

CASE STUDY ON THE ASSESSMENT OF THE PROMOTIONAL ACTIVITY AT S.C. AIRO & CO SRL

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Abstract: *A company may start from the premise that any promotional campaign is welcome. This is necessary so that the consumer can know better the society and the product offer. Therefore, a company must assess realistically the efficiency of its promotional activities. In this sense, depending on data provided, there were attempts carried out to assess of the promotional activities at SC. AIRO & Co Ltd to.*

Key words: *evaluation, promotional activity, phone, internet users.*

INTRODUCTION

Companies that make products and services need to communicate with potential customers in this respect, in order to inform them about the quality and advantage of new products and to motivate them in their purchase (Brătianu, C-tin., 2006, p 177).

Based on the specifications of literature that "fundamental research on advertising effectiveness has a very small scale," it can be stated that it is also important the way of measuring advertising effectiveness. In other words what you analyze, plan, implement, monitor, you also measure it.

Most of the measuring activity of the advertising effectiveness is of applying nature, it is dealing with certain commercials and campaigns. Most advertising users try to measure the communication effect of an advertisement, which means its potential effect on the public in terms of information, knowledge or his preferences.

It would be desirable to measure the effect on sales but they often feel that this is too difficult to measure. However, both effects may be analyzed (Kotler, Ph.. 2000, pag.821-823). Company communication with the external environment is achieved in a promo mix, which consists of a specific combination of advertising tools, personal selling, public relations and sales incentive (Brătianu, C-tin., 2006, p 177).

For example: the effect of advertising on sales is generally more difficult to measure than its communication effect (Kotler, Ph.. 2000 pag.823). One should also bear in mind that very often the useful effects of promotion are manifested on several levels, extremely important, but sometimes difficult to assess:

- Economic: financial impact, additional revenue, sales increase and so on;
- Social: benefits for customers and for society as a whole, public education and so on;
- Picture: developing the image of the organization, increase of customer confidence, etc.. (Zbucnea, A. page 69).

Promotion refers to sending messages destined to inform customers and respectively to activities of supporting and determining the sales process in order to create and maintain a favorable attitude toward the company's products and services. This attitude aims to stimulate customers to buy products and services.

Promotion is done through advertising, sales boost, public relations, personal selling, brand and complex promotional events (Brătianu, C-tin., 2006, page 164). Promotional efficiency, along with its main component – lucrativeness is a quantitative expression of

the relationship between effort and effect, i.e. between promotional expenses and the ensemble of the effects obtained.

Promotional lucrativeness highlights one of the most enlightening sides of efficiency, namely which one of the promotional activities have resulted in higher quantity and valuable sales or which categories of consumers were influenced by them. Efficiency of promotion is about the most rational use of budgets, the choice of the most appropriate techniques for promotion, the judicious use of the facilities offered by partners, proper grounding of each expenditure.

An important issue in the calculation of promoting efficiency is that of measurements, i.e. the assessment of the contribution to promoting growth in sales. Measuring the effectiveness of promotional campaigns means, in practice, to make comparison between what was planned and what was achieved with the budget invested. Mathematical evaluation of the correspondence between allocated funds and the concrete results obtained, materialized in the volume of sales and the profit level is difficult to achieve because efficiency depends on a number of subjective factors related to consumer behavior, difficult to quantify. Nevertheless, there are mathematical models for measuring the impact of an advertisement on the public, by assessing the proportion of those who have observed the announcement, those who retained it and out of these, those who have expressed an impression.

Likewise, there can be models built to measure the residence effect, as a consequence of erosion of the initial effect through organizing in time, promotional campaigns. Approaching the efficiency in promotion may be obtained taking into account the desired objectives, gradually, from simple to complex, distinguished into three levels:

1. Research the impact of promotional activities as an isolated act, unrepeatable;
2. Examination of the action effect in time during a promotional campaign;
3. Addressing efficiency resulting from simultaneous action of all the promotional techniques of a certain period.

In all three instances, efficiency consists of measuring the degree to which marketing objectives were achieved (market share, sales volume) and the communication objectives (the degree of recognition of a trade mark on the market, created image of a company, etc...).

Due to the increasing importance of promoting and increasing amounts spent for this purpose on a global scale, the issue of efficiency and cost-effectiveness should be studied in the light of the following aspects:

- Establishing indicators of efficiency in promotional activity;
- Determining promotion budget;
- Selecting media for various promotion campaigns;
- Optimizing promotional mixes;
- Calculation of lucrativeness level in promotion (Papuc, M., 2007, p 211-212).

The literature presents a definition that highlights exactly the importance of promoting. Promotion represents the totality of activities required to transmit information to customers, sales support and favorable influence on consumer purchasing decisions and customers (Brătianu, C-tin., 2006, p 177).

MATERIALS AND METHODS

Activity sampling. Firms allocate resources to conduct promotional activities. The size of the budget of a company depends on:

- Firm size and sector in which it operates;
- Business goals: improving brand image and increase sales;
- Objectives of the promotional campaign.

The company AIRO & CO SRL of Sibiu made a comparison of expenditures in 2011 to expenditures in 2012, in terms of promotional activities, using the telephone and the internet.

In Table no. 1 there are presented the expenditures in terms of promotional activities, the usage of telephone and Internet, in 2011.

Table 1

Promotional expenses for the year 2011 at SC. AIRO & CO SRL

MONTH/ PROMO/RO/ 2011	MONTHS 1-3	MONTHS 4-6	MONTHS 7-9	MONTHS 10-12	TOTAL
PROMO 2011	2808	615	1287	4749	9459
TELEPHONE INTERNET 2011	4588	5734	5327	5107	20755

In Table no. 2 there are presented the expenditures in terms of promotional activities, the usage of telephone and Internet, in 2012.

Table 2

Promotional expenses for the year 2012 in SC. AIRO & CO SRL

LUNA/ PROMO/RO/2012	MONTHS 1-3	MONTHS 4-6	MONTHS 7-9	MONTHS 10-12	TOTAL
PROMO 2012	4184	1345	1293	3160	9983
TELEPHONE INTERNET 2012	2923	6159	6164	2260	17506

In Table no. 3 there are shown the sales registered by the company in 2011 and 2012.

Table 3

Sales at SC. AIRO & CO Ltd for 2011 and 2012

MONTH/ SALES/RO/	MONTHS 1-3	MONTHS 4-6	MONTHS 7-9	MONTHS 10-12	TOTAL
SALES 2011	235102	225904	217005	262727	940741
SALES 2012	236700	303344	299468	271113	1110627

In Table no. 4 it is shown the profit registered by the company in 2011 and 2012.

Table 4

Profit registered SC. AIRO & CO Ltd for 2011 and 2012

MONTH/ PROFIT/RO/	MONTHS 1-3	MONTHS 4-6	MONTHS 7-9	MONTHS 10-12	TOTAL
PROFIT 2011	78	80286	49896	36928	167189
PROFIT 2012	89984	112983	81253	98739	382959

After analysing the two years, 2011 and 2012, it is shown that at the company assessed in terms of promotional activities, there has been an increase in these actions.

This growth has generated the increase of sales, but also of profit. However, the use of telephone registered a decrease in expenditures in 2012 compared to 2011.

RESEARCH RESULTS

The company AIRO & CO SRL of Sibiu made a comparison of expenditures in 2011 to expenditures in 2012, with regard to promotional materials, the use of telephone and the internet. The analysis performed shows that in 2011 there was a total of 9459 RON expenses with promotional activities.

Total spending on promotional activities for 2012 is 9983 RON. There was a 524 RON difference between the total expenditure in 2011 and total expenditures in 2012. In 2012 there was an increase in spending on promotional activities. Regarding expenditures with usage of phone, in 2011, there was an increase compared to 2012. The difference is 3249 RON. In 2012 there was recorded a decrease in phone expenditure.

Even though there is a small increase in spending on promotional activities in 2012 compared to 2011, while the use of the phone there are fewer expenditures in 2012 compared to 2011, however, the company registered an increase in sales in 2012 compared to 2011, while profit increased in 2012 compared to 2011 from 167189 RON to 383959 RON.

CONCLUSIONS

The company AIRO & CO SRL of Sibiu has registered a decrease of phone expenditures in 2012 and an increase in expenditures on promotional activities. However the assessment from the tables on the previous page, presents that sales have increased, and also profits.

An explanation regarding the assessment of promotional campaigns is the fact that during the period of economic crisis the company has restricted its promotional activities and phone use has been greatly reduced. Thus expenditures with the telephone have decreased.

Starting from the idea that the helpful effects of promotion are manifested in several levels, such as economic, social and image, however AIRO & CO SRL company must realistically assess its promotional actions to see how effectively it has invested money, but also to compare different marketing campaigns with the aim of improving future promotional activity.

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