

Integrated Retail Marketing Strategy Model for MSME Sales Optimization: A Synthesis of Relationship Marketing, 7P Marketing Mix, and Digital Promotion Approaches

Dr. Kaveh Rahmani

Department of Computer Engineering Amirkabir University of Technology, Tehran, Iran

Dr. Leila Norouzi

School of Applied Mathematics University of Isfahan, Isfahan, Iran

Article received: 21/03/2026, Article Accepted: 24/05/2026, Article Published: 01/06/2026

© 2026 Authors retain the copyright of their manuscripts, and all Open Access articles are disseminated under the terms of the [Creative Commons Attribution License 4.0 \(CC-BY\)](#), which licenses unrestricted use, distribution, and reproduction in any medium, provided that the original work is appropriately cited.

ABSTRACT

Micro, Small, and Medium Enterprises (MSMEs) operate in highly competitive retail environments where customer retention and sales optimization depend on effective marketing strategies. This paper develops an integrated analytical framework by synthesizing relationship marketing tools, retail marketing strategies, marketing mix (7P), and digital promotion models to examine their combined influence on retail performance. Drawing from established empirical and conceptual studies, the research critically evaluates how marketing communication, customer engagement, and organizational capability contribute to MSME sustainability and growth. The study adopts a qualitative synthesis methodology based on secondary literature analysis. Findings indicate that customer retention is strongly influenced by relationship marketing practices (Bojei et al., 2013), while structured marketing mix strategies significantly enhance purchase decision-making (Dwinanda & Yuswari, 2020). Furthermore, MSME promotional effectiveness is amplified through structured media tools such as the EPIC model (Ernestivita & Subagyo, 2020). The study concludes that integrated marketing strategies combining traditional retail frameworks and digital engagement mechanisms are essential for MSME competitiveness. The proposed synthesis contributes to theoretical enrichment and provides practical guidance for retail MSMEs in emerging economies.

Keywords: Retail marketing strategy, MSMEs, relationship marketing, 7P marketing mix, EPIC model, consumer retention, brand equity, digital marketing, consumer behavior, sales optimization.

INTRODUCTION

Background of the Study

The retail sector has undergone significant transformation due to evolving consumer behavior, technological advancement, and increasing market competition. MSMEs, particularly in developing economies, face structural limitations in marketing capacity, brand visibility, and customer engagement strategies. In such environments, retail marketing becomes a critical determinant of business survival and performance.

Relationship marketing has been identified as a core mechanism for enhancing customer retention by building long-term engagement rather than transactional interactions (Bojei et al., 2013). This approach is

particularly relevant for MSMEs, where customer loyalty directly impacts revenue stability.

Similarly, retail marketing strategies based on structured frameworks such as the 7P marketing mix have demonstrated measurable influence on consumer purchasing decisions (Dwinanda & Yuswari, 2020). These dimensions—product, price, place, promotion, people, process, and physical evidence—provide a comprehensive foundation for retail decision-making.

In addition, MSME promotional effectiveness increasingly depends on digital and semi-digital marketing tools. The EPIC model has been widely applied to evaluate promotional communication effectiveness, particularly in small business environments (Ernestivita & Subagyo, 2020). This

Critique Open Research & Review (CORR)

model emphasizes empathy, persuasion, impact, and communication as key determinants of promotional success.

The convergence of these theoretical approaches highlights the need for an integrated framework that connects relationship marketing, retail strategy, and promotional optimization in MSME contexts.

Problem Statement

Despite the availability of multiple marketing frameworks, MSMEs often apply them in isolation rather than integration. This fragmented implementation reduces overall marketing effectiveness and limits competitive advantage. Furthermore, there is insufficient synthesis of how relationship marketing, retail strategy, and promotional models collectively influence MSME sales performance.

Research Objectives

This study aims to:

1. Analyze the role of relationship marketing in retail customer retention.
2. Evaluate the effectiveness of retail marketing strategies such as the 7P framework.
3. Examine the role of promotional models like EPIC in MSME marketing performance.
4. Develop an integrated conceptual framework for MSME retail marketing optimization.

Significance of the Study

The study contributes both theoretically and practically. Theoretically, it integrates multiple marketing perspectives into a unified analytical model. Practically, it provides MSME stakeholders with actionable insights for improving sales performance and customer engagement.

Scope of the Study

The study focuses on MSME retail marketing strategies, consumer behavior, and promotional effectiveness based on secondary literature. It does not involve primary data collection but relies on comparative synthesis of existing research.

Literature Review

Relationship Marketing and Consumer Retention

Relationship marketing emphasizes long-term engagement between businesses and consumers. Bojei et al. (2013) demonstrate that relationship marketing tools significantly enhance consumer retention in retail

contexts. Techniques such as loyalty programs, personalized communication, and trust-building mechanisms improve customer lifetime value.

In MSME contexts, such strategies are crucial due to limited customer acquisition budgets. However, the effectiveness of relationship marketing depends on consistent implementation and data-driven customer engagement systems.

Retail Marketing Strategy Framework

Retail marketing strategy involves structured planning of marketing activities to influence consumer behavior and maximize sales. Lee and Trim (2006) highlight that retail strategy integrates positioning, segmentation, and operational execution.

The 7P marketing mix further expands traditional frameworks by incorporating service-related dimensions (Dwinanda & Yuswari, 2020). This model ensures that MSMEs consider not only product and price but also service quality and customer interaction processes.

However, literature indicates that MSMEs often underutilize non-product elements such as process and people, limiting strategic effectiveness.

Promotional Models and MSME Communication

Promotional effectiveness is a key determinant of retail success. The EPIC model proposed in MSME promotional analysis evaluates communication through empathy, persuasion, impact, and communication effectiveness (Ernestivita & Subagyo, 2020).

This model provides a structured evaluation mechanism for promotional campaigns, especially in resource-constrained MSMEs. It ensures that promotional messages align with consumer expectations and behavioral triggers.

Digital and Behavioral Influences in Retail Marketing

Consumer behavior in retail environments is increasingly influenced by digital communication, ethnocentrism, and brand perception. Studies show that e-WOM and brand equity are closely linked with consumer engagement patterns (Sun et al., 2021). Similarly, augmented reality is emerging as a transformative retail marketing tool (Rejeb et al., 2023).

Consumer segmentation research also highlights behavioral differences based on decision-making styles and ethnocentric tendencies (Rašković et al., 2020). These behavioral insights are critical for MSMEs targeting diverse consumer groups.

MSME Performance and Entrepreneurial

Marketing

MSME performance is influenced by entrepreneurial marketing capabilities and human resource competencies. Subagyo et al. (2020) emphasize that entrepreneurial parameters significantly affect MSME growth in Indonesia.

Further, entrepreneurial marketing plays a mediating role between innovation, human resource competence, and competitive advantage (Subagyo et al., 2021). This suggests that internal organizational capacity is as important as external marketing strategy.

Research Gap Identification

Existing literature reveals three major gaps:

1. Lack of integration between relationship marketing and retail strategy frameworks.
2. Limited synthesis between promotional models (EPIC) and structural marketing frameworks (7P).
3. Insufficient focus on MSME-specific retail marketing integration models.

This study addresses these gaps by proposing a consolidated analytical framework for MSME retail marketing optimization.

Methodology

Research Design

This study adopts a qualitative systematic literature synthesis approach. The purpose is to integrate findings from multiple peer-reviewed studies to develop a conceptual retail marketing optimization model for MSMEs.

Data Source

Data is derived exclusively from secondary academic sources, including journal articles, conference proceedings, and indexed publications focusing on retail marketing, MSMEs, and consumer behavior.

Analytical Approach

The analysis follows a thematic synthesis method involving:

1. Identification of key marketing constructs (relationship marketing, 7P, EPIC).
2. Categorization of empirical findings.
3. Comparative analysis across studies.
4. Development of integrated conceptual linkages.

Conceptual Framework Development

The framework integrates:

- Relationship Marketing (customer retention focus)
- Retail Strategy (structural planning via 7P)
- Promotional Effectiveness (EPIC model)
- Entrepreneurial Capability (MSME performance)

Ernestivita and Subagyo (2020) serve as a central analytical reference in evaluating promotional communication effectiveness within MSMEs.

Methodology 3.5 Analytical Framework Integration

The study constructs an integrative conceptual model by mapping interrelationships among four primary marketing domains: relationship marketing, retail marketing strategy (7P), promotional effectiveness (EPIC model), and entrepreneurial capability. Each domain is treated as an interdependent subsystem influencing MSME retail performance.

Relationship marketing is positioned as the foundational layer that drives customer loyalty and retention through trust, satisfaction, and long-term engagement (Bojei et al., 2013). Retail marketing strategy, particularly the 7P framework, operationalizes how MSMEs structure their market offerings and service delivery systems (Dwinanda & Yuswari, 2020). Promotional effectiveness, evaluated through the EPIC model, functions as the communication bridge between MSMEs and consumers (Ernestivita & Subagyo, 2020). Entrepreneurial capability acts as a moderating construct that determines how effectively MSMEs implement these marketing tools in practice (Subagyo et al., 2020).

This integration allows for a holistic interpretation of retail marketing performance rather than isolated evaluation of individual strategies.

Evaluation Logic

The synthesis evaluates:

1. Functional contribution of each marketing dimension.
2. Synergistic effects between marketing components.
3. Contextual relevance for MSME retail environments.
4. Limitations in current fragmented approaches.

Ernestivita and Subagyo (2020) are repeatedly referenced as a benchmark for understanding structured promotional effectiveness in MSMEs, particularly in relation to communication design and consumer response behavior.

Results / Findings

The synthesized analysis reveals that MSME retail performance is not driven by a single marketing factor but by the interaction of multiple strategic dimensions. Relationship marketing emerges as a primary determinant of customer retention, as businesses that implement consistent engagement strategies experience stronger consumer loyalty and repeat purchase behavior (Bojei et al., 2013).

The 7P marketing mix framework plays a significant operational role in shaping consumer decision-making. Among its components, product quality, pricing strategy, and promotional activities are identified as the most influential in MSME retail environments (Dwinanda & Yuswari, 2020). However, service-related components such as process and people are often underdeveloped, limiting overall strategic effectiveness.

Promotional communication analysis using the EPIC model demonstrates that effective messaging significantly improves consumer perception and purchase intention. Empathy and persuasion are identified as the most critical dimensions influencing consumer response (Ernestivita & Subagyo, 2020). MSMEs that apply structured promotional evaluation frameworks achieve higher engagement rates and better brand recall.

Additionally, entrepreneurial capability significantly influences the successful implementation of marketing strategies. MSMEs with higher levels of innovation orientation and managerial competence demonstrate better integration of marketing frameworks and improved performance outcomes (Subagyo et al., 2021).

The findings also indicate that external behavioral factors such as consumer ethnocentrism and digital engagement trends influence retail outcomes. Digital WOM and online brand perception contribute to strengthening brand equity and consumer trust (Sun et al., 2021). Overall, the results suggest that integrated marketing execution yields stronger performance than isolated strategy application.

Discussion

The findings confirm that MSME retail success is highly dependent on strategic integration rather than standalone marketing approaches. Relationship marketing provides the emotional and behavioral foundation for sustained customer engagement, aligning with prior evidence that long-term relational strategies

improve consumer retention (Bojei et al., 2013). However, its effectiveness is maximized only when supported by structured retail strategy frameworks such as the 7P model.

The 7P marketing mix acts as the operational backbone of retail strategy, ensuring that MSMEs maintain consistency across product delivery, pricing, and service processes (Dwinanda & Yuswari, 2020). The study reveals that MSMEs often prioritize tangible elements while neglecting process and people dimensions, resulting in incomplete strategic execution. This imbalance reduces the potential effectiveness of marketing efforts.

The EPIC model contributes a critical communication evaluation layer that ensures promotional messages are not only delivered but also emotionally and cognitively effective (Ernestivita & Subagyo, 2020). Its repeated application in MSME contexts highlights its relevance in bridging the gap between marketing intention and consumer perception. However, its effectiveness depends on the MSME's ability to consistently evaluate and refine promotional content.

From a theoretical perspective, integrating relationship marketing, 7P strategy, and EPIC-based promotion creates a multi-layered marketing ecosystem. This ecosystem enhances both customer acquisition and retention mechanisms while improving brand positioning.

Practically, MSMEs benefit most when these frameworks are implemented simultaneously rather than sequentially. For instance, a promotional campaign designed using EPIC principles becomes significantly more effective when aligned with a strong 7P-based retail strategy and supported by relationship marketing initiatives.

Nevertheless, limitations exist. The synthesis relies on secondary data and lacks empirical validation in a single MSME context. Additionally, digital transformation variables such as AI-driven marketing and real-time analytics are underexplored in the selected literature.

Conclusion

This study concludes that MSME retail marketing performance is optimally achieved through the integration of relationship marketing, retail marketing strategy (7P), and promotional effectiveness models such as EPIC. Relationship marketing ensures customer retention, while the 7P framework provides structural consistency in retail operations. The EPIC model enhances communication effectiveness and consumer engagement.

The research highlights that fragmented marketing practices limit MSME competitiveness, whereas

integrated strategies significantly improve sales performance and brand equity. The study contributes a synthesized conceptual model that can guide MSMEs in developing more structured and effective marketing systems.

Future research should focus on empirical validation of the proposed integrated model using quantitative methods and sector-specific case studies. Additionally, the role of digital transformation technologies in enhancing MSME retail marketing effectiveness should be further explored.

References

1. Bojei, J., Julian, C. C., Wel, C. A. B. C., & Ahmed, Z. U. (2013). The empirical link between relationship marketing tools and consumer retention in retail marketing. *Journal of Consumer Behaviour*, 12(3), 171–181. <https://doi.org/10.1002/cb.1408>
2. Dwinanda, G., & Yuswari, N. (2020). Bauran Pemasaran 7P Dalam Mempengaruhi Keputusan Pembelian Konsumen Pada Industri Retail Giant Ekspres Makassar. *Jurnal Mirai Management*, 6(1), 120–136. <https://journal.stieamkop.ac.id/index.php/miraipg.120%0Ahttps://journal.stieamkop.ac.id/index.php/mirai>
3. Ernestivita, G., & Subagyo. (2020). Media Promosi Produk UMKM dengan Menggunakan EPIC Model. *Efektor*, 7(1), 1–14. <https://doi.org/10.29407/e.v7i1.14336>
4. Lee, Y., & Trim, P. R. J. (2006). Retail marketing strategy. *Marketing Intelligence & Planning*, 24(7), 730–745. <https://doi.org/10.1108/0263450061071188>
5. Mukhopadhyay, S. K., Su, X., & Ghose, S. (2009). Motivating Retail Marketing Effort: Optimal Contract Design. *Production and Operations Management*, 18(2), 197–211. <https://doi.org/10.1111/j.1937-5956.2009.01014.x>
6. Nam Khanh Giao, H. (2019). The Effect of Corporation Culture on the Staff's Commitment in CMC Telecom Vietnam. *Science Journal of Business and Management*, 7(1), 23. <https://doi.org/10.11648/j.sjbm.20190701.14>
7. S., Purnomo, H., & Ernestivita, G. (2023). Portrait and Expectations of Kediri City MSMEs at the Time and Post of Pandemic COVID-19. *International Journal of Research and Review*, 10(4), 101–114. <https://doi.org/10.52403/ijrr.20230414>
8. Rašković, M., Ding, Z., Morikazu, H., Žabkar, V., & Fam, K.-S. (2020). Segmenting young-adult consumers in East Asia and Central and Eastern Europe – The role of consumer ethnocentrism and decision-making styles. *Journal of Business Research*, 108, 496–507. <https://doi.org/https://doi.org/10.1016/j.jbusres.2019.04.013>
9. Rejeb, A., Rejeb, K., & Treiblmaier, H. (2023). How augmented reality impacts retail marketing: a state-of-the-art review from a consumer perspective. *Journal of Strategic Marketing*, 31(3), 718–748. <https://doi.org/10.1080/0965254X.2021.1972439>
10. Riswanda, B. N. A., Ernestivita, G., & Suhardi. (2022). Strategi pemasaran pada umkm family cookies trenggalek dalam meningkatkan penjualan. *Prosiding Seminar Nasional Manajemen, Ekonomi Dan Akuntansi*, 7(1), 1098–1102.
11. Subagyo, Kumar, V., & Ernestivita, G. (2020). Entrepreneurial parameters and performance of MSMEs in East Java province of Indonesia. *International Journal of Business Innovation and Research*, 23(2), 267–282. <https://doi.org/10.1504/IJBIR.2020.10023765>
12. Subagyo, S., Ernestivita, G., & Suhendra, E. S. (2021). Peran Entrepreneurial Marketing dalam Memediasi Kompetensi Sumber Daya Manusia dan Inovasi untuk mencapai Keunggulan Kompetitif. *JURNAL NUSANTARA APLIKASI MANAJEMEN BISNIS*, 6(2), 166–183. <https://doi.org/10.29407/nusamba.v6i2.16246>
13. Sun, Y., Gonzalez-Jimenez, H., & Wang, S. (2021). Examining the relationships between e-WOM, consumer ethnocentrism and brand equity. *Journal of Business Research*, 130, 564–573. <https://doi.org/https://doi.org/10.1016/j.jbusres.2019.09.040>
14. Yii, H., Tan, “Daphane,” & Hair, M. (2020). The Reciprocal Effects of Loneliness and Consumer Ethnocentrism in Online Behavior. *Australasian Marketing Journal*, 28(1), 35–46. <https://doi.org/10.1016/j.ausmj.2019.08.004>