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# MARKETING MEASURES TO INCREASE SALES VOLUMES

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Key words: stimulation, sales, marketing activity, staff stimulation, consumer stimulation, marketing sales policy, consumer behavior, sales stimulation tools The concepts of sales and sales activities are revealed. The essence of stimulating the company's sales policy is clarified, as an important component for ensuring its effective functioning. The main tasks and the principal advantages and disadvantages of the measures used in the sales promotion system are analyzed. The major stages of the organization of sales activities are highlighted. The types of stimulation are analyzed. Various types of sales promotion are described depending on the subjects of the stimulation, in particular: consumer incentives: price incentives and price reductions with the help of a direct discount: percentage discount, discount with indication of its amount in monetary terms ("minus UAH 1,000"), indication of the new price (without discount amount). The advantages and disadvantages of various means of sales promotion are presented. Sales promotion steps are disclosed. The actions that help in the formation of the marketing activity of the enterprise are considered.

## МАРКЕТИНГОВІ ЗАХОДИ ЗБІЛЬШЕННЯ ОБСЯГІВ ЗБУТУ

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#### Ключові слова:

стимулювання, збут, маркетингова діяльність, стимулювання персоналу, стимулювання споживачів, маркетингова збутова політика, поведінка споживача, інструменти стимулювання продажів Розкрито поняття збуту та збутової діяльності. Висвітленно сутність стимулювання збутової політики підприємства, як важливої складової для забезпечення ефективного його функціонування. Проаналізовано головні завдання, та основні переваги та недоліки заходів, які використовуються у системі стимулювання збуту. Виділені основні етапи організації збутової діяльності. Проаналізовано типи стимулювання. Надано характеристику різних видів стимулювання збуту залежно від суб'єктів стимулювання, зокрема: стимулювання споживачів: цінове стимулювання й зниження ціни за допомогою прямої знижки: знижка у відсотках знижка із зазначенням її розмірів у грошовомувираженні («мінус 1000 грн.»), зазначення нової ціни (без розміру знижки). Надано переваги та недоліки різних засобів стимулювання збуту. Розкрито заходи стимулювання збуту. Розглянуто заходи, які допомагають при формуванні маркетингової діяльності підприємства.

#### **Problem statement**

In today's conditions, when strengthening the priority of consumer interests in the system of economic relations generates aggressive competition for sales markets, one of the most important prerequisites for the effective functioning of enterprises in the target market becomes the provision of competitive advantages in the field of sales activities. In view of such economic realities of today, the problem of improving the sales activities of enterprises through the introduction of more effective sales promotion tools, which will contribute to maintaining the leading positions of companies and achieving their goals in a changing market environment, deserves special attention. Sales is the final stage of all production and commercial activities of enterprises and performs one of the most important functions.

#### Analysis of recent researches and publications

The theoretical foundations of sales promotion marketing activities have been comprehensively reflected in the works of such outstanding foreign and domestic scientists as: F. Kotler, A. Strickland, N. Butenko, R. Mallin, E. Coughlan, J. Bolt, L. Balabanova, O. Kuzmina, T. Lukianets, E. Romata, T. Prymaka, V. Bozhkova, A. Balabanyts, S. Kuzmenko. However, despite the significant achievements of scientists in this field, the issue of developing a set of marketing measures to stimulate sales requires a separate study, which determines the relevance of this article.

### Formulation of the goals of the article

The purpose of this article is to study measures and means of stimulating sales policy in modern conditions.

#### Presentation of the main research material

Today's dynamic development of the economy leads to the fact that enterprises and organizations are forced to constantly evolve in order not to be left behind in progress and business. Absolutely all markets are saturated to such an extent that companies have to literally fight for customers, and this leads to an understanding of the exceptional role of sales in the company's activities. The product or service produced by the enterprise must be sold: that is, taking into account all the advantages and wishes of customers, and with obtaining the greatest benefit. Therefore, the main task of any entrepreneur is to combine the wishes of clients and his own production capabilities. Strategic solutions should be developed based on the identification of the strengths and weaknesses of the sales activity [9].

Sales should be understood as a set of measures that are carried out after the completion of the production stage, that is, the production of products and their exit from the enterprise, before sale to the final consumer, delivery and after-sales service. It is the core link of marketing and the entire activity of the enterprise regarding the creation, production and delivery of goods to the consumer.

The sales activity of the enterprise consists of several stages, the features of which are determined by various factors: economic changes, peculiarities of the transition period, the mentality and purchasing behavior of the population and other factors. All stages are closely related [8].

It is possible to distinguish the main stages of the organization of sales activities (table 1).

In order to improve sales activities, it is necessary to take strategic measures aimed at creating a more effective sales policy. To stimulate means «to activate activity», the principal task of this process is the activation or renewal of activity with the aim of selling goods [10].

Sales promotion is the use of short-term measures designed for quick market response in answer to the company's offer of its products. In essence, this is a direct encouragement of consumers to purchase products or services of the company, and the spheres of trade – to include these goods in their assortment for their next sale (we remind you that advertising or propaganda only popularize them or create an appropriate image). Therefore, the primary tasks of sales promotion are:

- ensuring the rapid growth of sales volumes of the company's products;

- encouraging consumers to try the product or make repeat purchases;

- encouraging the system of intermediary trade organizations and employees of the company's own sales apparatus to intensify efforts to sell the company's products [8].

Sales promotion includes measures shown in Fig. 1 [3]: There are three general types of stimulation:

- general stimulation (at the point of sale) - characterized by the task of the topic, is an instrument

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Table 2 – Advantages a	nd disadvantages (	of various means	of sales promotion
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Means	Advantages	Disadvantages	
Discounts	High level of stimulation of trade and consumers. An effective means of increasing sales volumes	They require an accurate calculation. They can damage the image of the product	
Samples of goods	They give consumers the opportunity to get to know the product and try it out. Attract new consumers, reduce the risk of purchase	High costs (the product is provided free of charge). Effective only for new products that are significantly different from traditional ones. Difficulty in determining sales prospects	
Coupons: sending by mail; placement in magazines or newspapers; direct provision to consumers; placement on packaging; samples of goods	Targeted attention-grabbing consumers to the product. Speed and convenience. The breadth of consumer coverage. Relatively small expenses. Personal contact, selectivity, high level of consumer acceptance. Stimulates initial and repeat purchases. High level of attracting attention	Long period from sending to reaction to response. Dependence on the quality of the written application. It requires precise planning. Low level of perception by consumers. Labor intensity. High cost It requires precise planning	
Awards	Stimulate consumer activity. They create a contingent of regular buyers. They increase the prestige of the brand	They require precise planning	
Guarantees	They increase the prestige of the enterprise. Contribute to the formation of new markets	Waiting for the result is too long	
Packaging	Increase the scope of realization. Clarity and ease of use	Low degree of purposefulness. Harms the prestige of the brand	
Contests, lotteries, games	Contribute to attracting the attention of new buyers. They increase the image and popularity of the enterprise	High cost. They require creative or analytical solutions. A narrow circle of participating consumers	
Credits	Contribute to the growth in sales volumes. They enlarge the popularity of the product	High cost	
Loyalty card Provide the consolidation of consumers at a trading institution, the accumulation of information about buyers		Organizations of special information marketing systems are needed	
Price reduction	Direct benefit for consumers. A good tool for purchase motivation and short-term increase in sales volumes	It is easily copied by competitors. It can damage the image of the goods	
Demonstrations High level of attracting attention. Visibility		They require preparation and the use of special personnel. High cost	
Conferences of sellers	Rise the qualifications of trade employees	High cost	

Source: developed on the basis of sources [8]

of general revitalization of trade (anniversaries, opening ceremonies);

- selective stimulation – provides for the placement of the product outside the general placement in an advantageous position (at the beginning of the row); the goods can also be stored in another place of the trading hall;

- individual stimulation – takes place in places of general shipment of goods and, as a rule, is initiated by the manufacturer. Advertising posters, indicators signal that the sale of a certain product is stimulated with the help of price reduction, holding contests, presentation of prizes, etc. In this case, the means of stimulation are perceived by consumers only at the moment when he stops in front of the store window [6].

The analysis of marketing activity at the enterprise level has the following directions:

volume of sales and demand;

- product sales markets; price policy;
- product distribution system;
- competitiveness of production;

- marketing environment of enterprises (including analysis of marketing strategy, effectiveness of communications);

- the study of the economic environment, the use and development of quantitative methods of analysis to reveal the relationship between indicators, factors, etc. [4].

Success in business is success in the market. An entrepreneur usually starts his business with the creation of goods or services, and remains in business thanks to the attraction and retention of consumers [2].

The main task of marketing is the orientation of the enterprise to the production of only such products that will attract the attention of consumers and ensure the satisfaction of their needs. The result of successful marketing activities is the achievement of two goals:

- satisfaction of clients' needs;

- obtaining the maximum possible profit.

It is for the sake of these goals that the entrepreneur creates his business and develops marketing as the driving force of such a business. In today's conditions, when markets are oversaturated with products, when companies compete literally for every consumer, it is possible to propose a number of stages that help to increase the efficiency of the enterprise's sales activities, and form the enterprise's marketing policy as a whole. The principal ones are:

1. Formation of the marketing strategy of the enterprise [5].

2. Appoint those responsible for the performance of the main functions of the marketing system, provide them with authority and resources, determine the criteria for evaluating the effectiveness of their work and responsibility.

3. Description of products or services (names, advantages, features).

4. Definition of the target group of consumers and its potential.

5. Explanation of the methods of product promotion to target groups of consumers, determination of the most effective of them.

6. Analysis of the pricing policy.

7. Determination of the company's break-even point (minimum permissible total sales) in monetary terms.

8. Calculation of an individual sales plan for each employee.

9. Analysis of the work productivity of the sales department.

10. Assigning the number of contacts and clients that one employee of the sales department should provide.

11. Creation of such a system of personnel motivation, which will guide employees of the marketing and sales department to achieve results.

12. Development of a marketing plan: what products to sell and to whom, pricing policy, distribution system, methods of product promotion, how you will inform customers about your products or services [1].

Despite the fact that all this looks convincing, this is only the beginning on the way to creating an effective marketing and sales service, but without their implementation, it is hardly possible to achieve success in the market.

There are different types of sales promotion depending on the subjects of the promotion:

1. Stimulating consumers:

1) Price incentives. A price reduction can be initiated either by a manufacturer (who wants to increase the volume of sales or attract new consumers), or by a trading company that wants to gain a reputation as an inexpensive trading body. A price reduction can also be the result of a mutual agreement between two parties: the manufacturer gives a discount to the trading network, and the latter –

1) merchandising – design of the place of sale;	7) product demonstration;	
2) packaging and label;	8) product tasting;	
3) purchases with a gift;	9) guarantees;	
4) purchases with a discount using coupons;	10) sampling – offering product samples;	
5) branded souvenirs;	11) loyalty cards – special registration cards for a consumer's visit to a particular retail	
6) competitions, games, raffles, lotteries, contests, quizzes;	establishment; the corresponding number of visits recorded on this card entitles the consumer to a discount or free purchase	

Fig. 1 – Measures to stimulate sales

partially, fully or even in larger sizes, so to speak, «redirects» its to consumers. A temporary reduction in the price of a product has both advantages and disadvantages. The disadvantage is that it does not create a circle of reliable, regular clientele, but forces the buyer to switch from one product brand to another, corresponding to the offer of a price reduction [7].

2) Price reduction with the help of a direct discount:

- discount in percentages. The package states that the price has been reduced by 10 or 20 %. This does not lead to changes in the organization of the trading hall or product labeling. Two labels are pasted on the product – with the old (crossed out) and new price;

 – a discount with an indication of its amount in monetary terms («minus UAH 1,000»);

Table 1 – The main stages of the organization of sales activities	

- designation of a new price (without the amount of the discount). In this case, they inform about the reason for setting the new price: the release of an improved product; anniversary; holiday (table 2).

3) Combined sale. It applies to goods that complement each other and none of which is a mandatory component of the other. The price of the set is set lower than the sum of the prices of each of the goods.

4) Additional quantity of goods is free of charge. The psychological impact is much greater if 20% more goods are offered than when a 20% discount is offered, although the second option is more profitable. However, in this case, the manufacturer incurs additional costs: for the free provision of a certain quantity of goods; for new packaging for the goods.

N₂	The name of the stage	Description of the stage
1	Choosing a target market or segment	<ul> <li>The main method of finding the target market (its segments or niches) is segmentation. Let's consider the method of segmentation, including the goals of its specific stages and tasks that are solved in the process of their implementation.</li> <li>Assessment of the company's own capabilities. The purpose of the stage is to determine the possible directions of development, based on the available equipment, technologies, sources of supply of raw materials, location, etc. In the process of achieving the goal, the following tasks are solved:</li> <li>1. Analysis of the current market situation and prospects for its development.</li> <li>2. Identification and evaluation of the potential opportunities of the main competitors.</li> <li>3. Analysis of the technical and economic capabilities of the analyzed enterprise.</li> <li>4. Determination of the types of products that this enterprise can produce in the existing market conditions.</li> </ul>
2	Determination of the sales system and necessary financial costs	Financial expenses for sales are executed for each item of expenses, which allows you to quickly analyze incurred expenses for sales by direction, size, and timely adjust them and make effective management decisions. In order to generalize information about sales costs and control their level at the enterprise, a form of the accounting of sales costs is offered. Planning of sales costs is proposed to be made on the basis of sales costs of previous periods with adjustments relative to market conditions. As an example, the first proposed group of sales expenses is given, with individual items highlighted.
3	Selection of channels and methods of sales of products	A whole set of measures related to the selection of product movement channels is implemented: a) channels are grouped; b) criteria for choosing channels corresponding to the general concept of the organization are determined; c) the final choice of channels is made based on the economic evaluation of each variant of goods movement.
4	Choosing t he way and time to enter the market	Export, licensing and franchising are the main and fastest and least expensive ways for a company to enter foreign markets, while partnerships and strategic alliances create wider opportunities, allow to enter foreign markets with larger volumes, but require trust between partners, long-term cooperation for business reliability, investment in finished production is at the same time the most difficult, risky, but profitable and sure way to enter the foreign market.
5	Definition of the system of goods movement	<ul> <li>With a suitable operation of the goods movement system, the delivery time of the goods after receiving the order is a constant regardless of the distance of transportation.</li> <li>The probability of order fulfillment in this period is 91–96%. Therefore, a comprehensive approach is necessary, taking into account all factors that affect the level of service: <ul> <li>order execution speed;</li> <li>the possibility of urgent delivery of goods by special (emergency) order;</li> <li>willingness to take back the product in case of a defect in it and replace it with a good quality product as soon as possible;</li> <li>provision of different bulk shipments at the buyer's request;</li> <li>the ability to use the best mode of transport;</li> <li>highly effective service department;</li> <li>a sufficient level of stocks of both goods and spare parts for goods of the entire range;</li> <li>price level.</li> </ul> </li> </ul>
6	Determination of forms and methods of sales promotion on the need for this expenditure	Stimulation of sales can be carried out in three main directions: – intra-firm stimulation; – stimulation of the dealer network; – stimulation of consumers

Source: developed on the basis of sources [8]

5) Cash refund. This is the most common form of price reduction with a delay in receiving the discount, when compensation in the form of a certain amount of money is paid subject to the presentation of several proofs of purchase. It is used more and more to create a circle of regular consumers of goods of a certain brand. Coupons are placed on the packaging, after purchase they are cut out.

6) Samples. This is a free transfer of goods in a quantity that has no commercial value and is used only for checking and evaluating the goods. An inscription is made on the sample: «Free sample, not for sale.» The cost of the sample should not exceed 7% of the selling price of the product.

7) Active proposition. These are all types of stimulation that require the active and selective participation of the consumer. There are two general methods of consumer stimulation based on this principle: contests, lotteries and games.

2. Stimulation of the sales staff. This type of stimulation is aimed at motivating the work of employees of the organization's sales services with the aim of activating their activities. Classic tools for stimulating sales personnel include:

1) Monetary rewards:

a) bonuses to the salary in case of meeting the annual indicators are a reward for the achieved results, the amount of which can reach from one to three monthly salaries;

b) awards for achieving «special indicators» – product cataloging. Overachievement of indicators during a period of decline in business activity is a reason for paying a bonus, the size of which is proportional to the overachievement of indicators;

c) awarding of points, for a certain number of which you can receive expensive gifts, offered in a special catalog;

d) tourist trips – intended for salespeople who have achieved significant success at work.

2) Moral stimulation of sales personnel. Sales personnel, like any other, associate their work at a particular enterprise with the satisfaction of their own needs and the achievement of personal goals. The creation of an appropriate psychological climate at the enterprise will contribute to the satisfaction of the personal needs of salespeople.

These measures include:

- regular meetings of sales network associates;

- creation of a friendly, favorable atmosphere at work;

- providing the opportunity to make a career, employment guarantee;

- equipping employees with modern information and technical means.

#### Conclusions

Considering the above, we can conclude that sales policy plays an exceptional role in the company's activities, and sales promotion is one of the most important functions of strategic management. The use of various means and the implementation of various types of activities are the very tools that ensure an effective sales policy. The latter itself regulates the marketing strategy in such a way as to ensure maximum consumer satisfaction. The main priority direction of companies should be the implementation of innovative methods and the search for alternative options when forming the company's sales policy. The dynamic development of the economy leads to the fact that constant research and monitoring of this sphere is needed to ensure the growth of enterprises and the economy as a whole.

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