

УДК 330.38.0.4

JEL Classification: M31, M37

Pavlo Viatkin  
Tetiana Viatkina  
Tetiana Zdorenko

Павло Вяткін  
Тетяна Вяткіна  
Тетяна Здоренко

## CURRENT APPROACHES TO MANAGING OF ADVERTISING AND MARKETING ACTIVITY

### СУЧАСНІ ПІДХОДИ ДО УПРАВЛІННЯ РЕКЛАМНОЮ ТА МАРКЕТИНГОВОЮ ДІЯЛЬНІСТЮ

*This paper is a research of managing of advertising and marketing company's activity. It describes main trends in modern advertising mechanisms. Processes of advertising and marketing company's activity are developed. It is noted that the determination of economic and communicative efficiency of promotional activities implementation is a complex and time-consuming process. It allows to evaluate the timeliness and quality of advertising campaign, no matter what goal is pursued: the market launch of a new product, attraction of customers to additional consumption of already known product, acquisition of company image, etc. In addition, evaluation of the effectiveness of promotional activities will help to achieve advertising goals faster and at lower cost. As a result, advertising management mechanism is offered.*

**Keywords:** advertising, marketing, business, marketing activity.

**Introduction.** Managing of advertising and marketing company's activity in increased competition conditions on sales markets, magnification of outlays connected with realization and promotion goods, and magnification of the consumer requirements to service quality for local companies is one of the most important tasks from efficiency of solution that depends on well-being and prosperity of the company, creation and development of the competitive advantages. This provides long term competitiveness, consolidate leadership and results of the company's activity.

Processes of advertising and marketing company's activity with different types of economic activities become more problematic through variability of the competitive environment and strengthening risks of uncertainty all over the world, which, in turn, actualize necessity of scientific research, aimed on finding new and more effective approaches to planning and organizing advertising and marketing activities of business.

**Literature review.** Authors of the proceedings for research current trends and prospects of advertising management and sales management (Kotler, 2004) have combined theoretical and methodological achievements domestic and global economics, deeply explored the nature of advertising, marketing and advertising and marketing activities as one of the directions of the company.

Modern authors define the concept "Sales activity" in different ways. Thus, Belinsky P. I. (Belinsky, 2005) noted that "in the generalized sense the essence of marketing activity based on the fact that it's a process of moving manufactured products to the market and exchange of commodity to obtain business profits". Balabanova L. V. (Balabanova, 2003) refers to the distribution that all provides maximum utility of trade agreement for each of the partners in the priority of the national interests and requirements of a middle or final consumer. According to M. Akulych (Akulych, 2006), sales activity is a practice of carrying out the exchanging material goods and services scilicet a particular activity, which in general determines the final results of economic activity. Sales activity is aimed at the realization of products regardless of where it takes place: the beginning of production (based on order) or after production (searching buyers for already manufactured goods, if the manufacturer is unknown on the market).

There are several views that put the same meaning in the term "sales activity" and "sales policy". Thus, Godyn A. M. (Godyn, 2001) declares that "sales policy in the marketing system is an organization process stepwise movement of goods". Some authors (Burtsev, 2007) equate sales and marketing activities and determine it as a totality of actions that perform from the moment as a product in the form in which it will be used, comes to commercial enterprises or final producer, and to the moment when consumer buys it. Deyyan A. and Troadek K. (Deyyan and Troadek, 1994) describe sales activities as a chain that binds an enterprise that produce with the consumer through the connecting links: marketers, resellers others. Hrupovych C. (Hrupovych, 2005) proposes to consider sales activities as a process of organizational and economic transactions that contains marketing aspect (research and analysis of market conditions, determine the volume of sales, selection and management of distribution channels) and logistic aspects (transportation, warehousing, inventory management, service orders) and implemented in order to achieve economic results from sales to consumers and create a positive company image in the market. According to A. Balabanycz

(Balabanycz, 2000) marketing activities – is a holistic process that includes: planning sales of goods, taking into account the level of expected profit; searching and choosing the best partner - supplier (buyer); tendering, including pricing according to quality of product and intensity of demand; detection and active use of factors that can boost sales and maximize profits from the sale.

Creating such management system that would implement the goals and strategy of sales, focuses on the needs of the end user, is the main key to successful marketing of the company.

The organization of marketing activities, as noted by one of the most famous national experts in marketing Golubkov E. P. (Golubkov, 2006), is based on the element of the marketing mix “bring a product to the consumer”, that describes activity of the enterprise aimed to the making the product available to target consumers. The main content of element of the marketing mix “bring a product to consumers” is a choice of the optimal scheme of delivery the product from producer to consumer, it’s a physical implementation, called physical distribution or goods movement (organization of transportation, storage, handling) and aftermarket (service) customer service. There are formed a certain marketing activities that include strategic and tactical marketing decisions in these areas (Golubkov, 2006).

From the standpoint of Gudzenko N. M. (Gudzenko, 2002), sales organization depends on the potential of the company and chosen marketing policy – set of marketing strategies and marketing activities and set of measures for forming assortment of marketable products and pricing, sales promotion, contracting, transportation and other organizational aspects of marketing. This is the way to implement marketing activity. Well-known theorist of foreign sales problems H. J. Bolt (Bolt, 2005) considers that sales organization means implementation of the planned marketing strategies and tactics of sales.

Based on the definition that treats Provoloczka O. M. (Provoloczka, 2003) managing of Company’s Sales Management in the market economy from the standpoint of marketing is seen as a process of planning, organizing, motivating and controlling marketing activities required for the formation and achieving sales target. Oherchuk Y. (Oherchuk, 2003) fits to the management of marketing activity from the standpoint a systems perspective. He mentioned that the distribution system components such as the structure of sales and sales management through systems are control marketing activity.

Pererva P. G. (Pererva, 1993) offers to consider effective mechanism of management for industrial products, which includes implementation of the following measures:

- analysis of marketing activities for the company in general and for each of the distribution channels;
- prediction of general economic and market conditions;
- forecasting the amount of sales by main nomenclature;
- prepare the financial estimates for the implementation of marketing operations;
- selection and justification of product distribution channels;
- setting standards for each of the sales agents;
- defining the boundaries of the geographic products market;
- research prospects for marketing of products in undeveloped areas;
- analysis of the cost of turnover for each marketing channel in order to identify unprofitable products, disadvantageous customers and sales areas;
- studying competitors marketing activities;
- auditing network marketing of company, that includes periodic consideration of the number of products bought and sold and available commodity stocks;
- forecasting sales on certain products types, particular customers and sales territories, as well as direct contracts with consumers;
- analysis of sales statistics of products by some of its forms, categories of consumers, size of orders, sales territories, primary distribution channels;
- evaluation of work of sales staff;
- development forms of material incentives that stimulate the successful conduct of marketing operations.

**Methodology.** In the market conditions advertising is marketing activities are considered as highly effective competitive struggle of enterprises. However, the practical functioning of enterprises indicates the absence an effective mechanism for advertising and marketing activities focused on ensuring the competitiveness of enterprises. Management mechanism of advertising is marketing activity, in our view, should include two major interdependent and interrelated subsystems – sales management and advertising management. Management subsystem of marketing activity includes a series of sequential steps, including:

### 1. Analysis of existing marketing activities.

Evaluation of effectiveness of the existing distribution system in general and for its individual elements and clarifying accordance marketing policy to specific market conditions (Fig. 1). Analysis exposed not only quantitative by sales indicators of specific products for specific segments, regions and the general set of factors that influence sales, network of the organization.

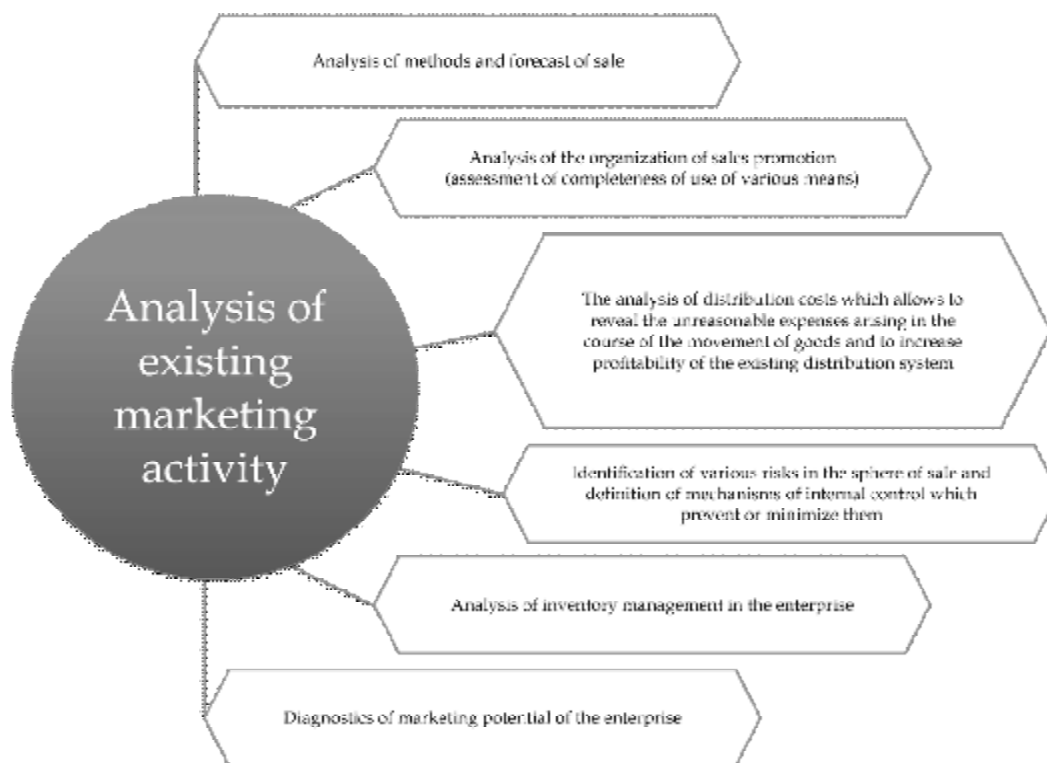


Fig. 1. The process of analyzing existing sales activity in the enterprise

Analyzing the performance of own sales, companies need to pay special attention to the level of training and motivation of the supply system. Make sure that the system is fair and helps to motivate the company to obtain results you want, stimulating sales of more profitable products. Along with marketing of micro and macro analysis it gives the opportunity to discover the full range of problems, constraints and opportunities in the field of marketing.

### 2. Analysis of the environment.

In determining the advertising and marketing strategies and implementing them it must have in-depth representation as about internal environment, its potential and trends, and on the environment, its trends and the place that it holds it firm. Therefore, the second stage of the implementation of promotional and marketing activities that constitutes a joint stage is important for sales management and for promotional activities to analyze enterprise' environment (Fig. 2).

### 3. Projections of sales.

Sales forecast shows the quantity of a particular product is expected to develop and implement a specific market segment within a specified time in the presence of demand. Forecasting sales based on time series analysis, taking into account life cycle that characterizes the seasonal and cyclical fluctuations in consumer demand and it can more accurately predict sales volume in the future.

Prediction of sales required for trading firms in the short term; establishing financial sales estimates; inventory management; budgeting and planning firm profits; development planning capacity and resource requirements.

### 4. Sales strategy formation.

In order to ensure effective implementation of enterprises it should be carried out a range of measures that find their expression in the sale strategy marketing formation. Developing and implementation of marketing strategy involves the following fundamental issues: the choice of distribution channels; selection of

intermediaries and the definition of acceptable forms of work with them. The process of developing marketing strategy essentially represents a sequence. Sales strategy formation is probably the most important step in the mechanism of managing marketing activity.

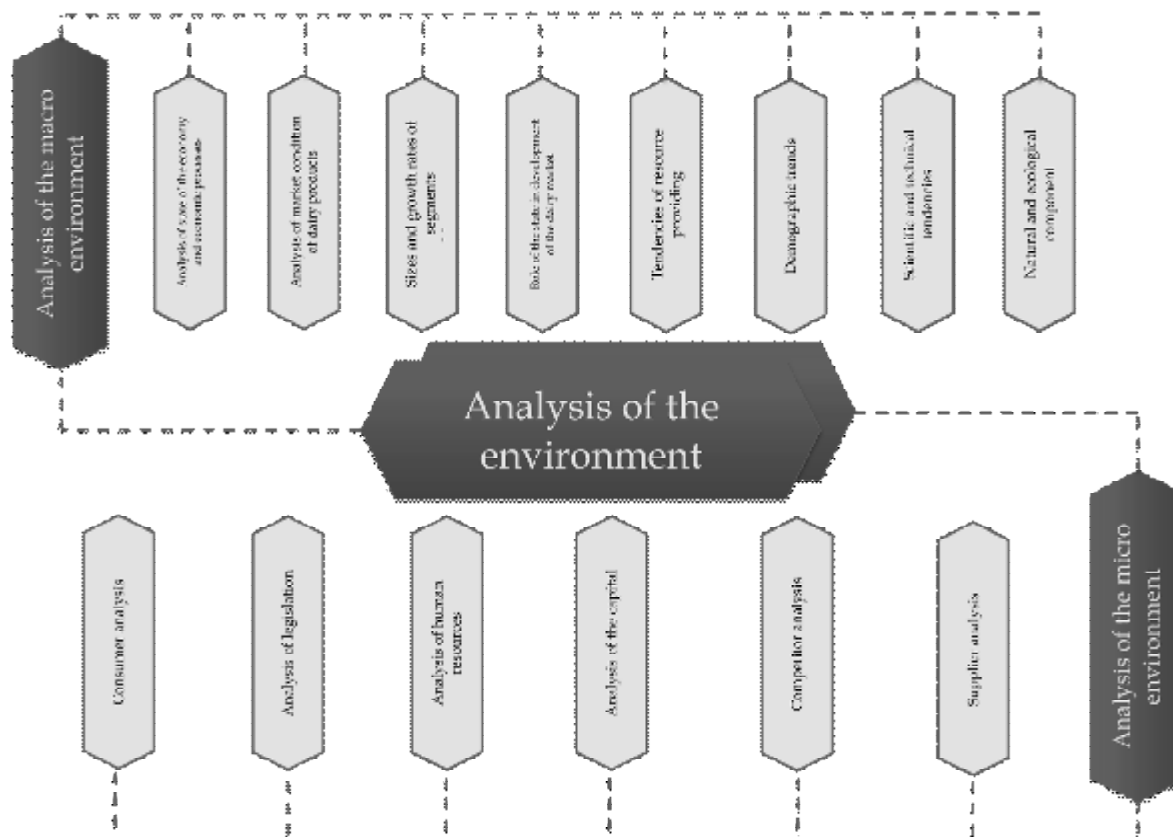


Fig. 2. The process of analysis of micro and macro environment of companies

##### 5. Preparation of financial evaluation for the implementation of marketing operations.

On the fifth stage of the enterprise marketing of management is determined by the financial sales estimates, and costs of treatment is occupied the main place. They can be calculated and based on sales forecasts and trading costs. As a result of summing the individual estimates for each product group consists of consolidated and estimated sales. General trade costs include wages of workers of supply system, transport and storage costs, trade discounts and so on. Financial estimates of sales of company are a document where sales, trading costs and profit from the sale are recorded. A properly drafted financial estimates effect on ensuring implementation current trade policies and obtain the planned return on sales. The responsibility for budgeting and monitoring its implementation relies on managers of sales department.

##### 6. Organization of reception, storage, packing, sorting and shipping products.

Storage and warehousing suggests the following functions: unloading and loading; internal displacement; direct storing; sorting and labeling; configuration and grouping; packing and pouring and others. The functions of this group can be carried out by the manufacturing enterprise as the end stage of production and subsequently during marketing activities (distribution – delivery) directly to distribution channels and form their respective to intermediary organizations and structures.

Sending goods can be carried out in two principal ways: the forces and means at the expense of productive enterprise-provider and the buyer (consignee-agent, consumer). The first method is called a shipment, the second – leave. Both methods determine supply goods under the contract (order).

##### 7. Transport.

High economic results achieved by a successful combination of spatial centers of production, raw material bases and consumers and provided the most favorable technical and economic indicators of work of the transport, so it is important to correct and compliance with applicable norms and requirements, transportation. Perishable products transported by isothermal transport, which ensures the preservation of temperature modes of transportation.

#### *8. Motivation of implementation marketing operations*

To ensure the effectiveness supply of personnel is necessary to create an effective system for enterprise motivation. As noted by Mr. Doyle (Doyle, 1999), motivation of staff depends on the supply of such factors. In an effective system of motivation to ensure appropriate management of sales personnel, it's necessary for the company to be adjusted system of development the supply of staff.

#### *9. Comprehensive Assessment of sales activities*

Evaluating the effectiveness of management of marketing policy – is a determination of compliance management results established by sales policy objectives of efficiency and economic strategies in most effective management market policy. Evaluating the effectiveness of marketing policy of management – is a determination of compliance management results sales policy by established objective and efficiency of this strategies and economic efficiency of marketing policy.

#### **Results and discussion.**

In its significance the subsystem of management advertising activity contains 8 stages:

##### *1. Analysis of the existing advertising.*

Promotional activities exercises significant influence over the increase in sales, providing information about the product, its popularization, increasing demand, trade and production. Therefore, in order to identify their own strengths and weaknesses in the implementation of promotional activities its analysis is conducted, that includes the following components.

##### *2. Analysis of the environment.*

Analysis of micro and macro environment, which is represented on Fig. 2, is an essential component of management promotional activities, as well as sales, as the successful advertising campaign, which features a holistic process of logical starting point to market research. Developed and successfully carried out, analysis allows you to position the market in a number of new brands and brand marketing grounded in the medium term, which contributes to profitability. Implementation of the strategy and tactics of active adaptation to the real and potential consumers of products allows raising efficiency of advertising exposure.

##### *3. Formation of advertising strategy.*

It was established that the companies that sell their products in the consumer food market, put such goal as the formation of public opinion, a tool for achieving of which is advertising, promotion and publicity, but just advertising in terms of monetary investment ranks first among communication tools (Kapinus, 2010). Development of advertising strategy, market-oriented on agricultural products, is the order to determine which is psychologically significant content should add advertising to this product that potential buyer gave him an advantage over other products on the market.

##### *4. Development of the advertising budget.*

Implementation of promotional activities closely related to the problem of financing, for developing and implementing advertising budget. It's formation contributes clear definition of the goals of advertising and the choice of measures to achieve them. Advertising expenditures are current expenditures in its economic nature. At the same time, this type of cost is a major factor in sales growth volumes. Often large sums spent on advertising the product in the first stages of its life cycle, can contribute to profit through a fairly long period of time. Therefore, we can speak of a form of investment costs, like capital investments in fixed assets, pay off for years. Complex decisions related to the development of the advertising budget can be divided into two parts. Advertising budget should organically fit into the overall cost estimate.

##### *5. Development an advertising campaign.*

Advertising Campaign is a system of interconnected promotional activities covering a specified period and aimed at achieving specific marketing and promotional purposes. Herewith, the duration of a specific advertising campaign depends on many factors: product characteristics, target audience, advertising goals, the competitive situation and so on. The process of developing the advertising campaign goes back to the previous three stages – analysis environment (step 2), the formation of an advertising strategy (stage 3), and preparing of the advertising budget (step 4), and the next – the organization of promotional activities and direct continuation.

##### *6. Organization of promotional activities.*

Promotional activities are carried out according to the goal of the event, its target group and, of course, available budget. With self-conducting promotional activities the most difficult is the creation of advertising appeal in which information should be simple, interesting, straight, claiming short, true, unlike the others. Appeals must be original, allocated and detain attention, repeat the most important arguments, provide to future customer accurate and focusing information. Great importance in writing and submitting advertising text in press is a font selection. It is recommended to use a combination of fonts: basic, decorative, increasing

allocations. Not less important television and radio advertisements that have their own specifics and the perception and created by certain rules. Lately, with the advent of an increasing number of Internet users, advertising becomes very popular in the global electronic network. It creates its own web page where materials can be placed about business, its possibilities, product range and other information. Development of promotional materials must be associated with a group of consumers for which it is designed.

7. *Motivation of promotional activities.*

In order to motivate personnel, engaged in the development and implementation of promotional activities there should be considered regulators and motivators. Among the motivations regulators require considerable attention to workplace organization, ensure proper working conditions, remuneration of staff (both material and immaterial), providing a sense of staff security, provision of social protection. Compliance with these aspects allows to provide a pleasure of the physiological needs of staff and encourages employees to perform their duties efficiently. It should be remembered that the absence of these motivation regulators leads to lower productivity and increased turnover.

The main motivators are the provision of social and personal development of employees, providing a sense of belonging to the affairs of the company, the interest of workers and provision opportunities for self-realization. The presence of motivators contributes to meeting the social needs of staff and the needs of self-expression and self-actualization. Also, it should not be forgotten about the effect on staff motivation factors mentioned earlier in the eighth stage.

8. *Comprehensive Assessment advertising.*

Comprehensive evaluation of promotional activities allows you to:

- receive information on expediency of advertising;
- to identify effectiveness of individual means of distribution;
- to determine the optimal conditions of the advertising to potential buyers.

Among the best known and most frequently used methods of analysis carried out promotional activities are the following (Fig. 3).



Fig. 3. Methods for evaluating the effectiveness of promotional activities

Determination of economic and communicative efficiency of implementation of promotional activities is a complex and time-consuming process, it allows you to evaluate the timeliness and quality of the advertising campaign, no matter what goal it is pursued: the market launch of a new product, attract customers to additional consumption of already known product, acquisition of company image, etc. In addition, evaluation of the effectiveness of promotional activities will help achieve advertising goals faster and at lower cost.

Ultimate goal of advertising and marketing of enterprises is to increase profits from meet consumer needs in products, through successful product positioning, provided the effective advertising campaign. Therefore, the final stage of the mechanism of control of advertising and marketing activity of companies is assessing performance and provides feedback.

### Conclusions

Assessment consumers of products include:

1. Definition of consumer attitudes to a certain brand of products. It is necessary to examine the extent company's popularity. This area of marketing research aims to identify the consumer awareness of the existence of products a certain brand (company). Information about the level of popularity is generally obtained through questionnaires consumers about their famous brand product.

2. The next step in research a separate product brands is to examine consumers' opinions about this product. Here it comes to figuring out how investigational product meets the requirements of the market and consumers, that the assessment of adequacy of market tourism product.

3. Determine which groups (segments) and as consumers often buy target product (determining the degree of loyalty to a particular product). It also examines the impact of the product degree of satisfaction loyalty to its brand.

The analysis of providing feedback finished studying consumers. A proper understanding of consumers makes it possible to business to:

- predict their needs;
- identify products that are most popular;
- improve relationships with customers;
- win the trust of customers by meeting their requests;
- declare, from what sources of information consumers learn about products;
- determine what a decisive influence on the decision to purchase products;
- develop appropriate marketing strategy.

During the research, consumers should know the answers to these questions:

- who are clients of the company, is who they can become in the future;
- the needs and wishes of clients;
- what factors influence customer needs;
- what motives urge consumers to buy certain products;
- which are unmet needs among consumers;
- how consumers decide which processors prefer.

Evaluating the degree of customer satisfaction allows to formalize the work of the organization to meet the requirements and expectations of the consumer. In moving goods and services to the market the company must consistently use all the tools of advertising and marketing. The achievement of planned results is possible only with the successful implementation of all elements of the complex marketing and advertising strategy. Full of coordination allows business to get as synergistic effect positive trend in market share and maximize profits.

In conclusion, we can say that the system of advertising and marketing activity is continually subject to diagnosis, control and improvement of the management of enterprises who seek to secure financial stability in modern conditions of increased competition.

### References

1. Akulych, M. V. (2006) Ways of improving the efficiency of global business and marketing strategies. *Marketing v Rosiyi i za kordonom*, (6).
2. Balabanova, L. V. (2003) Marketing audit of distribution system. DonDUET im. M. Tugan-Baranovskogo, Donetsk, Ukraine.
3. Balabanycz, A. V. (2000) The marketing activities of enterprises in the trade marketing orientation. Abstract of Cand. Sci. (Ec.), 08.06.02. Donetsk, Ukraine.
4. Belinsky, P. I. (2005) Production and operations management. Centr navchalnoyi literatury, Kyiv, Ukraine.
5. Bolt G. Dzh. (2005) Practical guidance on sales management. *Ekonomika*, Moscow, Russia.
6. Burtsev, V. V. (2007) Internal control of marketing activity of the enterprises in modern conditions of managing. *Menedzhment v Rossii i za rubezhom*, (6), pp. 50–63.
7. Deyyan, A. (1994) Sales promotion and advertising on a sale place. Progress, Moscow, Russia.
8. Doyle, P. (1999) Management: strategy and practice. Peter, St. Petersburg, Russia.
9. Gerasymenko, B. O. (2014) Conceptual approaches to management of efficiency of advertising activity of the enterprise. *Young scientist journal*, (4), pp. 48–51.
10. Godyn, A. M. (2001) Marketing. Dashkov i Ko, Moscow, Russia.

11. Golubkov, Ye. P. (2006) Fundamentals of marketing. Finpress, Moscow, Russia.
12. Gudzenko N. M. (2002) The role of sales accounting to monitor the implementation. *Proceedings of National Agricultural University*, (56), pp. 263–265.
13. Hrupovych, S. Ye. (2005) Economic evaluation and management of marketing activity of enterprises. Abstract of Cand. Sci. (Ec.), 08.06.01. Lviv, Ukraine.
14. Jefkins, F. (2001) Advertising. Znannya, Kyiv, Ukraine.
15. Kapinus, L. V. (2010) Advertising as a factor of management of behavior of consumers. Kyiv, Ukraine.
16. Karpenko, M. (2006) Competitiveness and exports of dairy products in Ukraine. *Economy APC*, (11), pp. 98–102.
17. Karpenko, A. V., Hatser, M. V. (2009) Essence and place of advertizing in activity of the enterprise in market conditions. *State and Regions*, (1), pp. 70–74.
18. Kotler, Ph. (2004) Marketing. Management. Peter, St. Petersburg, Russia.
19. Kotler, Ph. (2010) Marketing from A to Z: 80 concepts which each manager has to know. Alpina Publisherz, Moscow, Russia.
20. Kubicka, H., Taranek, O. (2009) Kody kultury. Interakcja, transformacja, synergia. Towarzystwo Przyjaciół Polonistyki Wrocławskiej, Wrocław, p. 234.
21. McRury, I. (2009) Advertising. Routledge, NY, p. 124.
22. Mitrohina, Yu. P. (2009) Key factors of success of the enterprise in the field of sale. *Science & the economy*, (4), pp. 217–221.
23. Oherchuk, Yu. V. (2003) Analysis of organizing marketing activities of domestic producers. *Proceedings of the National University "Lviv Polytechnic"*, (484), pp. 335–341.
24. Pavlychenko, M. H. (2011) Market of milk in Ukraine and prospect for the different categories of businesses. *Milk Industry*, (5), pp. 18–20.
25. Pererva, P. G. (1993). Marketing management in engineering enterprises. Osnova, Kharkiv, Ukraine.
26. Ponomaryova, A. M. (2009) Advertising activity: organization, planning, efficiency assessment. MarT, Moscow, Russia.
27. Provoloczka, O. M. (2003) Managing sales of industrial products in the marketing mix. Abstract of Cand. Sci. (Ec.), 08.06.01. Ukrainian Academy of Foreign Trade, Kyiv, Ukraine.
28. Romat, E. V. (1995) Advertising in system of marketing. NVF «Studsentr», Kharkiv, Ukraine.
29. Sandage, C. H., Fryburger, V., Rotzoll, K. (1989). Advertizing: theory and practice. Progress, Moscow, Russia.
30. Saprunova, V. B. (1997) Tourism: Evolution. Structure. Marketing. Os -89, Moscow, Russia.
31. Sutherland, M. (2008) Advertising and the mind of the consumer. Allen&Unwin, Crows Nest, p. 56
32. Voskolovych, N. A. (2010) Marketing of tourist services. TEYS, Moscow, Russia.
33. Zablodska, I., Maksymov, V. (2007) The economic mechanism to ensure the production and sale of goods in the regional market. *Ekonomist*, (10), pp. 38–39.

**Pavlo Viatkin, Tetiana Viatkina, Tetiana Zdorenko**

## **CURRENT APPROACHES TO MANAGING OF ADVERTISING AND MARKETING ACTIVITY**

*This paper is a research of managing of advertising and marketing company's activity. It describes main trends in modern advertising mechanisms. Processes of advertising and marketing company's activity are developed. It is noted that the determination of economic and communicative efficiency of promotional activities implementation is a complex and time-consuming process. It allows to evaluate the timeliness and quality of advertising campaign, no matter what goal is pursued: market launch of a new product, attraction of customers to additional consumption of already known product, acquisition of company image, etc. In addition, the evaluation of promotional activities effectiveness will help to achieve advertising goals faster and at lower cost. As a result, advertising management mechanism is offered.*

*The evaluation of the degree of customer satisfaction allows to formalize the work of the organization to meet the requirements and expectations of the consumer. In moving goods and services to the market the company must consistently use all the tools of advertising and marketing. The achievement of planned results is possible only with the successful implementation of all elements of complex marketing and advertising strategy. The fullness of coordination allows business to get positive trend in market share as synergistic effect and to maximize profits.*

*In conclusion, we can say that the system of advertising and marketing activity is continually subject to diagnosis, control and improvement of the management of enterprises who seek to secure financial stability in modern conditions of increased competition.*

**Keywords:** advertising, marketing, business, marketing activity.