

IMPROVING THE PRODUCT PROMOTION COMPLEX TRADE DEALER OF THE LLC “TRADEINS.RU”

Evgeniya Yazovskikh¹⁴⁴

Oksana Yatsenko¹⁴⁵

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Abstract: *In modern conditions, Internet and software development tools and methods of promotion are constantly changing. There are new forms of providing services on the Internet, such as SaaS (software as a service), requiring a suitable promotion package and implementing an integrated approach to use the existing promotion tools.*

Ph. Kotler noted that the role of promotion lies in establishing communications by consumers. The Internet allows to implement a multi-directional communicative model enabling sellers and consumers to interact in such a way that the latter themselves become suppliers of the information about themselves and their needs.

A Russian company “Tradeins.ru” developing and supplying its software product TradeDealer to the auto market is not a leader, but it strives to keep the existing market share, increase it, as well as its competitiveness.

The advantages of the TradeDealer product include: constant upgrading the product software part, using modern technologies, supporting customers all day free, customizing the design or product software code to the client’s specific needs. The company’s products do not depend on customers’ computing power due to cloud calculations on their own servers. Besides, SaaS enables to reduce costs on advertising, exhibiting and maintaining media relations.

Having studied the peculiarities of SaaS products promotion, analyzed marketing activities of the company “Tradeins.ru”, consumers and competitors, one could point out the necessity of improving the product promotion complex TradeDealer and choosing the proper promotion tools.

Practical recommendations to LLC “Tradeins.ru” result in forming a new promotion complex, enabling the company promote its product effectively, getting a good market position, increasing company’s competitiveness and profits in terms of high environmental turbulence.

Keywords: *product promotion complex, consumer, software, market, competitiveness*

INTRODUCTION

Marketing is science and art aimed at choosing the target market properly, as well as attracting, maintaining and increasing the number of consumers through creating their confidence. Marketing is an active advertising activity. It is considered to be the architect of a consumer society, i.e. a market system where individuals are subjected to commercial exploitation by sellers. It is necessary for the market to create new needs continuously in order to sell more products.

Modern marketing is a complex phenomenon that should be considered as a combination of four basic factors of activity and constantly changing behavior parameters in market conditions:

¹⁴⁴ Ural federal University named after the first President of Russia B.N.Yeltsin, Russia

¹⁴⁵ Ural federal University named after the first President of Russia B.N.Yeltsin, Russia

- marketing as a philosophy of interaction and coordination of business activities;
- marketing as a management concept;
- marketing as a means of providing advantages in the competitive environment;
- marketing as a method of finding solutions.

Thus, for increasing a market share and improving product promotion it's necessary for the company to win consumers, focus on competitors' activities, make a profit and use all the elements of the promotion complex in the company.

METHODOLOGY

A. Afonichkin notes that the concept of "product promotion" introduced by the American scholar N. Borden, is one of the four basic tools for the managing demand, and, therefore, marketing. This concept appeared in the 1960s in the USA, in the 1980s it came to Europe, and only in the 1990s it became known in Russian economic theory and practice. Nowadays this concept is widely spread in producing products [1].

Ph. Kotler specifies that product promotion implies a combination of different activities to bring information about the merits of products to potential consumers and stimulate their desires to buy them. The role of promotion is to establish communication with individuals, groups of people and organizations using direct and indirect advertising media, PR to sell the company's products. Thus, promotion is any form of communication or actions aimed at increasing awareness, reminding of the brand, product, company, etc. [2].

From the viewpoint of G. Bagiyev, sales promotion is a marketing activity stimulating sales growth. The main aim of sales promotion is to encourage casual purchases, regular customers (strengthening loyalty), attract new ones (switching demand, creating new loyalty) [1].

According to J. Burnet and S. Moriarty, "Personal selling is considered to be a direct presentation of a product or an idea to a potential customer by a company representative" The scientists emphasize the difference between personal selling and other marketing communications: personal sales use one-to-one communication, not mass communication, which is most often used in advertising, sales promotion and public relations. Personal sales are also different from direct marketing, which uses non-personal media [3].

J.-J. Lamben considers that direct marketing is an attribute of promotion tools. By direct marketing he implies a set of activities used by the company to build direct marketing communication personally with each consumer of their products and services. At the same time communications are two-sided: using direct marketing tools, the company may not only contact its customers directly, but also establish and receive an effective feedback on their proposals [4].

DISCUSSION AND RESULTS

The elements of the promotion complex today are increasingly moving to the Internet environment. The Internet develops communications, complements traditional means of communication with new ones, and allows to establish a two-way communication between the company and consumers.

The Internet has a multi-directional communicative model enabling sellers and consumers interact in such a way that the latter become suppliers of information about themselves and their needs.

Software as a service (SaaS) can be described as a software product managed by a SaaS provider, delivered via a regular Internet connection and used as a subscription service, usually via a web interface. The main criteria of a SaaS model are the following:

- software is used with the help of a web browser or a small client working on standard Internet protocol;
- software standard product is provided without any possibility of changing or customizing;
- there is no need to install additional software provision for usage;
- there is no need to carry out any major manipulations on integration and software installation;
- customers pay for using software, rather than license for it;
- unification of software installation for several customers.
- Among the main advantages of this product one should mention the following:
 - constant modernizing the software part of the product;
 - applying modern technologies,
 - providing free round-the-clock customer and technical support,
 - customizing the design or software code of the product to clients' specific needs.
 - being independent of customers' computing power, thanks to cloud computing on their own servers;
 - reducing costs for advertising, participating in exhibitions, working with media.

The transition from providing autonomous software to SaaS solutions have changed the approach to software marketing. Currently, this issue in publications is considered by various authors whose positions are extremely contradictory: there is no unanimity in understanding how to promote SaaS and whether it is necessary to do it.

Thus, J. Kaplan and S. Malaya pay attention to differences in promoting traditional software and SaaS. They offer an approach in which the decision to purchase SaaS depends totally on the buyer, i.e. the SaaS product promotes itself. [5], [6].

A. Domerg notes that while promoting SaaS, one must first focus on the value for the customer. [7] L. Kone emphasizes the simplicity of SaaS promoting, while P. Radigeski indicates that the promotion of SaaS is a very complex and expensive process. [8], [9].

SaaS can be considered from different viewpoints. To customers' minds, SaaS is regarded as software services outsourcing. To providers' minds, SaaS is the way of distributing and launching its software products.

SaaS promotion has a lot in common with classic software promotion models, e.g., SaaS providers need to avoid customers' outflow and invest money in communications with customers to maintain their loyalty to its products.

Software companies usually have rather high prices for their products, as in the final price includes the costs for brand creating, its advertising and promoting, building relationships with consumers. The Internet application may be a replacement of these traditional channels for SaaS providers influencing positively on pricing of the latter. [10], [11].

F. Chong and G. Carraro note that the Internet and direct sales are the main sales channels for SaaS, while D. Wibon also adds sales representatives, VAR (value-added reseller), i.e. a company that modifies / expands capabilities of an existing product (it creates value added) and then resells it (usually to final consumers) as a new product. [12], [10], [8].

One can say that the best way of promoting SaaS is direct marketing, especially in case of applying the Internet and marketing communications in the network. The most important indicator of the SaaS promotion performance is the customer acquisition cost. The total profit from the cooperation with the client and the outflow will be key indicators to identify customers' loyalty.

Consumer analysis of software products for auto business in the Russian market showed that online showcases are a fast-growing segment of the car sales market. [13]. Due to the tendency to import substitution and to the increase in the costs of foreign software products for customers (from 30 to 50% due to the depreciation of the ruble), the solution demand based on Russian software is growing.

This is especially true of automating and improving sales (this direction can provide an increase in online car sales, as well as reduce marketing costs for dealerships). Thus, the modernization of existing web applications and websites will continue, starting with optimization and completing with online sales systems, personal accounts and sales of services.

For successful development and promotion of software solutions, it is necessary to take into account the basic customers' values:

- innovative, constantly evolving software products;
- a wide range of services on a web platform;
- effective solutions proven by the market;
- the ability to serve web-platform maintenance and technical questions on outsourcing.

The company "Tradeins.ru", existing in the Russian market since 2010, creates software for thirty automobile holdings and more than 600 dealer centers throughout Russia. The main product of the company, SaaS-platform "TradeDealer" is an internal company work-out. The company provides integrated web products for car dealers, allowing car owners to buy a car, get insurance directly on the site, calculate a loan and trade-in, sign up for car maintenance. [14].

Nowadays, with the relevance of software products and the development of e-commerce, there are only a few software solutions for car dealers in the Russian Federation. The development of media technologies related to the promotion of cars in the Internet (video, virtual tours, 3D modeling), will result in increasing brand awareness "TradeDealer" in the B2B market for selling cars and improving the complex of the SaaS software product promotion.

CONCLUSION

The marketing analysis showed that there is a necessity to improve the existing complex of product (service) promotion of the company "Tradeins.ru". It implies:

- intensifying the efforts to develop a recognizable brand in the market;
- -increasing the value of created and distributed professional content in the cloud business, based on consumers' values;
- using NPS systems in the form of e-mail newsletters;

- concluding agreements with cloud service providers, hosting services, data centers to reduce computing power costs;
- negotiating with other companies to provide “TradeDealer” products for further cooperation.

The analysis of competitors of the “Tradeins.ru” (the LLC “CarOperator” - market leader, a division of “Cox Automotive”) showed that the “Tradeins.ru” meets specific needs of some market segments. In order to increase the competitiveness, the “Tradeins.ru” should do the following steps:

- using social media promotion;
- increasing the number of accounts;
- implementing content marketing;
- advertising technological advantages of the platform customized for the clients’ needs;
- increasing brand awareness.

The company will use the full range of promotion: advertising, PR, sales promotion, personal sales, direct marketing, realizing itself mainly in the Internet environment, taking part in exhibitions and creating content for specialized media. All elements of the complex will complement each other. It will allow the LLC “Tradeins.ru” to improve its communication policy, confidently gain a foothold in the market, which will result in increasing the company's competitiveness and profits in the high environmental turbulence.

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