

Chapter 13

Engaging Retail Customers Through Service and Systems Marketing: Insights for Community Pharmacy Stores

Sergio Barile

Sapienza University of Rome, Italy

Marialuisa Saviano

University of Salerno, Italy

ABSTRACT

This chapter highlights the need for and the directions of a rethinking of the approach to Retail Marketing to overcome the limitations of a view that can fail in effectively engaging customers in the relationship with retailers, as they are still excessively focused on the 'structural' elements of the service offering. Many physical stores, in particular, show what can be called the 'paradox' of a Goods-Dominant Logic in the service offering. Among the advancements of service research, Service-Dominant Logic has highlighted the need to take a general service view of market exchange to better engage customers in a value co-creation relational context. To accomplish such a paradigmatic change, systems thinking and the Viable Systems Approach (VSA) provide interpretation tools useful to shift focus on interaction. Essentially, this chapter illustrates the conceptual and practical advantages of the adoption of a Service & Systems Approach to Retail Marketing, providing examples and insights with reference to the case of Community Pharmacy.

INTRODUCTION

By focusing on the inner service nature of retailing, in this chapter Authors argue that retail marketing needs to overcome the limitations of a view that still appears excessively focused on the ‘structural’ elements of the service offering. This structural view can fail in making the core potential of service value to emerge from retailer-consumer interaction. A relevant contribution in this respect can be provided by recent proposals of the theoretical context of service marketing, with particular reference to Service-Dominant Logic (SDL) (Lusch & Vargo, 2006; Vargo & Lusch, 2006, 2008; Vargo, Maglio & Akaka, 2008) and Service Science (SS) (Maglio & Spohrer, 2008; Spohrer, Maglio, Bailey & & Gruhl, 2007), integrated within the general perspective of systems thinking through the adoption of the Viable Systems Approach (vSA) (Barile, 2000, 2008, 2009; Golinelli, 2000, 2010; Various Authors, 2011; Barile, Pels, Polese, Saviano, 2012).

Marketing theory has accomplished a series of changes in perspective that have led, first, to a shift in focus from selling goods/products to establishing long lasting relationships with customers and, then, to the enhancement of the dynamic aspects of the market exchange process through the adoption of a true ‘service logic’. This evolution has been theorized as a progress from a Goods-Dominant Logic (GDL) to a Service-Dominant Logic (S-D Logic) in market exchange (Lusch & Vargo, 2006). A key step in this evolution is due to Relationship Marketing (Gummesson, 2002), which had the merit of recognizing the relevance of establishing and maintaining good relationships with customers overcoming the traditional transactional market logic (Golinelli, Barile, Saviano & Polese, 2012).

By adopting the general perspective of the vSA as a set of interpretative schemes, the evolution recalled above appears an expression of the need to overcome the traditional reductionist view of marketing, focused on goods, creating the basis for a general theory of exchange, based on service and focused on interaction. When focus is on goods/products to manufacture/distribute/deliver to customers, attention is reductionistically on their objective and physical features, i.e. how they are made instead of how they *serve* the needs of customers, solving their problems, that is, ‘serving’ a purpose.

This view appears to still dominate also in retailing. Retail, in actual fact, is a service. Nevertheless, almost paradoxically and despite relevant advances, in most cases focus is still on the ‘goods to sell’ instead of the ‘value to deliver’, that is the way retailers serve customers’ needs. Actually, many retailers yet represent the ‘operative marketing’ choice of manufacturers: the traditional fourth “P” (Place) of the manufactures’ marketing mix.

Two main aspects emerge in the light of a Service & Systems view of retailing:

1. The major attention of retailers is devoted to the design and engineering of the store, i.e. the *system’s structure*;
2. Less attention appears dedicated to the cognitive process of the retailer-consumer interaction, i.e. the core of the *service process*.

In fact, the definition and design of the offering system, based on the structural and physical aspects of space management and merchandising, have long caught the greater attention of retailers. As a consequence, what really emerges from interaction is rarely well captured.

The need to focus on the service process goes beyond the experiential marketing view (Schmitt, 1999), directing towards a wider view in which attention is on the interaction process and the overall systemic functioning of the retail enterprise. It has been argued, in this respect, that: “most enterprises, including

23 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage:
www.igi-global.com/chapter/engaging-retail-customers-through-service-and-systems-marketing/238396

Related Content

Shopping Agent Web Sites: A Comparative Shopping Environment

Ming Wang (2005). *Web Systems Design and Online Consumer Behavior* (pp. 222-231).

www.irma-international.org/chapter/shopping-agent-web-sites/31250

Exploring the Relationship Between Mode of Operation and Performance of Support Teams in Telecommunication Companies

Oussama Saafein (2014). *International Journal of Customer Relationship Marketing and Management* (pp. 44-63).

www.irma-international.org/article/exploring-the-relationship-between-mode-of-operation-and-performance-of-support-teams-in-telecommunication-companies/111204

Understanding Customer Perceived Mall Values: A Confirmatory Factor Analysis Approach

Anil Kumar Kashyap and Ajay Kumar (2019). *International Journal of Customer Relationship Marketing and Management* (pp. 21-34).

www.irma-international.org/article/understanding-customer-perceived-mall-values/229106

The Factors Driving Continuance Online Shopping in Saudi Arabia: Regional and Behavioral Differences Among Women

Talal Al-Maghrabi and Charles Dennis (2010). *International Journal of Customer Relationship Marketing and Management* (pp. 11-34).

www.irma-international.org/article/factors-driving-continuance-online-shopping/43547

Internet Marketing Adoption by Iranian Distribution Industry: An Attempt to Understand the Reality

Sepideh Zahiri, Hatem El-Gohary and Javed Hussain (2018). *International Journal of Customer Relationship Marketing and Management* (pp. 33-61).

www.irma-international.org/article/internet-marketing-adoption-by-iranian-distribution-industry/203589