

## ADVANTAGE OF THE DISTRIBUTION CHANNEL MEMBERS

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*The enterprises' offensive in various markets is focused on a package of “services” that integrates – more than ever before – the observance of terms and vivid contacts between enterprises and customers. Metaphorically, we could say that services rendered to customers is a window between the market and the enterprise's value creations. From this perspective, the quality of commercial services is a key factor of success that ensures a competitive advantage to any enterprise opting for a strategy focused on expanding and developing the portfolio of services rendered to customers.*

*Bringing the commercial services rendered by members of a distribution channel into focus, the authors try to answer - on the basis of pertinent bibliographical sources - the following questions: What does the notion of commercial service rendered to customers mean? How can we assess the performance of the enterprise (service provider) from this perspective? How can we actually measure the performance of the commercial service rendered to customers?*

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### 1. Specific features of commercial services

There are many definitions of services, relative to our analysis, but, in our paper, we confine ourselves to the concept of **commercial services, i.e. services rendered by members of the distribution channel (mostly retailing) to customers.**

Retailers – the last link of the distribution channel – do not confine themselves to only physically placing products at the customers' disposal. They also organize the so-called **support logistics** (A.-L. Ristea, coordinator, 2002, p. 403), materialized as commercial services for:

- facilitating the selection of merchandise by customers; information about products, consultancy;
- improving comfort and ensuring easy purchasing: extended working time, own parking area;
- ensuring the best conditions for using the purchased goods: maintenance and post-sale services.

Among the few authors who have thoroughly dealt with services rendered to customers by members of the distribution channel we find A. Tordjman (1983). He suggested a definition closer to the topic of our paper, which considers the commercial service to be *the amount of satisfactions and utilities offered by a shop to customers. Certain services are directly linked to the sale of the product, others depend on the mode of organisation of the shop.*

For this definition, A. Tordjman resorts to T. Levitt's idea (1969, p.52, reference taken from Maurial, 1990, p.37) according to which it is not the product itself that counts to the consumer, but rather the advantages and the satisfaction it offers. In other words, Levitt links the notion of service to utility.

In trying to adapt the notion of utility associated to service, as defined by Tordjman, to the distribution field, Alban Maurial (1990, p.38) proposes a definition of services in which the utility to the consumer is considered globally, both in the pre-decisional stage (pre-buying) and in the post-decisional stage (post-buying). Thus, commercial services are *an assembly of commercial services proposed by a distributor to increase the global utility acquired when looking for, purchasing or using a product* (Alban Maurial, 1990, p.38). This definition places the product in the centre of the consumer-service relation, and introduces a chronology in the process of purchasing the product and of consuming the services that accompany it.

Moreover, the above definition reveals the author's concern to distinguish between commercial services linked to distribution and services associated to the tertiary sector or services included in the product. We agree to this opinion and detail further several aspects exclusively linked to commercial services provided by distribution, just for assessing correctly to what extent various participants can involve in providing them.

Commercial services have some specific features that are important for understanding the constraints associated to the policies for rendering them through the joint effort of all members of the distribution channel.

Therefore, we should note the following **specific features of the services** that could be provided by the distribution sector (Ph. Détrie, 2002, p. 48; A. Maurial, 1990, p. 38; A. Tordjman, 1983, p.7).

1. **Intangibility.** It means that:

- a) *the service is partly intangible* (therefore, difficult to measure);
- b) *the service is seldom specified* (the need is implicit and depends on behavioural and cultural criteria and on previous experience, which impedes the understanding of the satisfaction criteria considered by the customer);
- c) *the service is often included in complex services* (difficult assessment of effectiveness).

2. **Simultaneity of production and consumption.** This feature explains why:
  - a) *the service cannot be stored* (it is impossible to accumulate non-used services and also to change services);
  - b) *the service is based on a personal relationship* (from this, the difficulty to control the behaviour of every customer);
  - c) *the service may be placed in a strong relational, even emotional, context* (difficult to assess).
3. **Heterogeneity.** This feature is shown by the following aspects:
  - a) *the service cannot be renewed until being identical*, as each situation is different and takes place in a unique moment (that is why it is difficult to standardize services, which explains why the production of services rarely rises in productivity, when we take into account, on one hand, the variety of expectations and exigencies in the consumption of services, requiring a strong personalisation of rendering and, on the other hand, the variety of possible factor combinations in service production and sale);
  - b) *the service is equally evaluated by outcome and mode of provision* (it is difficult to reduce it to basic rendering);
  - c) *the service requires sometimes the customer's involvement* (this co-produced service hinders ensuring the product quality).

Knowing the specific features of commercial services, we understand it is necessary to deal with physical distribution from a systemic perspective, according to which the output materializes in the package of services rendered to the client. But the area of services associated to the product trading is complex and consequently not easy to define. This complexity is supported by **the variety and heterogeneity of services** to be proposed through the distribution channel.

#### 4. Types of commercial services

A. Tordjman tried to summarize the most common criteria for classifying commercial services (Table 1).

**Table 1**  
**Types of services**

Services by nature	Services sold alone Services sold with a good	Services by origin	Services by function	Endogenous services Exogenous services
Hiring services: car renting TV set hiring Services for personal products: car repair footwear repair Services linked to sales: parking delivery	1. Services sold alone: insurance travel agency banking 2. Products sold with a good: deliveries working hours and days	1. Services linked to production: intrinsic services: instant soup cooked food disposable handkerchiefs services generated by modern forms of sales: conditioning presentation labelling information 2. Services linked to distribution functioning schedule exchange, crediting	Comfort or psychological services: selection, proximity parking, credit baby sitting Technical services: delivery dispatch installation repair Financial services: crediting exchange office credit card Paracommercial services: travel agency decoration agency	Endogenous services: delivery repair mending Exogenous services: Comfort or psychological services financial services paracommercial services
Fields of response to each type				
Sectoral analysis of services	Analysis of the services sector and of commercial services	The issue of vertical competition	Action variables of horizontal competition	Description of the organisation of the point of sale

Source: Tordjman, A., 1983, p. 18.

We find another way of dealing with types of commercial services in A. Maurial (1990, pp. 47-49). This typology is coherent with the definition he provided for distribution services, which definition we adopt for scientific reasons and promote it, as stated above. **This typology (Table 2) distinguishes services by four chronologically ordered stages of buying a product:**

1. services of access to the product;
2. services of information concerning the product;
3. services concerning the purchase of the product;
4. services for the utilisation of the product.

**Table 2**  
**Types of commercial services by buying stages**

<p>1. Services of access to the product</p> <ul style="list-style-type: none"> <li>• Proximity</li> <li>• Parking</li> <li>• Extended working hours</li> <li>• Freedom of movement inside the shops</li> <li>• Systems of publicity at the point of sale</li> <li>• Playing places for children</li> <li>• Brasserie</li> <li>• Toilets</li> </ul>	<p>2. Services of information concerning the product</p> <ul style="list-style-type: none"> <li>• Presentation by type of product</li> <li>• Information labelling</li> <li>• Quality labels</li> <li>• Presence of trademarks</li> <li>• Advice from shop-assistants</li> <li>• Advice for decoration</li> <li>• Diagnosis at home</li> <li>• Product testing at home</li> <li>• Catalogue</li> </ul>
<p>3. Services concerning the purchase of the product</p> <ul style="list-style-type: none"> <li>• Promotion</li> <li>• Reception of old (worn) goods</li> <li>• Credit/credit card/distributor card</li> <li>• Stock availability</li> <li>• Selection of the mode of delivery</li> <li>• Transport means</li> <li>• Observance of the delivery term</li> <li>• Mail sales</li> </ul>	<p>4. Services for the utilisation of the product</p> <ul style="list-style-type: none"> <li>• Replacement or reimbursement of the sold product</li> <li>• Assemblage at home</li> <li>• Assembling instructions</li> <li>• Post-sale guarantee</li> <li>• Post-sale assistance</li> <li>• Product checking</li> </ul>

*Source: Processed after Maurial, A., 1990, pp. 48-49.*

Unlike other approaches to types of services, the typology proposed by Maurial is based on the place of services in the buying process, which offers some analytical advantages:

- It takes into account the consumer's real behaviour, in order of service consumption.
- It places the product at the core of any service policy, including the gradual evolution of the consumer/product/service relationship.
- It ensures a dynamic dimension to the analysis of services.
- It covers all range of services that can associate both horizontally and vertically.
- It is an operational tool for assessing and implementing the policies for services to the consumer.

### 3. The quality of commercial services

The quality of commercial services should be analysed, in accordance with the need for a systemic approach, in relation to the modules of the quality management to which it pertains. Ph. Détrie (2002, p. 24) defines four components of the quality:

- a) **The quality of definition.** It implies the identification and interpretation of the target customers' needs in accordance with the performance to be achieved as per specifications: technical characteristics, aesthetic, delivery period, security, price, etc.
- b) **The quality of design.** It refers to solutions for achieving the expected performance.
- c) **The quality of service provision.** It refers to solutions applied in accordance with specifications and in due time.
- d) **The quality of services.** It assesses the complementary services expected by the client: information, advice, personalisation, post-sale services, time, accessibility, etc.

This global approach is required by the paradigm of the quality management that ensures the transition from the traditional approach to quality to:

**a) mastering the quality of rendering services** (the quality of management, which spreads through the whole enterprise – the identification of needs, responses, the production of goods and services, the provision of a confidence environment);

**b) the discipline of conformity** (the quality management requires four behaviours – concern, creativeness, rigour of conformity, care for service) (Ph. Détrie, 2002, p. 25).

The implementation of the management of commercial services quality faces serious problems frequently caused by:

- Uneasy assessment of quality because of the specific features of commercial services (intangibility, simultaneity of production and consumption, heterogeneity);
- The postulate that a service is just a matter of behaviour; in fact we should not ignore the requirements for implementing standards, procedures, etc. in conditions of adequate endowment;
- The collective mastering of a process since most problems are actually relational;
- Lack of training in the quality field; the performance in rendering services is dependent on: professional competence, care for the customer, organisational competence. A new employee meets the requirements for professional competence, but sometimes he acquires knowledge about the customer and organisational culture on an empirical basis.

#### 4. Indicators for measuring the quality of commercial services

For measuring the quality of services, we use several indicators, established for each of the following components of the quality of services, analysed with a view to achieving a certain quality level:

- **Basic provision of services:** the specifications indicating the competence, the equipment and/or material means.
- **Accessibility to the provider:** place, working hours, parking, facilities.
- **Relationship:** reception, contact, listening, availability, competence, personalisation.
- **Information:** pertinence, clarity, accuracy, velocity.
- **Consultancy:** pertinence, value added.
- **Observance of delivery terms:** announced terms.
- **Environment:** equipment, room, comfort, ambient conditions.
- **Cost:** purchasing price and cost of possession.

An indicator for measuring the quality, in general, and services, in particular, is an instrument for assessing the achievement of an objective, the progress made in an activity, the knowledge of the influence of variations of a phenomenon. As regards the particular features of commercial services – besides essential criteria such as punctuality, absence of defects or availability – we should also opt for criteria that could be perceived by the customer. The reason is shifting from a criterion of performance/conformity of production (e.g., the proportion of durables receiving services during the guarantee period, the rate of defects, availability) to the criterion of perception of a service experienced by the customer (waiting time, the presence of an interlocutor, the perceived cleanliness of an area).

As regards commercial services, all measurement indicators should focus on the customer: number or proportion of customers who were negatively influenced due to non-compliance with service specification.

Ph. Détrie (2002, p. 375) indicates three stages for establishing pertinent and relevant indicators for measuring the quality of commercial services:

1. **Defining the reference service by three elements:** customers' expectations; for similar services, the quality level provided by other competitors; the strategy of the enterprise.
2. **Establishing a level of exigence:** 100% of the customers? Or, at least?
3. **Establishing, possibly, a level of alertness:** when reaching the threshold, an alert is called and a decision is taken for corrective and/or preventive action.

Table 3 includes a list of indicators that could become a quality barometer (for a hypermarket or a supermarket).

*Table 3*

*A list of indicators forming the quality barometer for large commercial areas*

<p><b>Internal indicators</b></p> <ol style="list-style-type: none"> <li>1. <b>Ensuring the assortment</b> <ul style="list-style-type: none"> <li>• Stock level</li> <li>• Available products of the required model, colour, size and selection desired</li> <li>• Proportion of stock shortages</li> <li>• Proportion of obsolescent stocks</li> <li>• Accuracy of sale prediction</li> <li>• Proportion of damaged merchandise, of returned deliveries</li> </ul> </li> <li>2. <b>Accessibility/Exploration</b> <ul style="list-style-type: none"> <li>• Products available in the shop</li> <li>• Reasonable time for finding products</li> </ul> </li> <li>3. <b>Services to customers</b> <ul style="list-style-type: none"> <li>• Adequate number of shop assistants</li> <li>• Waiting time at counters</li> <li>• Shop assistants'/personnel's attitude</li> </ul> </li> </ol>
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- Observance of the regulations for consumers' protection
- Indoor aspect of the shop
- Number of disputes with customers
- 4. Availability and utilisation of information concerning**
  - Real stocks and optimum stocks
  - Characteristics of the products
  - Price structure
  - Service conditions
- External indicators**
  - Satisfaction to customers with regard to selling/buying and complementary services offered
  - Array of post-sale services
  - The global barometer of buyers' satisfaction (by panels of buyers)

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