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Digital Marketing Communication
for Actual Context
of Romanian Modern Grocery Retailing

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Abstract

   The purpose of this paper is to present the most recent digital communication channels and the level of their implementation by Romanian modern grocery retailers in the context of the new customers' expectations.

   The literature review presents the most recent inputs on digital marketing communication. The paper also presents the Romanian actual context for modern grocery retailers, the digital communication channels used by top 5 Romanian modern grocery retailers and the imminent forecasts for Romanian modern grocery retailers. Finally, conclusion and recommendations are presented.

   Corroborating the literature review with the actual customers' expectations, the paper presents as recommendations the use of large social media campaigns in order to reach a high level of engagement, value-added services, useful information and the enhancing of word-of-mouth.

   The paper is conceptual, so future research will be necessary to empirically validate these findings.

   This study is an important instrument for further research and for retail managers. It offers a valuable response to the new customers' expectations.

Keywords: Digital marketing, Marketing communication, Customer expectations, Modern grocery retailers, Retailing.

JEL Classification: L81, M31.

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1. Introduction

The rapid developments in technology have determined the emergence of the new digital communication channels such as online and social media and the decline of traditional communication tools. Retailers are using smart technologies to improve consumer shopping experiences and to stay competitive (Priporas et al., 2017).

In the face of the Internet revolution, marketing communications today increasingly occur as a kind of personal dialogue between the company and its customers. Companies must ask not only "How should we reach our customers?" but also "How should our customers reach us?" and "How can our customers reach each other?" New technologies have encouraged companies to move from mass communication to more targeted, two-way communications (Kotler & Keller, 2016).

Thus, considering the dual sense of digital communications, should retailers base on it to find and meet customer expectations?

The purpose of the paper is to see Romanian modern grocery retailers' level of enhancing digital communication and how they approach the most demanding customer expectations in the context of changes determined by the COVID-19 pandemic.

2. Problem Statement

The world of retailing is reconfiguring very intensively due to new technologies, as well as due to changes in consumer purchasing behaviour determined by the COVID-19 pandemic (Grewal et al., 2021a), which has also caused the hyper-acceleration of retailer dependence on digital retailing and digital advertising/ marketing communications (Villanova et al., 2021).

New forms of retailing such as omni-channel retailing, digital marketing and click & collect facilities have emerged and changed the customers' shopping experience. Customer can now have access to purchasing and browsing goods 'on the go' through mobile applications, and although some demographics prefer physical 'brick and mortar' retailing, a hybrid combination of online and physical channels has become increasingly popular (Patano & Priporas, 2016).

Retailers are using smart technologies to improve consumer shopping experiences and to stay competitive. The biggest future challenge for marketing and consequently for retailing seems to be generation Z, since members of this generation seem to behave differently as consumers and are more focused on innovation (Priporas et al., 2017).

Digital communication describes any electronic transmission of information that has been encoded digitally and transmitted via digital media (Grewal et al., 2021b).

Over the past decade, the use of newer forms of media, such as online (e.g., websites, e-mail and mobile) and social media (e.g., Youtube, Facebook, blogs and Twitter) has exploded (Levy et al., 2019).

The literature globally abounds in research of digital retail communication, especially social media, and the topics are related to consumer and market trends (Samoggia et al.,2019; Bălan, 2021), in order to reach a high level of interest and

customer engagement. Smart technologies and social media help retailers to know how and when to communicate with customers and according to Villanova et al. (2021), the customer journey points should be considered by retailers for deciding strategically about when, what and where to communicate their messages to customers.

Social media is a key digital marketing strategy. It was shown that larger social media campaigns, especially on Facebook, determined a significantly higher number of orders and sale income (Dolega et al., 2021). Considered to be a strong option for building relationships with customers, it is necessary to integrate social media in the integrated marketing communication strategy of organizations (Valos et al., 2016).

Digital communications are the link between brand acceptance and consumer engagement (Peltier et al., 2020; Vohra & Bhardwaj, 2019). The so-called online brand communities are facilitating consumers' engagement, which determines positive word of mouth, purchase intentions and loyalty (Islam et al., 2018).

Another important digital communication channel, except social media and corporate websites, is e-mail marketing, which is very appreciated for its benefits such as relevance (Morhart et al., 2015) and education and entertainment (Lieb, 2012).

A very recent important contribution to retail digital communication research (Grewal et al, 2021b) revealed four consumer–retailer domains relevant for digital communication, which in turn frame their discussion of the properties of communication dynamics (e.g., trends, variations) within messages, communicators, and their interaction, as well as communication multimodality (i.e., numeric heuristics, text, audio, image, and video).

3. Research Questions/Aims of the Research

The need for digitalization has persisted for some time and the pandemic has highlighted its importance in the Romanian modern grocery retailing. The aim of the research is to see how Romanian modern grocery retailers implemented and responded accordingly to customer new expectations in the context of the COVID-19 pression of digitalization acceleration. Which are the digital communication tools used by modern grocery retailers?

4. Research Methods

The paper presents the actual context for Romanian grocery retailers based on the data reports published by Euromonitor Country Reports (2021) on retailing, e-commerce and mobile e-commerce. Next, we presented the media channels communication used by the top 5 Romanian modern grocery retailers based on the data published on retailers' websites, as they are operating multi format and omnichannel. Thirdly, based on Euromonitor data reports, we presented the imminent changes that are following and how modern grocery retailers should respond accordingly.

5. Findings

5.1. Romanian Modern Grocery Retailer's Context

According to Romania Country Report (Euromonitor, 2021), modern grocery retailers continued the expansion in the Romanian market in 2020 at a slower pace compared to 2019. The most dynamic channel was supermarket, with an increase in selling space for the new openings and intention to compete more directly with hypermarkets. The most active brands were Profi and Mega Image. Supermarkets, convenience stores and discounters benefited from consumers, who considered them to be proximity stores. Prior to the pandemic, these were increasingly satisfying changes in purchasing habits towards more frequent, lower value shopping trips. During the COVID-19 crisis, consumers favoured the same proximity stores because of restrictions on the time they could spend away from home and concerns about increasing their risk of exposure to the novel coronavirus the longer they were outside their homes. The expansion of modern retailing in smaller formats is leading to the continued replacement of traditional grocery retailers, several of which have had to close or to operate as various owners under branded networks/chains, such as La Doi Pasi from Metro, CBA from CBA and Carrefour Express from Carrefour (Euromonitor, 2021).

E-commerce was already on a growing trend in Romania before the outbreak of COVID-19 thanks to the wide spread of the internet in all the country, the high level of smart devices ownership and the increasing role of digital media in consumers' daily lives. People getting busier also supported the channel's growth, the new convenience of 24/7 ordering and home delivery was very appreciated and desired by consumers. These have also been applied to mobile e-commerce, which benefited from changes IN consumer lifestyles, behaviours and restrictions on the operations of brick-and-mortars during the COVID-19 lockdown (Euromonitor, 2021).

Grocery retailers such as Kaufland and Carrefour have introduced Scan & Pay mobile apps, which allow consumers to use their smartphones to scan the products they put in their baskets and pay for them at a special cashier. Loyalty card mobile apps are also available through Kaufland and Lidl, and the success of such programmes is likely to encourage other players to develop their own mobile apps. The fact that mobile apps are becoming increasingly central to consumers' everyday lives across a range of activities is likely to support their increased usage in e-commerce during the forecast period (Euromonitor, 2021).

5.2. Digital Communications Channels of Top 5 International Grocery Retailers in Romania

Below we present the digital communication tools and technologies implemented by top 5 international grocery retailers (Euromonitor, 2021) that are operating in Romania different formats:

Table 1. Top 5 Modern Grocery Retailers Media channels communication

Media/ Retailer	Kaufland	Lidl	Carrefour	Profi	Mega Image
Facebook	✔	✔	✔	✔	✔
Instagram	✔	✔	✔		✔
Twitter	✔				✔
Youtube	✔	✔	✔		✔
Linkedin	✔	✔	✔		✔
Pinterest	✔				✔
Shopping App			✔		✔
Info App	✔	✔			
E-mail	✔	✔	✔	✔	✔
Website	✔	✔	✔	✔	✔
E-commerce	✔		✔		✔

Source: Own research based on retailers' websites information.

The research above broadly revealed a high level of digital communication implemented by the first five most successful grocery retailers. Despite the pandemic, all chains have maintained their pace of expansion, due to the need to accelerate digitalization and e-commerce. The discounter Lidl, which switched the second place with Carrefour, and came closer to the leader Kaufland, is the big surprise of the year 2020. With no e-commerce implemented, Lidl exceeded Carrefour results with private labels and low prices. Also, with no e-commerce implemented and fewer digital communications, Profi was based on proximity, high expansion the rural area, too, and best offers with discount coupons (Cuponescu campaign). All the chains are very popular on Facebook, with a high level of engagement, especially during the lockdown (Strătilă & Mehedințu, 2020).

5.3. What is Following for Retailers?

Some of the developments observed on the Romanian retail market during the COVID-19 crisis are expected to have a lasting impact. The most relevant example is for sure the strong penetration of e-commerce in consumers' lives. E-commerce will continue to grow within total retailing share, but the brick-and-mortars will be also important. Most physical stores will start to operate multi-channel in order to have a more flexible response to evolving consumer behaviours and to be ready for possible similar future disease scenarios. This could mean a changing role for brick-and-mortar stores, potentially transforming them into showrooms for online sales. Click & collect is expected to become more prominent, determining a high number of collection boxes placed in different city areas. Because wearing a mask and social distancing may become recommended or even mandatory inside stores, it is possible that in-store retailing will lose the function of social activity and e-commerce will increase its functional relevance (Euromonitor, 2021).

To avoid the future risk of spreading viruses and microbes, cashless payments will continue to be widely promoted and increasingly accepted by consumers, even

for small payments. Also, new technologies such as "shopping while scanning" or "self-checkout" will not only be more widely available, but will also increasingly be seen as preferable. A first step to the full digitalisation of retailing was taken in 2020 with the opening of the first Grab & Go concept store, with no employees and a fully digital process from access to payment. As a result of such developments, investment in digital technologies is expected to grow rapidly and become increasingly relevant to smaller players as well as larger ones (Euromonitor, 2021).

6. Conclusion and Recommendations

COVID-19 accelerated the digitalization of retailers in Romania, although the evolution of technology had required it even before the beginning of the pandemic. The change of lifestyle, the convenience, the adaptation to the new as well as the desire to keep up with innovation, characterize the modern consumer, ready to give up experiences now, and rather to stay safe, regardless of which generation he belongs to. Brick-and-mortar grocery stores, except convenience and proximity, will need to restart and get back to what happened in the period 2008-2012 during the Economic Crisis.

Retailers should look for advantages, develop new market opportunities based on technology, modernize and adapt to the new and permanently changing customer expectations (Ferreira et al., 2020).

The question for modern grocery retailers is if there is a need to adopt a communication strategy for crises or more, which are the most suitable messages in a crisis and how they can be efficiently delivered (Villanova et al., 2021) in order to reach consumer engagement and loyalty (Bowden & Mirzaei, 2020).

Social media might be the latest and greatest innovation for retail strategy, but even so it still needs to provide a consistent, compelling experience, to reach long-term loyal customers (Grewal, 2019). Useful information, value-added services and customer education should be applied by innovative retailers for enhancing the benefits they provide relative to the benefits that customers desire (Grewal, 2019).

Providing efficient customer assistance during and after purchase both in store and online increases the satisfaction and enhances behavioural intentions and word-of-mouth (Duarte et al., 2018). Word-of-mouth ''has been and will always remain for marketers one of the strongest elements in the battle for the hearts and minds of consumers, and it is essential to be able to use it to the advantage of your brand'' (Temple, 2020). As Nielsen ''Digital vs. Real Life'' report (2020) revealed that although consumers are actively engaging in online platforms, personal recommendations or real-life conversations have a stronger influence on consumers' minds, and therefore on purchasing decisions.

This paper is an important instrument for further research and for retail managers. It offers a valuable response to the new customers' expectations. The study limitations are related with the dynamic character of retail marketing determined by the technology development and highlights the importance for continued research.

Acknowledgment

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