

# **MARKETING ANALYSIS AND ADVERTISING TECHNOLOGIES AS THE BASIS FOR MAKING A STRATEGIC DECISION ON COMPANY DEVELOPMENT (ON THE EXAMPLE OF ALLTREM LLC)**

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## **Abstract**

In this article the authors study the activities of Allterm LLC. It was found that the company participates in the market for wholesale of plumbing and heating equipment and sanitary fittings in Russia. Based on the analysis, the authors of the article argue that marketing research should become a permanent element of the existing integrated information process. In order to be able to analyze the present situation and make plans for the future, the company must develop and use an environmental observation plan. The article also formulates recommendations for making a strategic decision on the development of Allterm LLC.

**Keywords:** marketing, advertising, marketing analysis, Allterm LCC, strategic decision.

## **1. METHODOLOGY**

Marketing analysis helps managers determine the goals and objectives of the company. With the help of marketing analysis, a company can learn to properly introduce a company's product or service to the market. Based on information processing, some issues are being resolved regarding further marketing efforts: increasing the effectiveness of marketing efforts and making adjustments.

The purpose of this article. To analyze the marketing activities of Allterm LCC and develop recommendations for making a strategic decision on the development of the company.

Methods of the study. The following methods have been used in this article: analysis method, observation method and method of studying documents.

## **2. THE RESULTS OF THE STUDY**

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Allterm LLC is the official representative of Ridan, the leader of the Russian market in the production of heat transfer equipment. Today Allterm LLC is engaged in various types of activities, but the main activity is

related to the supply of plate heat exchangers and their warranty service on the territory of the Russian Federation (Vakku, Illarionova, 2017).

In recent years, the Russian market for plumbing and heating equipment has shown steady growth. Production volumes are increasing. Fundamental changes in the field of construction, which mainly affected the market for plumbing and heating equipment, as well as many other types of equipment, can be seen.

Finally, Russian producers recognized the fact that it is not enough to just produce the product, it must be properly sold by attracting as many customers as possible, especially in the face of fierce competition. First, we should clarify what water and heating equipment, as well as sanitary fittings, are used for.

Heating equipment includes: boilers, heating devices, spare parts for heating equipment, cast-iron and steel radiators, grates, heating convectors, rotary dampers, chimneys, ash-pans, bends for chimneys, ventilation grilles, blower grilles, chimney boxes.

The list of sanitary equipment consists of: cast iron and steel bathtubs; shower trays; water heaters for bathtubs; ceramic, porcelain, semi-porcelain, earthenware, plastic, marble washbasins; sinks; cast iron, steel and plastic kitchen sinks; sanitary equipment for toilets (urinals, ceramic toilets, flush tanks, bidets, toilet seats, porcelain lids); sanitary fittings (mixer taps, water taps and toilet taps); spare parts for sanitary fittings (screws, bushings, nuts, switch handles, shower screens, drain pipes, hoses, etc.); brackets for sinks and washbasins; decorative bathroom screens (Official website "Allterm").

The target audience of Allterm LLC products includes: installation organizations; planning and design organizations; end customers. The company is located in Cheboksary and its main competitors are ETRA LLC, Alfa Laval JSC, as well as GEA Mashimpeks LLC (Official website "Alfa Laval"), (Official website "GEA Mashimpeks"), (Official website "ETRA").

The marketing strategy of ALLTERM LLC considers the development of the following key areas: taking leading positions in the region; growth in the number of products sold in the region; increasing the efficiency of gas sales through access to the end consumer; geographic diversification.

Let us consider the activities of Allterm LLC based on the analysis of the four parameters of the company activities, that is, using the 4Ps theory.

1. *Product.* Allterm LLC provides a wide range of goods and services. Let us consider the main products:

*Ridan plate heat exchangers.* Ridan LLC has been operating in the heat exchangers market since 1998. It is the largest producer of collapsible plate heat exchangers in Russia. A prompt warranty and post-warranty service of plate heat exchangers is provided through a developed network of Ridan service partners.

*Pumps: Vogel Pumpen, Lowara.* XYLEM Corporation, formerly known as ITT, is the world leader in the design and manufacture of pumping equipment for industry, utilities, water supply and sanitation. The XYLEM representative office in Russia (XYLEM RUS) represents the products of VOGEL Pumpen (Austria), Lowara (Italy), Flygt (Sweden) and offers a complete line of pumping equipment for housing and communal services, high-rise construction, food and paper industry, energy industry, metallurgy, irrigation and fire extinguishing systems.

*Automatics: BELIMO.* BELIMO Automation, AG was established in 1975 in the city of Wetzikon. This city is located near Zurich, Switzerland. The company founders have developed and launched the production of specialized electric drives for air dampers. All BELIMO electric drives supplied to the Russian market are manufactured only at the BELIMO factory located in Hinwil (Switzerland) and are exported directly from this factory. The warranty on all equipment is 5 years.

*Fittings: BRAY.* The company's main activities include: development and production of pipeline fittings, drives and automation systems (Sinyaeva, 2016).

The entire listed range is of high quality and has warranty service.

Thus, having analyzed the company's range of products, we can say that Allterm LLC offers a fairly wide range of high quality products with long operating life.

2. *Promotion.* Its purpose is to clarify, promote sales, demonstrate products or services to potential customers. It can be accomplished by applying the third "coordinates" of the 4Ps marketing promotion tool. Using various methods of information delivery, the company will solve the main problem which is the formation of the customer's desire to buy a product.

A satisfied customer and big profits are the main results of the promotion. Regarding the company under our analysis, it should be noted that distribution in this organization is not at the highest level, and in order to get

the most profit, they need to reconsider their approach to the distribution of products and make the most of all opportunities for the development of the company. So what methods does this company use [Ostashkov, Nedelko, 2018]. The main method is the company's website, as people mostly place orders through it. But, unfortunately, only one method is not enough to succeed and develop further. Therefore, it is necessary to use the following methods in order to increase the number of customers interested in the purchase of this company's equipment: spot advertising in the industrial zone, Bazovy Proezd, warehouses, water passageways; garage cooperatives of Cheboksary (Grevtseva, Vakku, 2016).

To improve the attractiveness of the company, it is necessary to periodically participate in various exhibitions and business fairs relevant to the activities of Allterm LLC. It is also necessary to increase the number of target advertising in various places of the city, which are located near construction stores and so on.

3. *Place* The basis for successful promotion, delivery of goods to consumers is a competent product placement policy. It is necessary to create such conditions so that customers can buy the goods of the company in a convenient place and at any time. And also the company should think about the after-sale service.

The sales costs depend on the choice of optimal sales channels. The company must find out: How will the sale of goods be organized? How many channels to use simultaneously? Only by understanding this, high results can be achieved. It happens that a change in the shelf where a product is placed in a store can change the customer's vision of the products offered. Let us study this aspect on the example of Allterm LLC [Makasheva, Branding, 2016].

Allterm LLC distributes its products through its own channels of distribution and through intermediate sellers. The main advantage of having its own channel is saving on intermediaries. We provide the list of points of sale of the company's products: in their own office; at retail outlets in specialized stores. The company promotes its products to consumers interested in this range through cold calls.

As a result, everything depends on the type of product, the location of markets or delivery points. As experience shows, the profit from funds invested in production is usually slightly higher than the amount of profit invested in sales. So it's better to attract trained intermediaries than to spend huge amounts of money on creating your own sales department. Own sales department is needed if the company plans to sell its products in many markets and in various republics and regions of Russia.

The company uses mixed distribution channels, including a manufacturer selling their goods, wholesalers, then retailers, and then consumers. This scheme is usually implemented by large holdings and combines that directly ship their products to large consumers.

An important tool to stimulate demand is goods distribution. The ratio of company's costs to its results is an effective indicator of the distribution system. The main result that is achieved in product distribution is the level of customer service. This quality indicator is very high at Allterm LLC. The company provides the highest level service to its customers. In a very short time, it delivers its products, and also, if necessary, carries out after-sales service, including: installation; repairs; supply of spare parts.

Employees of the company engaged in distribution activities have higher education and sales experience of more than three years, they also have extensive information about their own products, competitors, that is, they have information about all the significant elements of this business.

The location of the points where you can buy the products of Allterm LCC in Cheboksary: Directly in the office at the following address: 52 A, Moscow Avenue, office 207, Cheboksary.

Having analyzed the distribution, we came to the conclusion that it is necessary to increase the number of outlets for the distribution of products, it is also necessary to involve intermediaries in other regions to reduce the retail stores rent cost.

4. *Price* For a new product, the price includes three elements: production costs, psychology factors, amount of planned profit (Kotler, 2017). In this case, the selected pricing strategy or pricing policy of the company should be considered. Allterm LLC selects average market prices. As it is closest to the golden mean. The company is trying to make a profit, a consumer should be interested in products and think about purchasing. The company has the right to change the price, given the elasticity of demand. When price fluctuations do not lead to major changes, then this demand is inelastic. It is not difficult to trace this indicator: it is necessary to conduct a survey among buyers in advance with the view of learning how many services or goods they are ready to purchase at different prices.

When the company was just established and entered the market to sell its products, it used the strategy of a price leader. This was logical, since at that time the competition in this market was low, the products of

Allterm LLC were of high quality, thereby choosing this strategy was the most profitable and efficient decision, because the price was fully consistent with the quality. Subsequently, after a while, competition in the heat exchanger market intensified, and a change in the pricing strategy was required. The company began to use a single price strategy.

The price for Allterm LLC products depends on the complexity of the equipment and its intended use. Most often, the company uses average market prices. The price also depends on the customer, that is, if this is not the first purchase, then the company can give it a certain discount depending on the product type. For retail purchases, discounts are provided in the amount of 30-50%, and discounts depend on the type of product. Information about markdowns and markups of the products is confidential, therefore we do not have this information.

### **3. CONCLUSION**

Marketing analysis and advertising technologies are the basis for making a strategic decision on the development of Allterm LLC. All elements of the 4P marketing mix play their role in the effective operation of the company. Effective application of this approach can balance the product range and promotion system, as well as product sales and help to set optimal prices.

Thus, the recommendations for making a strategic decision on the company development are as follows:

1. As recommendations for expanding the sales market of Allterm LLC, it was proposed to: when selling their products on the markets of neighboring regions, they need to resort to the help of intermediaries. It will reduce retail store rent costs and other expenses.
2. We can recommend to add the Internet advertising as another method of the information dissemination. To start promoting the website within the shortest possible time. If necessary, turn to specialists who can promote the website to a leading position in a variety of search engines when a query is made to purchase this product. As for the distribution of products, it is also necessary to apply the following methods, such as spot advertising in the territories of industrial zones, basic driveways, warehouses, water driveways. Such methods are necessary, since not everyone needs these products, but only specific groups of consumers.
3. A weak factor in the activity of Allterm LLC is that the prices of products are higher than those of competitors, however, this price corresponds to the high quality of products, as a result, the demand for products is slightly reduced. To solve this problem, we propose to actively use means of sales promotion in the following areas: stimulation of the consumer through discounts, as well as of the personnel engaged in sales through bonuses. Regarding prices, for example, seasonal discounts on certain groups of goods can be provided to attract more customers, as well as discounts on the purchase of components for complex elements of heating units and heating systems.
4. To actively use contextual advertising and social networks in the organizational and economic activities of the company. The coverage of interested consumers after expanding the sales market and the variety of products sold guarantees profit growth and sustainable development of the company. To expand the product range to increase demand and maximize profits.

Thus, it can be argued that an integral part of the company's activity is marketing analysis, including advertising technologies, which, in their turn, still constituting an integral part of marketing, have developed into an independent, scientific and practical direction and are the basis for making a strategic decision on the development of the company.

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