

Trade Business Communication Policy

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Abstract

The purpose of the paper is to examine the specifics and peculiarities of the communication activities of entrepreneurial business of the trade enterprises, to identify the main problems and make recommendations for their improvement. To achieve the aim of the research a survey was conducted among 112 managers of trade enterprises on the territory of Bulgaria. The survey was conducted in March - July 2015. The direct survey is used as a main research method. For analysis and evaluation of the results are used statistical methods and for their visual graphic representation - EXCEL from Microsoft. The questionnaire includes five blocks of issues related to corporate advertising, personal selling, sales promotion, public relations and publicity, sponsorship.

The analysis and evaluation of the survey's results shows that businesses in the trade enterprises are still not sufficiently aware of the need for planning, organizing and competently managing their communication policy.

The representatives of major companies in this economic activity systematically develop advertising strategies, plans and programs, plan their advertising budget and also feature a private PR specialist or use the services of PR agency.

At the same time it was found that SMBs do not recognize sufficiently the needs of the consumers in the chosen segment and do not take any action to influence the general public, do not devote adequate resources to the development and management of their communication policies.

Ignoring advertising can lead to serious problems in implementing the marketing policy of the company. Observations reveal that it is essential for the trade companies to make better use of media, traditional forms of advertising and self-promotional tools. Marketing management must pay attention not only to the marketing of its individual products, but focus the interest of the consumers to the brand, business values, corporate image, mission, etc.

Keywords: communication policy, trade business, advertising, personal sales, public relations

JEL classification: M3, M37.

1. Introduction

Essential for the sustainable development of the entrepreneurial business in trade is to achieve long-term success in the process of addressing the needs of consumers. At the same time the proper functioning of any company is associated with the continuous transmission of different information (Bogdanska, 2013), satisfying the constantly growing demands of consumers. Moreover - in the modern organization it can be an important factor in the ultimate success or failure of the implementation of the objectives of the company (Usheva, 2014, p.138).

"Technological, economic and social trends are changing the context of communication policy" (Just & Ruppis, 2012, p.3). Thanks to advertising and public relations, personal selling and measures to boost sales, using the integrated use of tools of communication mix, management of enterprise demonstrates not only its production capacity but also the quality of its products (Filipova, 2015, p.34). Providing high quality products is a key factor for the effectiveness of the overall business. Therefore from the knowledge and popularity of offered by entrepreneurial trade business products largely depend on demand and attracting of more users.

Moreover, the higher the degree of satisfaction of the users, the higher the level of consumption. This in turn affects the state of business in trade, increasing sales volume and retention of its market positions. Obviously, the success of entrepreneurial business in trade depends largely on the efficiency of its marketing communications. Essential for the product to reach the consumer is informing them of its existence and the benefits they will receive in the consumption thereof. The availability of information

leads to the formation of loyal customers. Furthermore, in order to retain or increase their sales entrepreneurs pursuing their activities in trade, it is necessary to invest in more interesting advertising campaigns and communications with customers (Anastasova, 2010, p.33).

The aim of the study is to examine the peculiarities of the communication activities of entrepreneurial business from the retail sector, to identify the main issues and make recommendations for their improvement.

2. Problem definition

Marketing is a process involving the exploration, forecasting and satisfaction of needs through the development, production, transportation and sale of the product and service (Melikyan, 2011, p.24). It is clear that the realization of marketing activities of the business in trade is inextricably linked to its communication policy. Moreover, the creation of an idea of a product that does not correspond to the real situation is a prerequisite for failure of the most well-developed marketing strategy (Kyurova, 2014, p.75). In this connection, the question arises about the essence of communication policy. In our opinion, communication policy is a set of deliberately planned and carried out activities aimed at targeting consumers' aspirations to a particular product. In support of this is the opinion of A. Katernyuk, according to whom the entity is required to perform a set of different types of activities in order to bring the information about the quality of the product to potential customers and stimulate their desire to purchase (Katernyuk, 2008, p.316).

Based on the fact that consumer behaviour is a major driving force in today's market, we can say that the market demands increase, which in turn necessitates the search for new opportunities for more fully satisfying consumer needs (Kyurova & Yaneva, 2012, p.58). In this regard, Yu. I. Smirnov stressed that the key rule for clients - orientated communications is to estimate the dominant needs of the client (Smirnov, 2013, p.145). In this the important objective of communication policy, according to E. Avdokushin is the motivation for buying the greatest possible quantity of products by way of transmitting the user specific information (Avdokushin, 2007, p.290). A.V. Sak and V.A. Zhuravlev defined as basic objectives of the communication policy of the business the formation in the target audience of a positive image of the company and its product, motivating consumers and middlemen to buy the products of the company and motivate other target audiences to cooperate with the company (Sak and Zhuravlev, 2010, p.210).

Given that advertising contributes significantly to the marketing of products is imperative "to establish by what means to influence the actual and potential partners and buyers to expand the interest and purchases" (Mencheva, 2003). The division of communications tools within the promotional mix helps companies to describe which will be most useful in achieving particular marketing objectives (Mullin, 2008, p.37).

Essential for effective marketing activities of businesses in trade, to increase demand for products and expand market position are the means which this business can use to inform consumers about the products, their properties and acquisition conditions. In this respect in the scientific literature are recommended various ways to attract customers and turn them into real buyers that could be used by businesses in trade presented in Table 1.

Author	Components of communication policy
Ph. Kotler	sales promotion, advertising, PR (public relations) sales team, direct marketing
A.V. Sak, V.A.Zhuravlev	advertising, personal selling, sales promotion, public relations, exhibitions and fairs, branding
I.M.Sinyaeva,S.V.Zemlyak, V.V.Sinyaev	public relations, advertising, sales promotion, personal selling, fair-exhibition activities, telemarketing, interactive marketing, packaging
I.M.Sinyaeva	direct marketing, sales promotion, personal selling, exhibition marketing, advertising, public relations, interactive marketing

A. V. Katemyuk	advertising, PR, sales promotion, direct marketing, personal sales, additional funds/collateral, advertising property
V. Blagoev	sales promotion, PR, advertising, personal selling, advertising mail, direct marketing, participation in events on the company performance and goods, outdoor advertising, advertising on the Internet
L.Karakasheva, L.Mencheva, B. Markova	advertising, public relations, sales promotion, personal selling and sponsorship

Table 1. Systematization of components of communication policy

Source: Kotler, 2005, p. 21; Sak & Zhuravlev, 2010, p. 210; Sinyaeva, Zemlyak & Sinyaev, 2013, p. 92-93; Sinyaeva, Sinyaev & Maslova, 2011, p. 297; Katemyuk, 2008, p. 316-317; Blagoev, 1998, p.445; Karakasheva, Mencheva & Markova, 2001

Based on the opinions of the authors of the inherent components of the communication policy of a business presented in Table 1, we consider that the most appropriate tools for assessing the communication activities of enterprises in the field of marketing are advertising, public relations, personal selling, promotion sales.

3. Methodology

To reveal the specifics of the communication activities of entrepreneurial business trade sector a survey was conducted among 112 managers of enterprises on the territory of Bulgaria, dealing with trade business. The survey was conducted in March - July 2015.

For collecting information has been used the direct poll in which respondents themselves complete the questionnaire. For analysis and evaluation of results are used statistical methods and for their visual graphical presentation - EXCEL from Microsoft.

The questionnaire includes five blocks of issues related to corporate advertising, sales promotion, public relations, direct marketing and sponsorship.

4. Results and Discussion

Communication policy is an integral part of marketing. It is an essential element of the marketing mix aimed at establishing effective communication between the enterprise and its users. Essential role in the sustainable development of any business plays the development of its advertising activity.

In this respect, the survey results indicate that managers of small and medium-sized enterprises in trade do not pay enough attention to their communication policy. Under 7.0 percent of them take concrete action in this direction. In contrast, representatives of large companies in the sector systematically develop advertising strategies, plans and programs (91.1%). Most of them periodically collect process and summarize information about the status and trends of the market, analyse consumer behaviour and the effect of advertising impact, take concrete actions for the formation of preferences, maintain consumer demand, boost sales and influence public opinion.

The results of this survey show that respondents' commercial enterprises use all types of advertising according to the advertising channel. The most widely used is advertising in print media, electronic media and the Internet. Among them, the most commonly used tools are ad slots in newspapers and magazines, radio spots and announcements, TV commercials, websites and banners on the Internet. However, it can be said that the media are underused as an important source of informing and persuading consumers. Respondents indicate that they do not carry out a television advertising on national television channels (0.9%) and use mainly regional television. 15.2% of respondents use the radio as an opportunity to send messages to users. It was found that 28.4% of the managers of the enterprises in commerce advertise their products in the form of slots in newspapers, mostly in local newspapers and magazines.

At the same time it was found that a lower proportion of respondents (13.9%) use self-promotional tools - brochures, leaflets, flyers and more. Only 1.8% of respondents have printed thematic catalogues. Very few of commercial enterprises realize outdoor advertising (12.9%) through the use of posters on billboards and transport advertising (0.8%). 18.1% say they conduct telephone advertising.

It was found that the Internet is the most common means of advertising and sales promotion. The share of the respondents (61.7%) who deliberately disseminate information about their offered product through various web portals, blogs and social networks is high. Many of the respondents (65.5%) point out that they have developed their own website. They provide information to regular customers about the conditions of seasonal discounts, discounts, bonuses, payment options, recommendations and remarks. At the same time a significant proportion of respondents (39.7%) said they use direct mail as an active tool to boost sales as an opportunity for optimal targeting of messages to target groups of users.

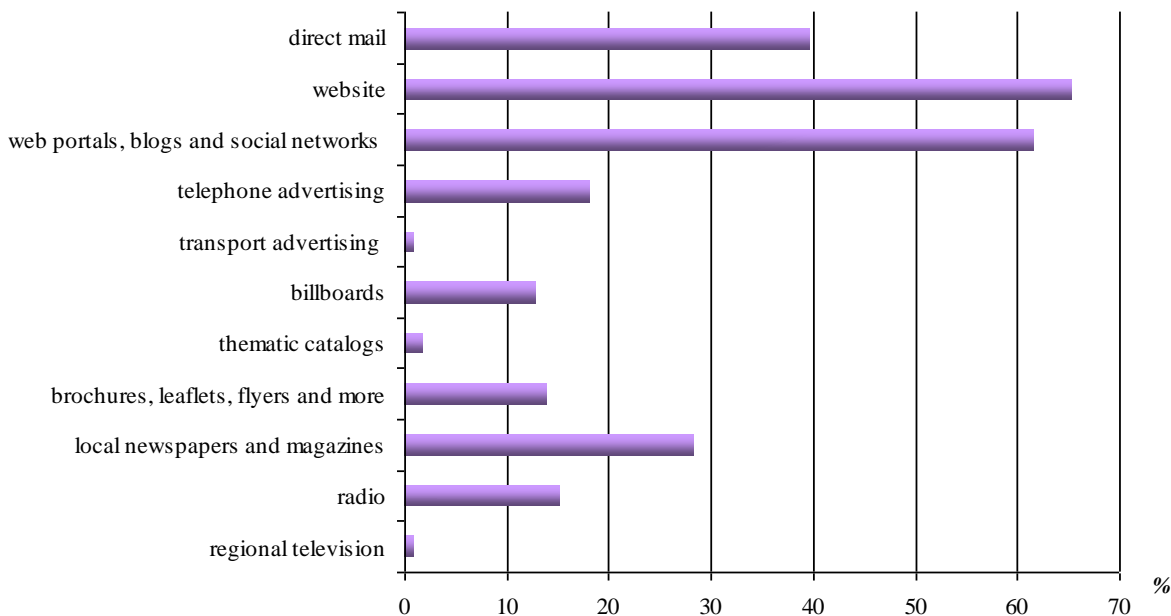


Figure 1. Advertising channels used by commercial enterprises

Source: authors' inquiry survey

Note: The answers exceed 100% because the respondents gave more than one answer

Ignoring advertising can lead to serious problems in implementing the marketing policy of the enterprise.

As regards the advertising budget it was found that the company management of most surveyed companies do not plan their advertising budget. Moreover - they are not aware of what funds will be needed in order to implement an effective advertising campaign. The survey results show that 73.1 percent of respondents fix a specific amount that think they will cover their needs for advertising. In most cases these are residual funds of the total marketing budget. It became obvious that for advertising 16.1% of respondents use a fixed percent that is part of the sales, while 4.1% of them allocate resources as a permanent part of the unit cost. A key point is that only 1.6% of the surveyed businesses have updated their advertising budget in the past two years, which is indicative of ineffective planning of advertising costs for businesses in this sector.

From the results it is apparent that all managers of commercial companies do advertise the goods and brand. However, in 17.7% the subject of advertising is the company itself. Low is the share of respondents - 14.1%, impacting on consumers using the combined advertising. We can conclude that the marketing department focuses primarily on individual products and brands not bind them with company name, activity, style, image and so on.

The survey results reveal that a significant proportion of respondents are not sufficiently aware of the needs and demands of users in their chosen segment. Confirmation of this statement is the fact that a significant proportion of respondents (61.9%) do not conduct market segmentation. It is noteworthy that the respondents engaged in this activity, predominate - 36.6 percent direct their advertising to specific target

group, and 2.5% - to individual recipients.

The data in Figure 2 shows that respondents advertise in the following cases: when entering a new market (87.3%), for the presentation of a new product or service (94.1%), for informing users about changes in the characteristics or application of goods (62.1%). A small portion of respondents aim at permanently maintaining the interest in the company and the brand (13.4%) or overcoming negative preconceptions about goods (5.7%). Less than 1% of respondents mentioned that they use advertising in an effort to extend the lifecycle of their product.

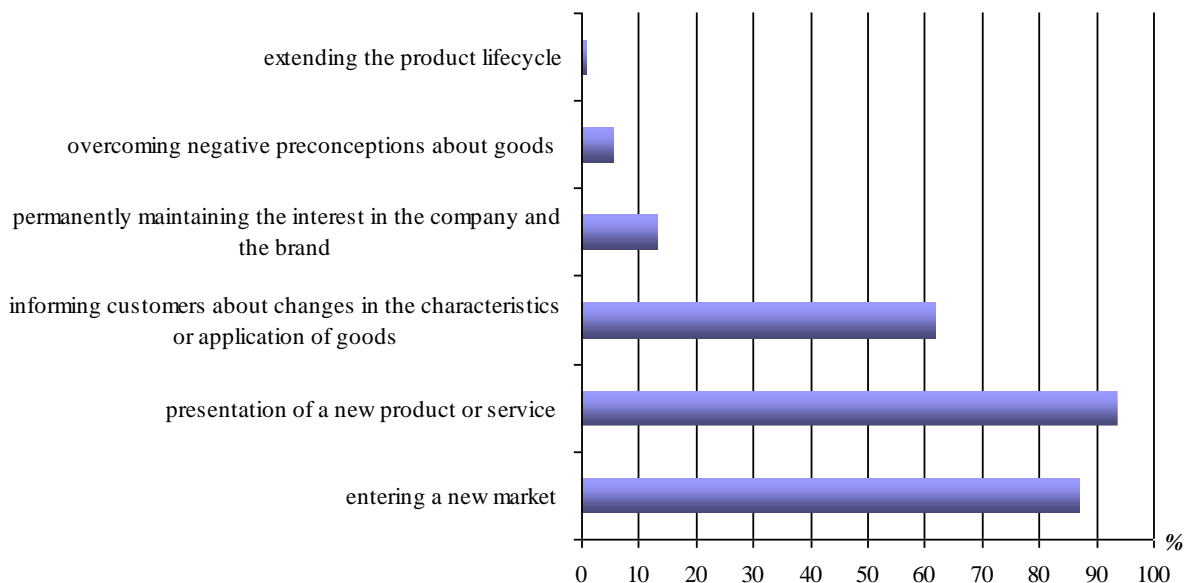


Figure 2. Reasons for advertising

Source: authors' inquiry survey

Note: The answers exceed 100% because the respondents gave more than one answer

A key factor for the formation of a successful communication policy is the effective organization of public opinion. It turns out that only large commercial companies have their own PR specialist or use the services of a PR agency. Nearly one-fifth of SMEs do not take any action to influence the public. For all those, however, who carry out such activities, the activity is entirely in the hands of senior management. Obviously, the role of the PR whose primary objective is to maintain a positive internal and external image of the company is not sufficiently understood. In this regard, some authors (Barney, 1991, p. 99-120; Van Riel, Cees & Balmer, 1997, p. 340-355; Vella & Melewar, 2008, p. 3-34) stress that corporate image (internal and external) is an intangible asset, adding more value to the enterprise and this value is reflected in its ability to raise directly or indirectly its competitiveness.

The survey results indicate that the majority of the managers of the enterprises in the commercial sphere still do not realize the need for planning, organizing and competently managing its communication policy. It was found that only 3.4 percent of respondents organize campaigns to maintain public relations. The most commonly used means of individual impacts are corporate gifts, cocktails and thank-you letters (71.4%). The main drawback is the lack of PR events for mass effect, i.e. lack of periodic newsletter about the products, radio and television appearances, competitions, conferences and so on.

An important question for any business is to establish links with potential partners and customers, as well as strengthen existing ones. Good opportunity in this regard provides participation in various events such as exhibitions, fairs, forums, markets and more. The survey data reveals that only 19.3% of respondents have participated in similar events.

It is noteworthy that all commercial enterprises take concrete measures to promote sales, including: price rebates (100%); credit sales (21.4%); lotteries, competitions and quizzes (43.2%); aftersales (19.3%); free samples (33.4%).

With the development of modern marketing concept theory, personal contact and interaction with consumers are becoming very important. Moreover, personal communications with users contribute most significantly to the success of sales (Madgerova, 2004, p.69). It was found that 24.3% of commercial enterprises implement their products through direct sales (Fig. 3). A significant drawback, however, is the insufficient training of sellers and middlemen, which could have a negative impact on potential buyers.

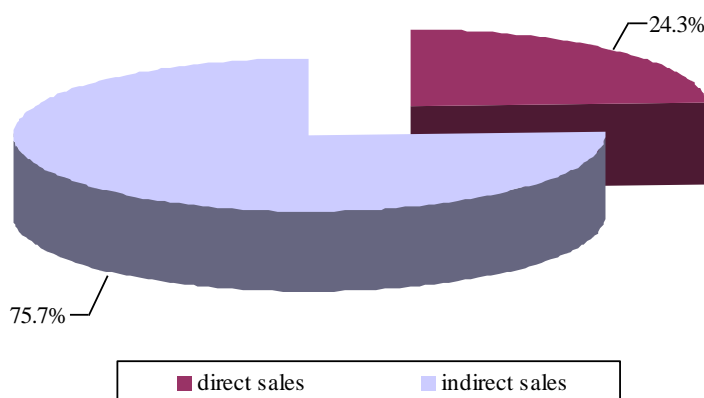


Figure 3. Distribution of the realization of products through direct sales

Source: authors' inquiry survey

The analysis of results shows that 6.3% of respondents promote their company or brand through sponsorship activities - primarily through sporting events, concerts and shows.

The analysis of the survey results shows that it is imperative to significantly improve overall communications business activity in trade. In this connection R. Madgerova indicates that an important condition for the effectiveness of entrepreneurial activity is the created product to be brought to its users, which is why important are management decisions related to its advertising (Madgerova, 2004, p. 66).

It was found that the most common mistakes of trade business is the lack of in-depth studies on specific needs and requirements of users. In order to realize greater sales volume this business directs its advertising message to the general public, rather than to users of a particular target segment. Moreover, they are not familiar with the level of knowledge of their proposed product, the reputation of the brand and the image of their company.

They seek the effect of the psychological impact and the conviction of customers to buy, without binding advertising with general corporate purposes.

The majority of businesses in trade use introductory advertising. It is apparent that at the stage of development and maturity of the product insufficient attention is paid to promotional events. It is necessary to strengthen the support reminder advertising, by consolidating the advantages of the company, the brand and the product in the minds of customers, which will contribute to the preservation and expansion of its market positions and repel competitors.

Our observations reveal that businesses in trade should imperatively use traditional forms of advertising such as media and publishing catalogues, brochures, etc. This in turn is a precondition to better informing of consumers about the merits of the product and persuasion for purchase.

Still business in the field of trade is not fully aware of the role of PR for the overall successful development of this business, including the increasing of its competitive advantages.

5. Conclusions

In today's dynamic business environment characterized by intensified competition, communication policy can be seen as a key factor for sustainable business development in the field of trade. Knowing the nature of the communication policy is a prerequisite for good organization and achieving high efficiency of marketing activity.

Effective communication policy contributes significantly to the creation and implementation of high-quality products, to increased consumer awareness and to achieving better economic performance of business in the field of trade. The communication policy of the business in trade has decisive influence over its productivity. Especially important to the prosperity of business in trade is to develop a communication policy based on thorough research, analysis and assessment of market demand, opportunities to meet the needs of customers and their behaviour and of current plans and strategies of communication. Likewise, the creation of an idea of offered product corresponding to the actual state is a prerequisite for the success of this business in the long term.

Better use of the full range of advertising funds of the communication mix is a prerequisite for the presentation of comprehensive information on the product range of these enterprises and of influence of consumers both at home and abroad.

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