanager" can utilize in many ways (Schwartz, 2006).

If we analyze the main types of sales, their characteristics could be summarized as follows:

Table 1: Types os sales

Type of sales	Advantages	Disadvantages
1. Sales with the help of conditioned reaction	Fast learning Selective information	The agent's motivation depends on the level of freedom offered to him in the presentation of the goods and the power of initiative and decision making
2.Sales with conscious reaction	Assumes the ability to identify needs Strong Relational Approach	Difficult learning process High costs
3.Development sales	Assumes Customer database expansion	The need of powerful personalities, creativity and communication can create problems

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Type of sales	Advantages	Disadvantages
4.Maintenance sales	The staff has a vast experience in customer relationship and a good knowledge of their needs.	Low level of focus on new business relationship development, focusing on the old ones
5.Relational sales	Refers to creating long-term relationships, focusing on sales counselors	The clients come first, not the products sold

The modeling of the economic activity in relation to the market requirements presupposes knowledge of the dimensions and the structure of consumption. The research of these aspects is an important source of information.

The research of the actual consumption refers to its quantitative and structural aspects, with the highlighting of the particularities determined by several factors. Thus, the most common methods used in consumption analysis are:

1). Methods using consumption statistics, with the purpose of obtaining information from different reports regarding consumption

2) Methods based on information obtained directly from consumers.

2. Developing the commercial sector in Romania

The promotion of the consumer society also meant the development of the commercial sector, so during the last two decades, not few were the commercial networks that have entered on the Romanian market, extending exponentially over the years, by opening numerous subsidiaries in most of the counties and cities of Romania.

Thus, their level of profitability is higher, newspapers or publications in the field showing very high figures in this respect. According to publications such as Wall Street or Profit, the financial results of the trade companies, supermarkets or hypermarkets have been increasing since 2015. According to the data available on the website of the Ministry of Finance, the top 10 modern commercial networks have accumulated over the years 2016 – 2017, cumulative profits of over 350 million euros, in a positive evolution.

We can mention Kaufland, Carrefour, Lidl, Auchan, Metro Cash & Carry, Mega Image, Selgros, Rewe and Cora as the companies that have imposed themselves on the Romanian commerce market, greatly developing the big store sector and facilitating over time the access to various categories of products.

Among the most important features of each of these commercial networks, we identify the following in Table 2. We take as benchmark the year 2016, because for this year there is complete information for each of these companies:

Beyond the traditional trade, however, online commerce has grown enormously, with official data even mentioning Romania's highest growth in Europe, 38% (according to Ecommerce Europe). In 2017, the estimation was 2.5 billion euros, "but in reality the value of online shopping has reached 2.8 billion euros, more than 40% higher than in 2016. Online commerce in Romania has the potential to double the value by 2020, with the condition of investment increases and the support of

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authorities to develop digital skills among the population, along with digital infrastructure" (according to Capital.ro).

Table 2: Results of the retails players

	Number of stores	Turnover	Profit	Number of employees
Kaufland	115 hypermarkets	2,13 billion euro	145 mil. euro	14.070
Carrefour	298 stores (32 hypermarkets, 213 supermarkets, 53 proximity stores)	5,6 billion euro	36,4 mil. euro	9.100
Lidl	200 stores	1,24 billion euro	48,3 mil. euro	4200
Auchan	33 hypermarkets	1 billion euro	- 5,3 mil euro	10.000
Metro Cash & Carry		968 mil euro	22,9 mil euro	4100
Mega Image	28 supermarkets 40 proximity stores	961 mil euro	30 mil euro	8600
Profi	Stores in 308 towns	788 mil euro	28,1 mil euro	12.000
Selgros		732 mil euro	25,2 mil euro	

Source: Wall Street.ro, Profit.ro

Augmented sales, on the other hand, involve a combination of reality and digital, with specialists identifying a high potential for development, as technology has become very present in our lives. Although the notion is not yet so popular in our country, augmented reality will grow more and more.

3. Case study. Research regarding the forms of sales preferred by the population of Resita

The purpose of this study is to analyze the sales forms (retail, online and augmented sales) preferred by the population of Resita.
The main objective of the research is to determine the preferred form of sale used by the inhabitants of the city.
The secondary objectives of the research are:
1. identifying the main categories of products purchased by the respondents
2 establishing the main stores requested by the subjects
3. Appraisal regarding the store network in Resita
4.analyzing the satisfaction degree of the subjects regarding the prices from the retail stores
5.identifying the categories of products purchased online
6. Identifying the stores that would use augmented sales.
In the present case, the subjects surveyed represent the population of the municipality, compressed into a representative sample.
The method of sampling used is the quota method, ie a rational choice of individuals, aiming to obtain at the sample level a structure by gender, age groups and

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occupations, identical to the structure of the population of the municipality, using the usual data from the general presentation of population of Reşiţa on 01.01.2019. The period when the study was carried out was 1st - 28 February 2019, and the total number of respondents was 72, thus we can speak about a qualitative type research. The questionnaire was administered personally, the sample established being representative on gender and age, more than the criteria of income or education. Nevertheless, the proximity of a store is likely to influence the buying behavior of a customer.

As a form of research, the used a structured individual survey, that was based on a questionnaire consisting of 13 questions, namely 10 questions of content and 3 questions in order to identify the subjects.

The evolution in time is difficult to carry out, considering the fact that the respondents were selected aleatory.

The results of the qualitative studies depend highly on the level of observation of rules, also on their organization and performance, considering:

 the number of people interviewed;
 the sampling methods used;
 the development of qualitative research;
 the presentation and interpretation of the results.

Qualitative research usually „involves interviewing a limited number of people and seeks to reach deeper information levels related to specific subjects, the data not being statistically representative of the studied population" (Manciu, Demyen, 2018) from all points of view, as mentioned above.

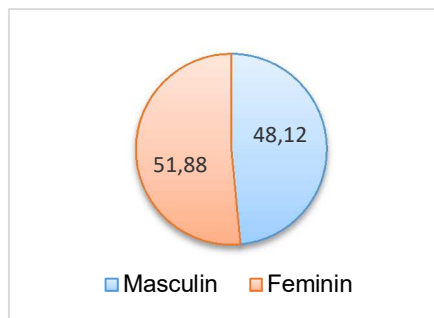The gender and age structure of the sample was the following:

Figure 1: The sample structure by gender
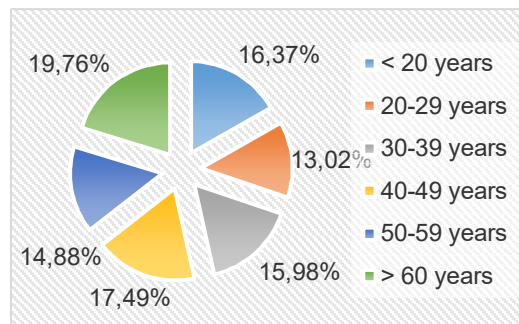Note: Masculin = Male; Feminin = Female
Source: developed by authors

Figure 2: The sample structure by age criteria
Source: developed by authors

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4. Conclusions of the study. Limits and future developments

The results of the study revealed the following:
- 40% of respondents have a monthly average income of less than 1400 lei, indicating a poor purchasing power (aquisition) of goods, 45% have an average monthly income between 1400-2300 lei, 15% have higher wages of 2300 lei, which is a small percentage compared to the first two variants.
- Of the people questioned, most declare that main part of the income is used for purchasing food (71%), while a much smaller percentage is allocated to the purchase of hygienic - sanitary products (8%), clothing, household appliances or luxury products (5%).
- If we would make an analysis of the European countries or even worldwide, regarding the way people choose to allocate their income, we see a certain imbalance in Romania, compared to other countries, in the idea that food products dominate in the case of Romanian consumers, especially bread, while the inhabitants of more economically developed countries can afford to buy luxury goods in a larger number.
- The most frequented shops, according to the respondents' answers, are those presented in the following diagram. We can see that Kaufland is the first one, preferred by respondents by 24%, which is demonstrated by the figures presented at the previous point of the paper, referring to the company's financial results.
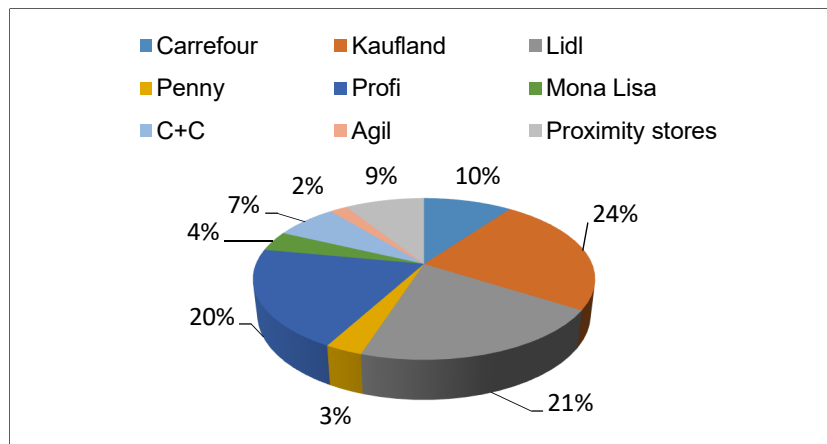

Figure 3: Stores preferred by customers
Source: developed by authors

- The people surveyed prefer the main stores, especially the big commercial chains, to the detriment of the smallest ones such as C + C, Agil or MonaLisa, considering that the big ones are much better supplied and have a much clearer development strategy than the smaller ones.

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- Also, in terms of price, most respondents consider that they are accessible - 40% of the respondents, while a smaller number (17%) consider that the pricing policy is convenient.

- More than half of the respondents are satisfied with the products bought from the respective stores as well as with the prices, (57%), while a lower percentage (28%) qualify prices as high or even very high (15%), declaring themselves dissatisfied.

- The online commerce, however, it is becoming more and more popular, acquiring a higher level of confidence in the context of digitization, 68% of respondents claiming to practice this type of commerce, but they are mostly a young population, with greater openness to acquiring new technologies. We cannot exclude the older population, who, though less receptive to computerization, is still interested in progress.

- Classic trade is losing more and more land in front of online or mixed trade.

- In the online environment, the most commonly bought products remain clothing articles, as well as household appliances, which are mentioned by respondents in the proportion of about 35% each. The luxury products are purchased in a much smaller number, being mentioned by only 14% of the respondents, while the hygienic-sanitary products are purchased only in a percentage of 10%, the last one belonging to the category of products food, in contrast to the classic commerce.

This latest trend is somehow natural, as food shortages often have short shelf-life and transport costs are not justified if small amounts of food are concerned.

According to economic publication (Business Review), „the online shopping has changed consumer behavior, but the influence that online commercials have on buyers is different based on the level of income".

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