

Commercial Services In Trade Without Stores

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Abstract

Nowadays trade is changing from one period to another and as an integrated system both in what concerns the producers and as well in terms of its relations with the consumers. International trade in deliverable services in an electronic way, include, sales and marketing services, financial services, professional services, and education and training services, etc. This phenomenon influences some commercial enterprises that end up associating a series of additional services to their basic activity, sometimes very different from the profile of the products they sell. The current work aims to highlight the importance and role that commercial services have in the form of trade without stores, as an integral part of the services of this kind that accompany commercial acts in the current stage of development.

Key words: commerce, services, digital, customer

J.E.L. classification: O20, O24, Q02, Q37

1. Introduction

The role and place of services in the economic structure of a period of development must take into account the objective conditions of the transformation of the international context in correlation with the requirements of the population and society as a whole. Commercial services are part of this category and thus complete the concerns of merchants to increase the satisfaction offered to customers.

In modern forms of distribution, in conditions of heightened competition, traders focus their attention on producers or consumers by mobilizing the supply of goods, in general, through a strongly differentiated service policy.

All services by their nature generally respond to the clientele, ensuring a great flexibility and diversity, depending on the time of service, the spatial delimitation or the psycho-affective state of the buyer.

In fact, commercial services are services like any other, with the same characteristics, but they are related to buying and selling activities that bring more satisfaction to the consumer and numerous advantages to the seller. In this context, given conditions of a certain economic area, the importance and role of commercial services varies within relatively wide limits. Those forms of trade without stores, are an integral part of the services of this kind that accompany commercial acts in the current stage of development. Considered services provided with the aim to make a profit, commercial (customer) service is often the very first face to the client. (<https://nd-consultant-group.com/commercial-service/>)

Today the economic development focuses heavily on commercial services, which is determined by growing economic importance of their production and trade. (Frolova, 2020)

2. Theoretical background

There are thus laborious concerns in relation to the definition of the notion of commercial services and their content, their characteristics, commensuration and the way of integration in the complex of utilities offered to consumers. (Pistol, 2004)

At the question <what does commercial service mean? > we can find numerous and different answers. At the moment, concerns can be mentioned in relation to defining the notion of commercial services but also their content and characteristics, as well as the way of measurement and integration in the utility complex offered to consumers.

In a general sense, we can say that commercial service means service to customers engaged primarily in the sale of goods or services including institutions and local, state and federal government agencies for uses other than those involving manufacturing or electric power generation. (<https://www.lawinsider.com/dictionary/commercial-service>)

On the other hand, a general term for large online services compare these services with special clubs that require membership dues. Besides providing access to the internet, commercial services have lots of content. (<https://dictionary.university/Commercial%20service>)

The American Marketing Association defines the service commercial as an activity offered on the occasion of the act of sale, which provides advantages and satisfaction to the buyer, without involving a physical exchange in the form of a good. (Pistol, 2004)

In the French Dictionary of the Academy of Commercial Sciences commercial services are considered a set of advantages or satisfactions procured either directly through a natural or legal person, or through the use of an asset whose possession was awarded by the beneficiary of the service provided by the respective asset, by purchasing or renting the right of use. (Pistol, 2004)

However, the most explicit and at the same time simple definition belongs to A.Tordjman who appreciates that commercial services can be defined as the sum of the satisfactions or utilities that a store offers to its clientele. (Pistol, 2004)

Canada Revenue Agency consider that commercial service is defined as any service in respect of tangible personal property other than a service of shipping the property supplied by a carrier, and a financial service and the goods would generally be considered as for use, consumption or supply in the course of the registered non-resident's commercial activities.

(<https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/p-151/interpretation-commercial-service.html>)

Also valid for the subcategory of services of this type associated with trade without stores, the fact remains that the assessment of a service as commercial depends on the existence of a functional relationship between the service and the property. A functional relationship will be considered to exist between the service and the property where the purpose of the service arises from or relates to the property itself.

(<https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/p-151/interpretation-commercial-service.html>)

Currently, in the era of the digital economy, the role of commercial services takes on a new dimension, amplified by the period of the Covid 19 pandemic. Therefore, the emergence of new services and the transformation of existing ones, such as their initiation and development in trade without stores, changes in the provision must be emphasized of services, new barriers between free flows of services. (Frolova, 2020)

Services can be approached as an integrated sector in within the commercial activity, but at the same time they can be considered as an element of the marketing policy of companies - manufacturing or commercial - which are concerned with offering buyers additional benefits to the product or point of sale. In such a dual approach, for a large number of enterprises, especially commercial ones, the line of demarcation between the two meanings is difficult to define, services being both elements of a differential marketing policy and a source of diversification. (Pistol, 2004)

Because too often, the commercial service is underestimated in terms of the resources that need to be mobilized. While, marketing supports commercial service, as it enables to identify the relevant sales territory. In other words, where the company's customer targets are located. (<https://nd-consultant-group.com/commercial-service/>)

3. Research methodology

This work is mainly based on observation, being primarily a qualitative approach. The study tends to complete information in understanding the challenges of implementation of commercial services in the entrepreneurial behavior of trade companies, especially concerning the activity in

the commerce without store. In order to identify the opportunities and main features related to the subject were used methods of observation and description. The documentary research allowed the collection of information and represented both a theoretical support and a basis for investigation.

4. Findings

The main goal of the present research is to point out the importance and role of the services in the commerce activity in the absence of a spatial delimitation for the effective sale, that means without stores. First of all, we have to identify from the commercial services as a whole those that are to be used in the activity without store. Without a store implies both sales at home, through representatives, based on a catalog or by mail, as well as any form of electronic sales.

Commercial services are the first that customers perceive, but to be truly effective, they must be closely related to all other services in the company.

Upon Deardorffs' Glossary of International Economics any service provided by a firm, as opposed to being provided by a government agency or an individual worker could be considered a commercial service. (<https://dictionary.university/Commercial%20service>)

Except in the financial or non-commercial categories, operations such as assembling, mixing, cutting, diluting, bottling, packaging or pre-packaging, testing, evaluating, repairing or maintaining, recording or storing instructions or data are included in the type of commercial processing service.

(<https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/p-151/interpretation-commercial-service.html>)

In international trade activities, this category includes services that can be provided digitally related to sales and marketing, financial, professional, education and training, measurement and other services that can be provided digitally as part of the total trade in services commercial. (<https://goingdigital.oecd.org/indicator/71>)

Trade in digitally enabled services is increasingly embedded in trade with goods and reciprocally, trade in goods is increasingly dependent on digital services that support goods transactions.

The analyzed sector is expanding its scope as commercial service brands manage to use their existing expertise in adjacent markets and provide competitive and in-demand services. The top 100 brands in the commercial services sector have been growing for the past year with innovation in the sphere of payment gateways, online banking and accounting.

The world's largest commercial services brands are beginning to recover from the COVID-19 pandemic – but several valuable commercial services brands have not yet recovered to pre-pandemic value, according to a new report from Brand Finance, the world's leading brand valuation consultancy. (Haigh, 2022)

Although trade in commercial services is not expected to fully return to pre-COVID-19 levels in 2021, a partial recovery of demand for commercial services – in particular transport services – is anticipated. Adverse impacts of the pandemic are uneven across services and economies (travel, transport, international tourist arrivals), but in contrast, economies exporting information and communications technology (ICT) services as well as digitally enabled services have seen some new opportunities during the COVID-19 pandemic. However, trade in digital services continues to be hindered by regulations such as data protection, cyber security standards, etc.

(<https://www.unescap.org/resources/trade-commercial-services-outlook-asia-and-pacific-20202021>)

The complete annual trade in services dataset — covering exports and imports of total commercial services broken down by sector and partner country release a suggestive image concerning the development of this trend; data includes information on the main service categories for about 150 economies. Jointly produced with UNCTAD and ITC, it is updated every quarter, starting in January of every year, as shown in figure no.1.

The commercial services market research report delivers a complete perspective, with an in-depth analysis of the current and future scenario. The global commercial services market grew from \$5152.37 billion in 2022 to \$5696.44 billion in 2023 at a compound annual growth rate (CAGR) of 10.6%. Taking into consideration the sanctions on multiple countries consequence of the Russia-Ukraine war ,the commercial services market is expected to grow to \$8015.14 billion in

2027 at a CAGR of 8.9%.

(<https://www.thebusinessresearchcompany.com/report/commercial-services-global-market-report>)

Figure no. 1 Trade in Commercial Services



Source: https://www.wto.org/english/res_e/statistics/tradeserv_stat_e.htm

After the crisis, in 2011-2012 developing economies of Asia and the Pacific recorded faster growth in export of commercial services than the region's developed economies.

All the previously presented aspects demonstrated that in the last decades the role of services has seen an important increase in the product distribution activity, so that, in the future, the business success of both commercial companies and those in the productive sphere will depend on more and more of the ability to offer customers a wide range of additional services, as appropriate and useful as possible, which will strengthen the existing relationships between the products made and customers, and at the same time make it more and more difficult for the competition to penetrate the market.

(<https://www.thebusinessresearchcompany.com/report/commercial-services-global-market-report>)

Similar to stable trade, the commercial services market in trade without shops is supported by the revenues obtained by the entities that provide services such as those listed above and many others, being a developing market. Market value includes only services traded between entities or sold to end consumers.

Recognition of the value created, directly or indirectly, by services in the process of manufacturing, distribution and marketing of goods has become known as “servicification”.

(<https://www.unescap.org/sites/default/files/6-PART~1.PDF>)

5. Conclusions

Commercial service activities are very important drivers of economics. The variety, the multiplication of the possibilities of providing them, as well as the mutations that intervene in the demands of consumers generate an increase in the complexity of the integration systems of commercial services in the offer of each type of commercial unit. Modern trade is constituted more and more as an integrated system both from the point of view of the relations with the producers, as well as in terms of its relations with the consumers. This conjuncture gives commerce a strong negotiation capacity, thanks to which it can build a strategy based on commercial services as a weapon against competition.

Not many businesses can ignore digital these days, neither the commercial ones because it provide support activities for the day-to-day operations. According to a study by Oracle, nearly 8 out of 10 businesses have already implemented or planning to adopt artificial intelligence in customer support. Artificial intelligence is widely being used by business organizations in customer support activities as it considerably reduces operational costs

The significant characteristic of the modern economy is precisely this goods-services complementarity that aims to maximize the value of use of the products throughout their entire existence, it should also be noted here the importance of commercial services in increasing quality. In the last few years, accelerated by the effect of Covid 19 pandemic, the inter-linkage between

services, on one hand, and production and marketing of goods, on the other, has become much stronger.

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