Client Orientation of Consumers as a Factor of Value-Based Development of Retail Chains Services

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Abstract— The article presents methodology of research of client orientation of consumers within the framework of ensuring consumer value of retail chains services. Four main evolutionary stages of development of the theory of client orientation of consumers, which began in the eighteenth century, are identified to the present. Based on the analysis of domestic and foreign concepts of client-oriented approach, three groups of orientation are identified, including orientation to the market, orientation to the client and proximity to the client. We have established that client orientation is an important tool for value development of trade service, as it allows to develop a unique offer for consumers, to build appropriate business processes of trade service and to develop organizational culture of trade organization. The main levels of development of client orientation are allocated: individual level - at the employee level, organizational level - client orientation of the organization, inter-firm level - client orientation of the value creation chain. A feature of the method of evaluation of customer orientation of consumers is application of value approach, which consists in assessment of personnel involvement in creation of consumer value of retail chains service and efficiency of trade service provision. The approbation of the value approach was carried out in three retail chains, which made it possible to allocate areas of improvement of the trading service aimed at ensuring client orientation.

Keywords: client orientation of consumers, value-based development, retail chains

I. INTRODUCTION

A new tendency in creating value for trade services is a client-oriented strategy. The system of service, creation of amenities and personalized relations are the basis of client-oriented approach for management of trade organizations. Client orientation as a factor of consumer value development is emphasized in the works of Boldak R. "a large company should strive to be client-oriented, virtual and aimed at meeting the intentions of the consumer (future needs), that is, actively create potential demand, manage it and lead the consumer. This requires the introduction of customer-centric business models "where surplus-free products and distribution channels integrate and closely interact with key consumer values"; Implement business models that satisfy consumer intentions "[1].

The hypothesis of the study is that client orientation of consumers is the main element of formation of consumer value of retail trading chain service.

The point of the client-oriented approach in modern aspect is to sell as many goods as possible and fully provide consumer value of the trading service to one buyer, as opposed to previous approaches, when one brand needs to sell to as many buyers as possible.

The main objectives of the study are to consider existing approaches to the study of the content of the orientation of the activities of organizations in order to ensure economic development, to highlight levels of client orientation and to determine the relationship between client orientation of consumers and the lost value of retail chain services, to propose a system of indicators of socio-economic aspects of client orientation, to carry out testing and to develop appropriate recommendations to the objects of the study.

II. METHODS

The essence of the client-oriented approach in today’s aspect is to sell as many goods as possible and fully provide consumer value of the trading service to one buyer, as opposed to previous approaches, when one brand needs to sell to as
many buyers as possible. The client-oriented approach system includes a set of tools aimed at retaining loyal buyers by satisfying the total consumer value of the trade service, forming positive consumer experience and building long-term relationships with them [2-5].

By way of comparison, we will analyse the existing approaches of customer orientation to different positions, including individual orientation, market orientation to customer orientation. By means of historical analysis, highlight the main stages of development of a client-oriented approach in the formation of a chain of consumer value of services in retail trade. By the method of generalization, we will analyse and highlight the main levels of client orientation such as client orientation in the individual level, client orientation of the organization and client orientation of the value chain. Define customer orientation and highlight the features of the consumer value of the service. Consider in more detail the client orientation of consumers behind the division of economic social values.

III. RESULTS

Let us consider the genesis and link of client orientation in the system of development of consumer value of retail chain services. Development of client-oriented approach involves several stages as indicated by Chkalova OV, Lunev VV [6], Efremov MV. It is important to take into account the achievements of client orientation in the formation of the chain of consumer value, organization of communications with consumers and counterparts of the chain.

Customer value proposition - A combination of benefits that the seller provides to the buyer in exchange for any value transfer (money or other benefits - e.g. loyalty to the brand and etc.).

![Customer Value Proposition Diagram](https://via.placeholder.com/150)

**Fig. 1.** Retail chains creates customer needs and value proposition

The first period of 18-19 centuries provided for interaction between consumers and sellers in the role of craftsmen, grocers. Demand and supply were balanced as artisans manufactured and sold the goods on their own. The reference point was on the customer and full satisfaction of consumer value, as they worked under the order of the customer's needs. The second period - the beginning-middle of 20 century. The main aspect of client orientation was the provision of more affordable prices through the application of new modern technologies of organization of mass production. The relevance to personalized sales for that period declined. The director-marketing was used, which is a model of a client-oriented approach. The main instrument was price. Taking into account that value is formed through the relationship of satisfaction and costs of consumers, at this stage minimization of costs of the consumer was the main client-oriented request. Stage 3 - the end of the XX century - with the arrival of foreign retailers and manufacturers, the accelerated transition of Russian trading organizations to a client-oriented approach, the use of merchandising technologies, the organization of effective distribution of trading space, internal advertising, placement of goods. Client orientation through direct contact with the consumer. The main value of the service of the trading network is to improve the quality of service, developing communications with consumers.

**Customer value of service —** It is the ratio between the benefits that the consumer receives from the purchase and use of a service and the costs of acquiring and using [28]

The fourth stage - 21 cent. - client orientation in the network format at the inter-firm level, including at the personnel level. The service is pre-sales and sales as a system, processing of personal data of clients, transition to a personalized client approach. All these requests predetermine the development of a value-based approach in the provision of trade services. Formation of total consumer value, starting from the agricultural producer and to the final consumer.

A description of the client orientation methodology first began to appear in writings in the second half of the 20th century. The category "client orientation" was initially considered at the micro level and positioned in terms of "market orientation" by scientists such as P. Drucker, A. Kohli, T. Levitt, J. Narver, S. Slater, B. Jaworski. In his writings, Drucker determined that only in marketing, value was based on consumer satisfaction of necessary goods with appropriate consumer properties.

Kohli and Jaworski market orientation concept [7]. (MARKOR) began in the early 1990s, where the client was the source of profit of the organization, so market information flows about consumer value should come not only from the marketing department, but from any other division of the organization. Not enough to get information about customer's needs, it is important to meet their needs better than competitors. Their empirical research has shown that client-oriented employees will not perform negative actions in terms of the strategy of the enterprise, but will be oriented towards making deals, on satisfaction of consumer value, which will allow to profit the organization. Note that customer orientation was considered from different positions.
TABLE I. SYNTHESIS OF CLIENT-ORIENTED APPROACH IN THREE ORIENTATION GROUPS [8]

<table>
<thead>
<tr>
<th>Orientation to the market</th>
<th>Scientists</th>
<th>Content</th>
</tr>
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<tbody>
<tr>
<td>Shapiro, Kohli, Narver, Slater, Deshpande, Farley</td>
<td>Organizational culture is a company built on constant collection of market information on current and future needs of clients</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Orientation to the customer</th>
<th>Scientists</th>
<th>Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>Narver, Slater, Hennig-Thurau, T., Deshpande et al.</td>
<td>Customer is a top priority over other stakeholders as it ensures long-term profitability of the company</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Proximity to the customer</th>
<th>Scientists</th>
<th>Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peters, Waterman</td>
<td>Active interaction with clients to ensure the necessary service and quality, as well as to adapt products to the needs and requirements of consumers.</td>
<td></td>
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</tbody>
</table>

According to the selected approaches of customer orientation of consumers made by Rozhkov A.G., a group of scientists of the Nizhny Novgorod State University, it is possible to define general characteristics for companies that are oriented to the market and the client. The customer is the main source for developing the components of consumer value of the trading service. Strategic and tactical solutions of the company, on the basis of its needs new products and services are developed, necessary services and additional services are provided. In general, it is necessary to state that the organizational culture of the company is formed, which directs the efforts of all structural divisions to the value requests of consumers.

As part of the value approach, client orientation maximizes consumer value by reducing transaction costs through collaboration and customer interaction. It is client orientation that creates unique advantages through the development of proposals for consumers of more interesting values than competitors. A high level of value will be expressed in unique products or services, and most importantly within the framework of interaction of customer-oriented business processes, management decisions and organizational culture of the trading organization.

Modern consumer market trends expand opportunities for consumers with additional service components within the framework of retail chain service, therefore it is legitimate for F.Kotler to believe that the orientation should not only be on the needs of clients, but also on additional characteristics... "successful companies increase the value of their customer base, ahead of others in reducing the share of low-profit clients, increasing the duration of interaction with each client, turning low-profit clients into profitable - Or give them up and focus on high-value clients "[9].

Client orientation as a factor of consumer value in this study is considered from three positions: consumer and personnel, inter-firm interaction, which ensure the level of development of retail chain services, providing the aggregate value of the chain of creation of consumer value. Graduation by three levels can be seen in a number of works of Klepneva O.Y. [10], Rozhkov A.G, Rebyaziya V.A., Smirnova M.M. [11], and others presented in Table II.

In the context of this study, within the framework of the value-oriented approach, client orientation of consumers means a set of tools that ensure the creation of aggregate consumer value for the client through positive consumer experience and long-term relations formed under the influence of an effective system of quality management of the organization of the retail chain service.

**Consumer value and its structure.** The structure of consumer value is a set of certain elements, each of which can be considered as a separate value to the consumer, but collectively these elements tend to create a higher aggregate consumer value due to the synergistic effect.

In the following studies, Narver J., Slater S. [12] pay attention to regular buyers, meeting their needs through their full involvement in the value chain of the product, taking into account the needs not only of customers, but also of all members of the distribution channel movement or the chain of consumer value [13]. The authors define a marketing concept as a specific organizational culture consisting of a set of norms and values, in which the client heads the activities of the organization. This important component is valuable in terms of retail chain, so the counterparties of service interaction, including the consumer, together create aggregate consumer value. The research of Narver, Slater presents the relationship between market orientation and innovation activity of organizations, believing that by investigating the needs of the market, the organization is mobile to respond to requests and embeds innovative solutions in its activities.

The advantage of the concept of scientists Ramani, Kumar [15] in relation to the trade sector is important to indicate that they emphasize consumer involvement. Consider quantifying...
customer value measurement. It is not sufficient that an important component of personnel - content of interaction with the consumer - is not taken into account for the trading service.

Let us highlight the Oiner O.K. [16] conceptual model of the company’s market orientation, based on the assessment of the impact on results in business using the client-oriented concept [17]. This modern model is useful for the retail sector of the economy in that there is a correlation between expenditure and performance, i.e. consumer value will allow to plan profit for the economic entity of the economy. This approach is also used in the works of Chkalova O.V. as... "the ability of the organization to generate additional profits through deep understanding and effective satisfaction of customers’ needs, as well as client orientation is a tool for forming loyal buyers. The level of client orientation also reflects the choice of entrepreneurs between short-term and long-term goals ” [18].

IV. DISCUSSION

Thus, in the most general sense, client orientation... "it is a characteristic of the business. It reflects the position of the client's interests in the system of priorities of management and owners ”[19]. As Rozhkov A.G. notes "client orientation is a strategy of the enterprise aimed at taking into account and meeting the needs of the client and forming maximum-comfortable relations with him. The goal: to ensure long-term professional interaction "[19], which allows to build on a long-term basis relation between retail chains and clients, to develop appropriate loyalty programs, to form inter-firm communications within the network itself.

At the same time, we will agree with the position of Losev S.V. that... "client orientation is the company's efforts to study the needs of consumers, create value for them and develop skills to anticipate new consumer problems,” but for retail chains an important component is the orientation and to the personnel, who forms the quality of trading services, implements the standards of the quality management system [20].

Loyalty of clients is assessed through their satisfaction with the consumer value of the service through special loyalty programs, which allow to use the services of the trading chain according to the most favourable conditions, additionally motivating regular buyers to cooperate and to form joint consumer value. And the second component is consumer costs. If the client focuses not only on the price and its costs, the important component is emotional loyalty of buyers through satisfaction with the brand image, social activity, corporate social responsibility. Loyal customers who allow to increase the average check, to ensure positive reputation, are an effective element of word of mouth, potential consumers of new services and goods [21].

The share of modern retail in Russia has already reached 61%. It is expected to rise to 79% by 2021 and bring Russia closer to European indicators. The number of buyers of their own chain brands is growing rapidly. Now the share of CTM is only 5% of the FMCG market, but penetration (number of buyers) reaches 96%. The quality of products is satisfied with almost half of the customers, but most of all in the STM consumer is attracted by the low price.

There is an increase in the share of professional "discount hunters" - cherry pickers buyers, whose basket by more than 50% consists of goods under discount offers. Over five years, the share of promo lovers has increased from 3% to 16%, and the number of non-saving consumers has halved [22]. These statistics indicate a systematic work with loyal buyers. CTM allows you to attract new customers by minimizing costs and quality consumer characteristics of products and services.

Hygiene-characterized additional services are elements of services that consumers take for granted. If they are absent or provided at a low level, consumers will be disappointed.

TABLE III. SERVICE AS VALUE: HYGIENE AND ENHANCEMENT FACTORS

<table>
<thead>
<tr>
<th>Hygiene factors (mandatory elements)</th>
<th>Increasing factors (optional)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safekeeping of baggage</td>
<td>Comfortable seats</td>
</tr>
<tr>
<td>Clean toilet</td>
<td>Fast Baggage Delivery</td>
</tr>
<tr>
<td>Courtesy Crew</td>
<td>Enough place for feet</td>
</tr>
<tr>
<td>Clean Salon</td>
<td>Good food</td>
</tr>
<tr>
<td>Comfortable temperature and air humidity</td>
<td>Efficient Pre-Order Service</td>
</tr>
<tr>
<td>Clear information about all changes in flight time</td>
<td>Assistance with transfers to other flights</td>
</tr>
<tr>
<td>Well-organized landing process</td>
<td>Availability of baggage carts</td>
</tr>
<tr>
<td>Availability of baggage carts</td>
<td>Possibility to get a pillow and blanket in flight and etc.</td>
</tr>
</tbody>
</table>

Additional services characterized by increasing factors it is optional services, their absence does not lead to dissatisfaction. The increasing factors are divided into elements of equality and excellence - depending on whether the firm wants to meet the average service level or offer something unique.
It is important to note that a number of authors consider consumer satisfaction, that is, their provision of consumer value through a category such as consumer experience. Thus, Schmidt interprets... "consumer experience" as perception, feelings and thoughts of consumers during interaction with goods and brands in the market, in the process of consumption, as well as memories of this experience [23]. Disloyal consumers may have little consumer experience and degree of satisfaction. 

To turn new customers into regular, profitable buyers, you need to work effectively and loyalty. Loyalty or consumer satisfaction is achieved through convenient and fast delivery, regular gifts (pleasant little things), high quality of goods, bonuses for reviews, trigger e-mail-mailing, push-notification, discount and accumulative cards, "invite a friend" promotions, various promotions and discounts, etc. [24].

When considering the client orientation of consumers, it is important to highlight economic and social abandonment. Within the framework of the economic component there will be various loyalty programs, economic benefits, which are provided to the consumer by retail chains. The social component will include consumer values of an emotional, psychological, moral nature. Social is related to the identity of the buyer, to his emotions, which are the leading in today's conditions of high competition in the retail services market (Fig.3).

Fig. 3. Economic and social components of client orientation of consumers

Consider the following approaches: In their writings Narver J., Slater S. emphasize the importance of cross-functional coordination in the dissemination of market information in the organization, as well as orientation and loyalty to the customer; customer value proposition should be higher than competitors, need special knowledge of customer needs and requirements, regular customer satisfaction check, after-sales service and service. The authors presented the concept of marketing as a special organizational culture with its corporate norms and values centred on the consumer. It is important to note that the value approach is used in the definitions of Narver, Slater, Deshpandé, Farley, Webster.

An important aspect of market orientation is the creation of value for the customer in the entire chain of goods movement. U. Elg [25] presented the inter-firm client orientation using transactional marketing tools, based on the results of the partnership study he conducted an analysis of the organization's process orientation to the market as part of the creation of value for the client. Note that Kohli and Jaworski, Narver, Slater conducted empirical research using broad sampling and quantitative measurements, mainly according to industrial enterprises that develop and produce a certain physical product, use intermediaries and other participants to bring the product to market. Retail trade is based on a combination of services, equipment acquisition and product sales, is more complex in structure [26], as it provides coordination of an extensive network of stores and partners to present a unique offer [27]. As in other service areas, retail is direct customer contact, daily interactions and orientations. In addition, retailer's mobile response to market requests and behaviour. Given that retail chains operate in local, regional and national markets, including corporate or inter-firm, the organization must therefore be customer-oriented to the market at several levels.

Thus, having considered the existing methodological approaches to the study of client orientation of consumers, it has been established that in modern conditions the role of ventilation trading chains should pay the greatest attention to establishing communication with consumers, have received natural connections, ensure maximum achievement of consumer value through the lens of social and economic aspects.

Testing of this approach was carried out on three retail chains Bahette, Essen, Edelweiss, geographically located in the Republic of Tatarstan of Russia and its other regions. As a result, the following data were obtained, which are presented in the table IV.

**TABLE IV. RESULTS OF CUSTOMER ORIENTATION CALCULATIONS**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>«Bahette»</th>
<th>«Edelweiss»</th>
<th>«Essen»</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>81</td>
<td>86</td>
<td>92</td>
</tr>
<tr>
<td>2016</td>
<td>85,3</td>
<td>93,3</td>
<td>94,7</td>
</tr>
<tr>
<td>2017</td>
<td>90,2</td>
<td>94,6</td>
<td>95,3</td>
</tr>
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</table>

An important indicator for the buyer is the value of the potential buyer's life cycle, which describes the expected level of value of services through additional costs its value is the average in trading networks at 3.7. The evaluation of consumer value consists of obtaining additional emotional benefits, which in "Bahette" decreased by 2.5 points in 3 years, in "Essen" increased by 1.3 points. This shows the level of provision of additional emotional benefits within the framework of programs "Support of young mothers" in "Essen," flexible system of discounts and availability of club card. As for the commitment rate - a sufficient level was
observed in the "Bahetle" trading chain, and the smallest level of the "Edelweiss" chain. This is primarily due to the quality of service and "Bahetle" service, which allows to meet the minimum requirements of any entering the trading chain.

Offers for TC "Bahetle" to enhance customer LTV (Life time value) by:

1) changes of TA (target audience):
   - Increasing the frequency of site visits or visits of store;
   - increases in number of orders;
   - Increase the number of categories in orders;
   - Range extensions within the category;
   - prevention of outflow.

2) Increase in profitability from TA:
   - increases in the average check;
   - Higher share of high-yield purchases;

3) decrease in operational expenses:
   - Lower number of abandoned baskets and returns;
   - Reduced number of repurchase cancellations on delivery;
   - Inventory optimization through better understanding of customer needs.

The idea of dividing functions between development and support departments, or decentralizing the IT department when each department is delegated its IT specialist, seems reasonable to eliminate the gap between IT and business. There is so many strategies, the main thing is to understand that the project of implementation of data analysis in the company can be successful only when it is not assigned to the IT department, but is supervised and managed by strategic business divisions. Advanced API features for integration with the customer's enterprise systems. This solution is intended for collection and analysis of data on transferred checks and reconciliation of data displayed in internal corporate systems with data transmitted by OFD(operator of fiscal data) to FTS(federal Tax Service). The system provides for prompt receipt of data and generation of reports in the required format.

V. CONCLUSION

In today's world, with the development of retail chains, the traditional value chain is undergoing fundamental changes. On the one hand, "clean" distributors as a wholesale link are gradually displaced by retailers and manufacturers, who seek to establish direct connections, and "clean" distributors remain only a function of material logistics for the movement, storage and logistics processing of goods. On the other hand, more importantly, retail changes the direction of the chain and effectively becomes a generator of demand for new products for manufacturers, drawing the necessary quantity, including through its own brands as opposed to the ejector model in the chain with an active distributor role.

It has been established that existing approaches to the management of trade services are based on economic or social efficiency.

The retailer's current key goals include increasing demand, attracting customers, and analyzing their behaviour and preferences. Three underlying strategies need to be followed to achieve these goals: client orientation; optimal infrastructure; and effective use of relationships with business partners and suppliers.

New technologies continuously modify the ways customers interact with retailers. Today's customers pay particular attention to the value of the products and services offered, so retailers must form a personalized, interactive interaction, encouraging interest and emphasizing respect for each consumer's preferences, whatever channels and forms of interaction they choose.

Innovation in mobile application platforms makes customer interaction easier. Retailers can provide customers with smartphone apps to create and use virtual shopping lists; Search for information about store services; Use of geographic information and navigation services, etc.

Using big data in retail, retail chain stores become more customer-oriented and can provide with necessary quality of services thanks to personalisation of offers and improvement of marketing strategy.

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