# Automobiles selling organizations' marketing communications assessment directions

Elena V. Isaenko and Alexander S. Tarasov

Autonomous Not-For-Profit Organization of Higher Education "Belgorod University of Cooperation, Economics and Law", Sadovaya str., 116A, Belgorod, 308023, Russia

**Abstract.** The paper studies the directions of marketing communications assessment according to the suggested system of indicators and the developed algorithm of assessment; provides comprehensive assessment of marketing communications taking into account summarizing and comprehensive indicators and reveals the influence of economic and communication components on organizations' activity results. The approbation was done on the materials of organizations selling transport means Plc 'Genser-Belgorod', Plc "Genser-Belgorod-Auto" and Plc "Genser-Belgorod-Center".

## Introduction

In the market conditions business subjects of the market pay special attention to the search for the efficient system and methods of goods, products and services promotion while increasing the role of marketing communications in consumers' information. The solution of the said important problem provides for the growth of the activity volumes, increase of aggregate profit and improvement of organizations' competitiveness.

Of paramount importance is the study of the problem of marketing communications improvement for organizations selling transport means, the specificity of the activity of which directly depends on consumer preferences.

Growth of sales of different brands cars in Russian and local markets causes the necessity of the improvement of organizations' communication policy, which sell transport means, development of marketing communications program and methodical approaches to the assessment of its realization.

Scientific research of marketing communication problems, their assessment and improvement of the communication policy of business subjects was carried out by such Russian and foreign scientists as E.I. Mazilkina [1], Philip Kotler, Kevin Lane Keller [2], Terence A. Shimp, J. Craig Andrews [3], I.M. Sinyaeva, S.V. Zemlyak, V.V. Sinyaev [4], E.V. Isaenko, A.S. Tarasov [5], E.E. Tarasova, A.A. Chalova [6], D.E. Shultz, S.I. Tannenbaum, R.F. Lauterborn [7], N.A. Nagapetiants [8], Chris Hackley [9], Lehman D. [10].

## Main part

Taking into account theoretical study done by the authors we suggest to define marketing communications as the process of interaction of organizations with target contact audiences, directed at the establishment of sustainable relations through the application of the integrity of means and instruments of marketing and their integration with the view of ensuring synergy effect in the development of consumer preferences and improvement of organizations' competitiveness [5].

As the main marketing communications they consider advertising, PR, personal sales and sales promotion [8].

Empiric studies of marketing communications were done in the organizations members of the company Genser-Belgorod: Plc 'Genser-Belgorod', Plc "Genser-Belgorod-Auto" and Plc "Genser-Belgorod-Center".

To assess marketing communications of the organizations selling transport means we suggest to use the system of indicators, the specificity of which is the differentiation of indicators by the types of marketing communications (advertising, PR, personal sales, sales promotion) (Table 1) [5].

The approbation of the suggested system of indicators for the assessment of marketing communications of organizations selling transport means was carried out by the above mentioned types of marketing communications taking into account their economic and communication components.

The results of the approbation of the recommended system of indicators testify to the fact, that the main means of marketing communications in the company Genser-Belgorod is advertising. In the companies under study they use the following advertising means: out-door advertising, Internet advertising, advertising in press, radio, production of

advertising means as well as carrying out of advertising campaigns.

The analysis showed that the most widely used instruments for PR measures are the following: holding of festive events, days of "open doors" and press conferences.

**Table 1. Dynamics of marketing communications assessment indicators of Plc 'Genser-Belgorod', Plc "Genser-Belgorod-Auto" and Plc "Genser-Belgorod-Center" during 2009-2012**

| Indicators | Growth rates, % | | |
|---|---|---|---|
| | Genser-Belgorod | Genser-Belgorod-Center | Genser-Belgorod-Auto |
| **Economic component** | | | |
| *Advertising* | | | |
| Costs volume for advertising activity | 184.2 | 187.9 | 395.3 |
| Share of advertising activity costs in the total amount of in distribution costs | 95.1 | 95.1 | 61.1 |
| Advertising costs efficiency | 132.9 | 120.8 | 243.2 |
| Share of advertising costs in revenues | 74.6 | 82.9 | 41.3 |
| Advertising costs profitability | 17.9 | 92.9 | 108.7 |
| Number of billboards (out-door advertising) | 240.0 | 500.0 | 400.0 |
| Number of sites containing advertisements | 420.0 | 250.0 | 480.0 |
| Number of advertising releases in press | 333.3 | 355.6 | 380.0 |
| Number of advertising releases on radio | by 23.3 times | by 20.5 times | by 21.8 times |
| Advertising production costs | 233.3 | 173.9 | 416.7 |
| Advertising campaigns costs | 204.9 | 235.1 | 384.6 |
| Press advertising coverage of target audience | 400.0 | 316.7 | 300.0 |
| Radio advertising coverage of target audience | 333.3 | 240.0 | 400.0 |
| *PR* | | | |
| Number of days of "open doors", days of friends | 100.0 | 200.0 | 100.0 |
| Number of festive events held by the company | 200.0 | 300.0 | 100.0 |
| Number of people attended the day of "open doors" | 214.3 | 421.1 | 238.1 |
| Number of people attended festive events held by the company | 307.1 | 623.5 | 134.6 |
| Number of sponsor projects | 100.0 | 100.0 | 100.0 |
| Number of events held for car owners | 100.0 | 100.0 | 100.0 |
| Costs for the release of the catalogue | 200.0 | 160.0 | 200.0 |
| Number of press conferences, interviews | 100.0 | 200.0 | 100.0 |
| *Personal sales* | | | |
| Number of buyers, who bought a car through personal sales | 218.7 | 198.5 | 430.2 |
| Number of clients registered in the data base | 307.6 | 191.7 | 442.2 |
| Number of sales department personnel, who improved their qualifications | 150.0 | 200.0 | 300.0 |
| Number of employees engaged in personal sales | 123.5 | 145.5 | 450.0 |
| Number of letters sent | 433.6 | 185.5 | 452.7 |
| Labor productivity of employees engaged in car sales | 198.2 | 156.0 | 184.3 |
| Number of sold cars per one employee of the salesroom зала | 178.6 | 135.4 | 94.7 |
| *Sales promotion* | | | |
| Dynamics of salaries of employees selling cars | 264.3 | 220.6 | 677.2 |
| Amount of bonuses for sold cars | 218.7 | 198.5 | 430.2 |
| Amount of discounts to buyers while selling cars produced last year | 71.4 | 77.8 | 60.0 |
| Presentations costs | 166.7 | 200.0 | 240.0 |
| Number of cars' presentations | 300.0 | 250.0 | 100.0 |
| Number of people attending presentations | 229.5 | 328.8 | 110.5 |
| Number of contests held with provision of discount certificates | 100.0 | 100.0 | 100.0 |
| Number of test drives | 192.3 | 200.0 | 400.0 |
| Share of cars sold through the program of preferential auto crediting | 147.1 | 166.7 | 180.0 |
| Number of exhibitions, in which there participated the organization | 200.0 | 300.0 | 100.0 |
| Number of discount programs, realized by the organization | 700.0 | 600.0 | 400.0 |
| Costs for client events | 144.0 | 200.0 | 200.0 |
| **Communication component** | | | |
| *Advertising* | | | |
| Share of consumers, who recognized advertising message | 109.8 | 113.6 | 111.8 |
| Share of consumers, who remembered advertising message | 105.3 | 107.3 | 107.1 |
| Share of consumers, who had contacts with advertising event | 354.2 | 217.2 | 240.6 |
| Share of consumers, who recollected advertising content | 125.0 | 150.0 | 52.2 |
| *PR* | | | |
| Share of consumers preferring the organization | 98.1 | 94.4 | 66.0 |
| Share of consumers, who remembered the organization | 102.0 | 94.3 | 96.5 |
| Share of consumers, who had contacts with the organization and events held by it | 37.7 | 35.6 | 102.6 |
| Share of consumers, who recollected the organization | 37.5 | 115.8 | 57.7 |
| *Personal sales* | | | |
| Share of consumers preferring a certain sales manager | 62.8 | 228.6 | 151.9 |
| Share of consumers, who remembered their sales manager | 103.8 | 98.2 | 86.7 |
| Share of consumers, who had contacts with the personnel | 51.7 | 41.6 | 88.2 |
| Share of consumers, who recollected personnel | 33.3 | 71.4 | 81.3 |
| *Sales promotion* | | | |
| Share of consumers, who reacted on the promotion events | 74.5 | 43.6 | 130.0 |
| Share of consumers, who remembered promotion events held by the organization | 107.3 | 93.0 | 100.0 |
| Share of consumers, who participated in promotion events | 91.7 | 161.5 | 114.8 |
| Share of consumers, who recollected promotion events, held by the organization | 135.3 | 61.7 | 127.0 |

In respect of personal sales in the organizations under study their personnel works in order to promote brands and models of cars; at the same time large attention is paid to the growth of the number of employees, who directly work with clients.

The work for the stimulation of sales in the companies under study is directed both at consumers and personnel. In the frameworks of this paper we note a constant growth of the number of discount programs, offered by the company Genser-Belgorod for consumers and the use of the motivation system for the employees.

Quantitatively the most intensive growth rate was registered by the indicators of volume costs for advertising – 395.3 per cent in Plc "Genser-Belgorod-Auto" and their efficiency (243.2 per cent). As far as PR measures are concerned it should be specially noted the number of people who attended the festive events held by Plc "Genser-Belgorod Center".

The results of the marketing communications analysis reflecting personal sales testify to the fact that the most dynamically there grew the number of clients, registered in the data base (307.6 per cent in Plc "Genser-Belgorod", 442.2 per cent in Plc "Genser-Belgorod-Auto") and the number of letters sent (433.6 per cent in Plc "Genser-Belgorod", 452.7 per cent in Plc "Genser-Belgorod-Auto").

As far as sales promotion is concerned it should be specially noted the growth of bonuses for sold cars (430.2 per cent in Plc "Genser-Belgorod-Auto"), growth of the number of discount programs

(700.0 per cent in Plc "Genser-Belgorod", 600.0 per cent in Plc "Genser-Belgorod-Center").

As for the assessment of marketing communications by the communication component it should be stated that all received indicators have lower value than those by economic component. The decrease in the indicators is observed in all organizations under study by the indicators characterizing PR – "Share of consumers preferring the organization"; personal sales – "Share of consumers contacting personnel", "Share of consumers remembering personnel". By other types of marketing communications the indicators in different organizations are not homogeneous. The highest values of the indicators are observed in all organizations by the indicator "Share of consumers who had contacts with advertising event".

We recommend assessing marketing communications according to the following algorithm, presented in Fig. 1 [5].

At the first stage we envisage the calculation of single indicators by the main types of marketing communications: advertising, PR, personal sales, sales promotion (Table 1) according to economic and communication components. At the second stage they assess marketing communications through the calculation of summarizing indicators according to the above mentioned types and components. At the final stage they determine comprehensive indicators of the marketing communications assessment by economic and communication component.
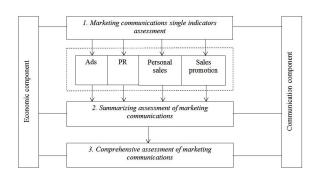


**Fig.1. Marketing communications assessment algorithm**

The results of the marketing communications assessment during 2009-2012 are shown in Table 2.

The results of the study of the marketing communications economic component show that the highest value by the summarizing indicator "Personal sales" possesses Plc "Genser-Belgorod-Auto", while it possesses the lowest value by PR measures.

The calculation of the summarizing indicators of marketing communications communication component showed that Plc "Genser-Belgorod-Auto" has the highest value by the summarizing indicator "personal sales", while Plc "Genser-Belgorod-Center" has the lowest value of the indicator by the summarizing indicator "sales promotion".

The results of the calculation of comprehensive indicators both by economic and communication components show that the highest value has Plc "Genser-Belgorod-Auto", which sells Hyundai cars.

**Table 2. Results of the calculation of summarizing and comprehensive indicators of marketing communications assessment of Plc 'Genser-Belgorod', Plc "Genser-Belgorod-Auto" and Plc "Genser-Belgorod-Center" during 2009-2012**

| Summarizing and comprehensive indicators | Plc «Genser-Belgorod-Center» | | Plc «Genser-Belgorod» | | Plc «Genser-Belgorod-Auto» | |
|---|---|---|---|---|---|---|
| | *Summarizing indicators* | | | | | |
| | Economic component | Communication component | Economic component | Communication component | Economic component | Communication component |
| Ads | 2.10 | 0.84 | 2.29 | 1.02 | 2.85 | 1.10 |
| PR | 1.51 | 1.05 | 2.18 | 0.98 | 1.26 | 0.97 |
| Personal sales | 2.12 | 0.89 | 1.71 | 0.85 | 2.97 | 1.26 |
| Sales promotion | 1.93 | 0.68 | 2.08 | 0.94 | 1.93 | 0.75 |
| | *Comprehensive indicator* | | | | | |
| | Economic component | Communication component | Economic component | Communication component | Economic component | Communication component |
| Comprehensive indicator | 1.90 | 0.85 | 2.05 | 0.94 | 2.13 | 1.00 |

For the evaluation of the economic and communication components influence on the organizations' activity results by comprehensive indicators we have carried out a regression analysis of their influence on the change in the revenues of the organizations under study, which made it possible for us to make a conclusion that in Plc "Genser-Belgorod-Center" and in Plc "Genser-Belgorod" the biggest influence on the revenues growth was made by communication component, while in Plc "Genser-Belgorod-Auto" it was an economic component.

$$\hat{y}_1 = -1{,}2 + 0{,}83x1 + 1{,}2\ x2 \tag{1}$$

$$\hat{y}_2 = 0{,}22 + 0{,}84x1 + 0{,}17\ x2 \tag{2}$$

$$\hat{y}_3 = -0{,}77 + 0{,}78x1 + 1{,}07\ x2 \tag{3}$$

where $y_1$, $y_2$, $y_3$ – revenue growth rate correspondingly in Plc "Genser-Belgorod-Center", Plc "Genser-Belgorod-Auto", Plc "Genser-Belgorod".

$x_1$ – comprehensive indicator of marketing communications economic component;

$x_2$ – comprehensive indicator of marketing communications communication component.

## Conclusion

Practical application of the suggested system of organizations' marketing communications indicators assessment selling transport means would make it possible to evaluate the use of different types of marketing communications (advertising, PR, personal sales, sales promotion) by economic and communication components.

Realization of the suggested assessment algorithm of organizations' marketing communications selling transport means would make it possible to carry out summarizing and comprehensive evaluation of marketing communications as well as to evaluate the influence of economic and communication components on the organizations' activity results.

## Statement

Hereby, marketing communications assessment serves as the basis for the search of the reserves to improve organizations' activity efficiency and it is designed to extend the informational basis for management decision making and improve the level of their validity.

## Corresponding Author:
Dr.Isaenko Elena V.
Autonomous Not-For-Profit Organization of Higher Education
"Belgorod University of Cooperation, Economics and Law"
Sadovaya str., 116A, Belgorod, 308023, Russia

5/29/2014

## References
1. Mazilkina, E.I., 2008. Marketing Communications. Publishing and Trading Corporation "Dashkov and K°", pp: 256.
2. Philip Kotler, Kevin Lane Keller, 2011. Marketing Management with My Marketing Lab, Pearson Education Limited, Global ed of 14th revised ed.
3. Terence A. Shimp, J. Craig Andrews, 2013, Integrated Marketing Communications in Advertising and Promotion. International ed. of 9th revised ed. Cengage Learning, Inc., pp: 688.
4. Sinyaeva, I.M., S.V. Zemlyak and V.V. Sinyaev, 2008. Marketing Communications. Publishing and Trading Corporation "Dashkov and K", pp: 324.
5. Isaenko, E.V. and A.S. Tarasov, 2013. Marketing Communications of Organizations Selling Transport Means: Theory and Practice. BUCEL Publishing Office, pp: 216.
6. Tarasova, E.E. and A.A. Chalova, 2012. Assessment of Integrated Marketing Communications Application Efficiency in the Activity of Consumer Cooperation Organizations. Herald of the Belgorod University of Cooperation, Economics and Law, 4: 19-28.
7. Shultz, Don. E., Stanley Tannenbaum, Robert F. Lauterborn, 1996. The New Marketing Paradigm: Integrated Marketing Communications. McGraw-Hill, pp.240.
8. Marketing in Branches and Spheres of Activity, 2010. Textbook for higher schools.
9. Chris Hackley, 2013, Marketing in Context. Palgrave Macmillan, pp. 236.
10. Lehmann D. Analysis for Marketing Planning, 1991, Homewood IL: Irwin, pp. 189.