

The reflection of retail marketing strategies in advertising catalogues

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Abstract: *In consumer relations, the retail companies carry out specific external marketing activities using appropriate tools: catalogues, online marketing actions, external advertising etc. The aim of this paper is to analyze the advertising catalogues from the following types of stores: proximity shops, discounters, supermarkets and hypermarkets and to identify and describe retail marketing strategies as they turned out from them. The research methodology was based on a quantitative research method. In this sense, the authors present the external marketing strategies and the company's general strategies. Also, in retail marketing strategies, product and price strategies are essentially dependent on vendor strategies, while the business firm has more control over promotion and distribution. Following the analysis carried out, the authors conclude that in composing the mix, the trading company has total control over the combination of brands and products and low control over the product lines within the brands. The paper contributes to a better understanding of the retail marketing strategies.*

Key words: *retail, company, marketing strategy, advertising catalogue, external marketing strategies, general strategies*

JEL: L20, M31

1. Introduction

The multichannel marketing environment is becoming increasingly prevalent in recent years (Chang and Zhang, 2016). Thus, multichannel marketing has become an important tool in order to motivate customers to shop frequently through increased interaction and build lasting customer relationships (Rangaswamy and Van Bruggen, 2005; Hansotia and Ruskstales, 2002).

In consumer relations, retail firms carry out specific external marketing activities using appropriate tools: catalogues, online marketing, outdoor advertising, etc. Many firms are abandoning the print advertising and this serves to reduce competition for the firms still producing these forms of advertising (Safdar, 2016). In fact, in retailing this form of promotion remains one of the favorites of the traders

From the theoretical point of view, the advertising catalogue is a printed promotional support, with a prestigious connotation (contains several tens of color pages), detailed and, as a rule, exhaustive of a company's commercial offer. The articles presented are accompanied by artistic photographs, sales prices and detailed product information. The catalogue is the main tool used in the distance sales system - specialized promotion and information support. The print ad and the catalogue are advertising formats that do not compete for space with consumers' other digital distractions (Mark et al., 2019).

The goals of the paper are to analyze the advertising catalogues from the following types of stores: proximity shops, discounters, supermarkets and hypermarkets, and to identify and describe retail marketing strategies as they turned out from the analysis of

the catalogues. The research is based on a quantitative method. The paper contains four other sections as follows: literature review, research methodology, results and discussions, and conclusions and recommendations.

2. Literature review

The content and structure of the advertising catalogues reflect both market and mix strategies, on the one hand, and general company strategies, on the other (Toma and Marinescu, 2015).

As part of the planning process, the structural components specific to the catalogue are placed within the last phase of the promotion program (Catana, 2015). Consequently, they reflect a precursory process, that of strategic marketing planning. The deductive method can be applied by going through the process, inversely, i.e.: mix-positioning-segmentation (market strategies). Marketing strategies are second-tier strategies in relation to the general business strategies, the latter can be deduced through the analysis of marketing ones.

Using the advertising catalogues is wider in terms of products and more limited to services. Product policy is reflected by product placement within catalogues, diversity and degree of dimensional stability, variety of products (Miulescu, Marinescu and Toma, 2019).

By placing itself in the field of external marketing, distribution is part of the marketing mix (Gradinaru et al., 2016b) and can be understood in a broad sense, on the one hand, as including the "distribution" of the catalogue (the "promised offer") by developing direct marketing strategies and, on the other hand, (free shipping) of buyers at

points of sale (“distribution”) (Catana, 2019; Gradinaru et al., 2016a).

Advertising catalogues also reflect the promotional and communication strategies used by retailers. Thus, at the level of the objectives pursued by the promotional activity, the commercial enterprise can choose to promote its global image in the external environment or to promote the products in the offer.

3. Research methodology

In order to reach the aims of the paper, the authors employed a quantitative research method. The information was obtained through field research.

First of all, the authors collect the advertising catalogues from 8 stores from Bucharest during a three months period (November 2019 – February 2020). Secondly, the information was synthesized, highlighting the aspects regarding the retail marketing strategies. Finally, the authors concluded the paper and emphasized the conclusions following the analysis performed.

For each of the four types of commercial stores analyzed - proximity shop, discount-er, supermarket and hypermarket – were selected two commercial units. The selection of these units was made according to the market share, using the non-probability sampling, considering that the research is exploratory in nature. For all these units were analyzed a total number of 85 leaflets and commercial catalogues.

The authors used primarily the deductive method which is based on understanding the place and role of the strategy in the management of marketing processes. Basically, the marketing strategy is the basis for designing the marketing activities and programs, in

this case, in the way of drawing up and disseminating the commercial catalogs. By observing and analyzing the way of drawing up and disseminating, through deduction, it is possible to identify the strategic instruments that were the basis of their elaboration.

Secondly, the authors had resorted to the comparative method based on which retail strategic alternatives can be derived from the catalogues. Basically, the comparisons were made between the activities carried out within each type of store included in the analysis and, by extension, between the types of retail companies.

The following three main objectives were set to be achieved following the analysis of the trade catalogues:

O1: The degree of using the advertising catalogues in different types of commercial stores

O2: Identification of external marketing strategies reflected in the structure of advertising catalogues

O3: Identifying the company’s general strategies reflected in the structure of the advertising catalogues

The purpose of this marketing research is to identify and describe certain marketing strategies based on the analysis of the advertising catalogues edited by proximity stores, discounters, as well as those published by supermarkets and hypermarkets present in Bucharest.

4. Results and discussions

The use of the secondary data analysis method took into account, on the one hand, the possibility of identifying certain marketing strategies used in the retail sector in Romania, and, on the other hand, the

intention to substantiate the purpose and objectives of the concluding researches (Catoiu et al., 2002). Also, using this method, the authors wanted to highlight the different strategic approaches according to the typology of the analyzed stores.

In the following, the authors analyze the advertising catalogues in order to present retail market strategies (segmentation), specific positioning strategies, and last but not least, mix strategies, specific to external marketing. These issues can also be investigated

in the sphere of the goods traded and in services rendered for their sale.

In Table 1 the information required by the first objective of this structured research is highlighted on each of the four types of analyzed stores, and the extent to which commercial catalogues are used. This is a first step in analyzing these types of promotional media in order to obtain as much information as possible regarding retail marketing strategies.

Table 1: The degree of using the catalogues in the analyzed units

Type of store	Existence of catalogues	Average number of catalogues released during the analyzed period	Periodicity
Proximity store	No	0	-
Discounter	Yes	17	Weekly
Supermarket	Yes	15	Weekly / Bi-monthly
Hypermarket	Yes	23	Weekly / Bi-monthly / Monthly / Seasonal

Source: Authors' own research.

As can be seen, the proximity stores analyzed do not use advertising catalogues as a form of promotion. Taking into account the peculiarities of these types of business units, from the point of view of the target segment, they target potential buyers who live or work in their vicinity. Therefore, marketing efforts do not include promotion through catalogues, but rather promotional activities specific to sales promotion (brand, symbol, posters, indicators).

The average number of leaflets and advertising catalogues distributed by traders during the analyzed period reflects the importance they attach to this promotional tool. Also, discounters, supermarkets and

hypermarkets do not just edit cascading catalogues (editing a new catalogue when another catalogue has expired), but it also edits several types of catalogues concurrently. The strategic option that can be detached explains the fact that merchants generally publish a general catalogue, in which include a selection of products from each of the groups present in store districts and, in addition, other catalogues only for certain group products. The situation is generated by certain strategic alliances (especially in supermarkets and hypermarkets), developing, in cooperation with certain suppliers. From the point of view of the promotional alliance strategies between producer and distributor, there may be either

catalogues that promote only the products of a particular manufacturer or “co-branding” pages for a particular brand.

Analyzing the frequency of leaflets and promotional catalogues, we notice significant differences between the types of traders mentioned: discounters publish a catalogue or leaflet per week, while supermarkets and hypermarkets publish several catalogues or leaflets weekly, depending on number and typology of promoted products.

It is worth mentioning that catalogues or leaflets with a different validity period, some with respect to others, are published in the offer of the same type of trader. This is due to the fact that, as a rule, food offers are planned for a shorter period, while bids for non-food products are maintained for a longer period of time. Discounters mainly sell food products, while in supermarkets and hypermarkets the share of non-food products is much higher.

We also found that flyers and special catalogues (e.g. Black Friday, Christmas, New Year Eve) are being edited for events. In general, the duration of the offer, promoted through these materials, is approximately 7-10 days.

These considerations regarding the ways of publishing and distributing the catalogues indicate a strategic market behavior that can be expressed through a periodic modification of the trading conditions, especially those in the product and price sphere. These are differentiated by product groups, the frequency being higher for food than non-food.

The marketing mix is reflected in the commercial catalogues, mainly through the components produced and the price, on the one hand and through some components of

the promotion (the catalogue itself) and the distribution.

In terms of product placement in promotional support, it is found that in general, in general catalogues (food and non-food), the products are grouped and disposed in a relatively standardized order: fresh products (meat, vegetables, fruits), sausages, dairy products, canned food, household and household products, hygiene and cosmetic products, which largely reflect the order in which they are displayed for sale.

Regarding the arrangement of the page, noticeable differences are between the analyzed traders, which is specific to each store, but there is no link with the typology of the shops.

The volume of products in promotional support is variable and varies from one merchant to another. That's why the number of pages in the catalogue is variable. In general, 8-10 products are promoted on a page. It should be mentioned that this variation reflects the typology of the analyzed shop, as well as the typology of the edited commercial catalogue.

As a strategic product alternative, it can be mentioned the strategic alternative of product selection within the groups exposed at the point of sale. In this sense, depending on the size of the commercial space, several or fewer product groups are promoted.

The degree of novelty of the products is adequately reflected in the catalogues, and strategic deductions can't be made. However, it can be noticed that novelties are improperly referred as new products from the perspective of marketing theories, the novelty being attributed to products that have not been promoted in previously published catalogues. The number of such new

products is proportional to the size of commercial support. In this regard, supermarket or hypermarket stores promote a larger number of such products compared to discounter stores.

The price of the products included in the catalogues reflects a strategy, correlated with the product, as well as with the positioning, and it is possible to select the products in

correlation with the price strategy.

The selection reflects a price strategy that aims to attract and retain customers, placing themselves in the sphere of relational marketing strategies. In this respect, depending on the typology of the shops, the following types of pricing tactics used in retail (Table 2) can be identified:

Table 2: Types of pricing tactics used

Types of pricing tactics	Discounter	Supermarket	Hypermarket
Grouped sales	✓	✓	✓
Differentiated prices according to the geographical location of the store	-	-	✓
The unique price	✓	✓	✓
Differentiated prices according to product group	✓	✓	✓
Prices temporarily reduced	✓	✓	✓
Competition-oriented prices	-	✓	✓
Psychological prices	✓	✓	✓
Special offer prices	✓	✓	✓

Source: Authors' own research.

The information presented above highlights the existence of notable differences between the price approach of discounters, compared to supermarkets and hypermarkets. Also, all types of retail stores are dominated by grouped sales, so customers are encouraged to purchase more units of the same product at a unitary price lower than the one-product purchase. In addition, products with psychological prices are included advertising catalogues regardless of the type of trader. These types of prices have the role of exacerbating the emotional behavioral reactions of clients. Compared to the above, we note that the temporary price reduction and the special offer prices are placed within the strategic alternative of the penetration price on the market.

Distribution strategies used by retailers can't be deduced directly from promotional media, but by analyzing the contact information in the advertising catalogues, it can be found that most traders are placing themselves in the role of specific distribution channels derived from those of goods, the length of channels varying between direct distribution and short channel distribution.

In this sense, discounter stores exclusively use classic (traditional) distribution through commercial units, while supermarkets and hypermarkets also use modern distribution channels: online selling via site and mobile phone applications. From the depth of the distribution channel, in addition to sales made in operating units, supermarkets and hypermarkets make distribution

through very deep channels, delivering products directly to customers' homes through courier companies, the channel being medium-length (intermediate) and very deep.

5. Conclusions

The exploratory analysis of how marketing strategies are reflected in promotional media (advertising catalogues) highlights some conclusions that capture specific features relative to goods and services.

First of all, it is noted that the derived a complementary character of external marketing strategies in relation to interactive marketing strategies. Basically, the external marketing mix has as its starting point, the interactive marketing mix being made by selecting products, prices and services to achieve external marketing goals. The complementary character is determined by the selection that leads to a "different" mix than the "interactive" one with a pronounced promotional role.

In a similar (derived) position, there is also a relationship with suppliers that reflects the commercial supply strategies that arise in relation to addition to interactive marketing

strategies. Practically, business firms select suppliers according to interactive marketing strategies that appear in stores (interactively) with their own strategies (product, price, promotions at the point of sale, etc.), reflected in their actions. In this sense, it was noted, secondly, the dependence of the external marketing strategies on the relationship between the trade company and the suppliers. Also, vendor marketing strategies are reflected appropriately in the activities inside and outside stores and, viewed otherwise, commercial marketing strategies appear to have a pronounced collector character. Thirdly, exploratory analysis reveals the essential, strategically and tactical role of marketing mix in retailing, coupled with the higher flexibility of the trade firm.

In marketing strategies, product and price strategies are essentially dependent on vendor strategies, while the business firm has more control over promotion and distribution. In this context, in composing the marketing mix, the trading company has total control over the combination of brands and products and low control over the product lines within the brands.

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