

## A Comparative Survey on Importance of Marketing Communications between European Companies and Eastern Asian Companies for Home Appliances in Iran

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**Abstract:** Marketing communications or promotion is one of the elements which can have an effect on consumers' behavior through five important and effective marketing elements. Among all commercial products, household appliances are significantly noteworthy based on their strategic nature. Exploiting marketing communications mix in selling domestic appliances produced in other countries, in an attempt to sell them in Iran could effectively entice customers into buying such products through the manipulation of their tastes and wants. The present study with focus on related literature on marketing communications, aims at investigating the degree of importance of marketing communications on selling the foreign household appliances in Iran based on a descriptive-applied research through pair wise comparison. Using a pair wise comparison questionnaire, including 60 questions in three parts, the researcher collected data from the senior managers of big household appliances companies in Europe and East Asia who are active in Iran as well, under the basis of present and desirable circumstances. It was concluded that there is a difference between companies producing household appliances in Europe and East Asia considering the importance of elements of marketing communications.

**Keywords:** Home appliances, integrated marketing communications, marketing communications mix, marketing mix, promotion

### INTRODUCTION

The present study that examines marketing communications mix of foreign home appliance companies in markets of Iran is conducted by estimating the degree of the differences existing among promotion programs of these companies in the process of selling their products. Today, companies producing home appliances are developing the market for selling their products in other countries. The presence of foreign and domestic competitors has made their markets saturated and it seems that formulating a modern program for entering the global markets using different communication tools is no longer a strategic procedure, but it is a competitive necessity to prevent from unnecessary increase of costs and finally to ensure the success in the markets of other countries. Meanwhile, Middle Eastern countries, especially Iran, are always considered as an original and high consumption market by global vendors due to having huge sources of energy and an increasing development. But to enter these markets and become successful there, in addition to having enough knowledge of the

environment, the fourth element of marketing mix, i.e., promotion that includes the set of marketing communications tools must be accurately and effectively designed. Undoubtedly, the structural differences and social and cultural textures Iran has with other regions of the world make the demands and the tastes of the customers in buying products different. As a result, to be successful in this environment, home appliance producing companies can't also enter the market of Iran without having an integrated communicational program that is of course different from that of other companies. This means that various foreign companies must use marketing communication tools different from each other to be successful. Hence, the main question that we want to answer is that whether the degree of the importance of marketing communications in home appliance products of European companies is different from that of Eastern Asian companies or not?

To answer this question, besides reviewing literatures of marketing communications, it is attempted to conduct a comparison between European home appliance companies and those from Eastern Asia.

## LITERATURE REVIEW

Researchers of marketing science try to introduce the relationship between the supplier and the customer as a process that always needs a specific management and a distinct section must be allocated to it in companies. Establishment and development of this new section that is important as the communicational channel inside the organization and the external environment need extensive studies about the review of different dimensions of demands of customers. Marketing communications is now a dialogue that is actively managed, a process called customer relationship management (Dwyer and Tanner, 2002). In fact, the process of communicating with customer introduces all aspects of knowing customers including: the knowledge of customer creation, the structure of communicating with customer and the way of forming perceptions and emotions of the customer (Arens and Bovee, 1986). According to Gabrielli and Balboni (2010), Marketing communications represent the voice by which companies can establish a dialogue with customers and other stakeholders, about their product/service offerings and/or other company issues (Gabrielli and Balboni, 2010). It's hard enough to get one message right. Very few companies are organized or prepared for delivering highly customized messages—that is, actually engaging in a lively conversation—across all possible customer touch points and all marketing communications and media vehicles (Sutton and Klein, 2003). As the essence of effective marketing communications relies on both the sender and receiver being involved in the process of communication (Anne-Marie and Kellett, 2011). The Decade of the 80s: Capital Markets Provided an Early Response to the Modern Industrial Revolution (Jensen, 1994). Meanwhile, the third industrial revolution started after establishing these modern markets from England and it gradually spread in other countries. The new industrial revolution provided the conditions for production and offering services at great levels. The number of production suddenly increased and as a result, the organizations and the companies used mass marketing for selling these products. Mass marketing had characteristics including: one way communications with customers, trying to get new customers and high concentration on advertising and sale promotion. Despite these characteristics and beside occurrence of the third industrial revolution, it was no longer possible to use the traditional marketing and with the producers going far from the consumers, there was a need to use communication tools and procedures in marketing. These communication tools and elements were created by the help of various technologies. In fact, for most of the twentieth century, major consumer-products companies held fast to mass marketing - mass producing, mass distributing and mass promoting about

the same product in about the same way to all consumers (Kotler *et al.*, 1999). According to Chien-Wei *et al.* (2007), whereas the former entails details such as product innovation, market targeting and market leadership, the latter pertains to choosing marketing mix elements, of which marketing communications represents the central concern. Existing literature clearly supports the positive relationship between effective marketing communications and new product success (Chien-Wei *et al.*, 2007). After identifying the process of communicating with the customer, choosing the required communication tool to connect to the target consumers is very important. The set of the special devices and tools in communicating with the customers is the components forming marketing communications. Kotler *et al.* (1999), have explicated a company's total marketing communications mix called its promotion mix consists of the specific blend of tools (Kotler *et al.*, 1999). Promotion has been defined as the coordination of all seller initiated efforts to set up channels of information and persuasion in order to sell goods and services or promote an idea (Belch and Belch, 2003). In fact, promotion or marketing communication includes the tools being used in P4 of marketing mix that is shown in Fig. 1.

In a definition from Kerin *et al.* (2002) these tools are described as follows: To communicate with consumers, a company can use one or more of five promotional alternatives: advertising, personal selling, sales promotion, public relations and direct marketing (Kerin *et al.*, 2002). Of course, the main combination of these factors is different in the view of different scientists. For example, Advertising and Promotion Book: the major marketing communication functions: the Internet and interactive media (Belch and Belch, 2003). Examining traditional tools of marketing communications, note also that: Traditional marketing communications tools, such as print and broadcast media, have been widely used by organizers of special events to disseminate information about special events (Anne-Marie and Kellett, 2011). On the other hand, some experts of marketing believe that the process of marketing communications depends on the type of the product and it changes in different products. This means that using various tools for introducing products and services is changeable. For example, Communication processes in the fashion business focused on the brand image and the values embodied in the product, rather than on the product itself (Johnson *et al.*, 2005). The concept of marketing communications has also defined as a "collective word" for all communicational functions used in marketing a product (Duncan, 2002). On the other hand, it has described by Farhangi (2009), as a comprehensive process and explicated that "in marketing communications, management of the process of communication with the

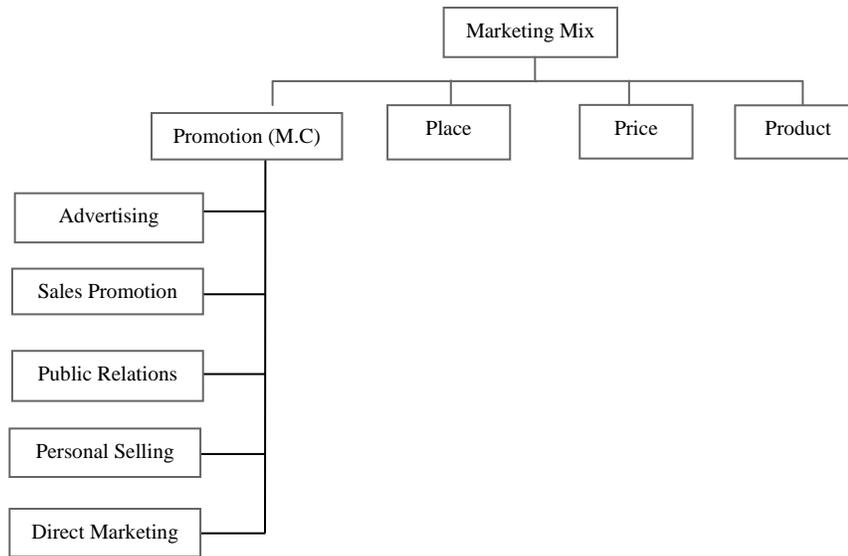


Fig. 1: The marketing mix: the promotional elements (Stanton *et al.*, 1991)

customer must be in a way that it leads to a value for the brand of the organization (Farhangi, 2009). Note also that “In general, there are various marketing communications mix elements available to marketers, such as advertising, public relations, personnel selling and sales promotion” (Caemmerer, 2009). Marketing communications activities can vary in their message content about the brand or company. Different marketing messages should be consistent, as captured with the one voice epigram (Gabielli and Balboni, 2010). Marketing communications have become increasingly dynamic – today, the roles of the senders and the receivers increasingly interchange through the course of their interactions (Anne-Marie and Kellett, 2011). According to Hawkins (2009), IMC is process of developing and implementing various forms of persuasive communication programs with customers and prospects over time (Hawkins, 2009). The concept of integrated marketing communications helps the companies use appropriate and effective ways of communicating with and contacting the customers and also other stakeholders including the employees, suppliers of materials, investors and other related institutions. (Beiranvand, 2004)

**The five elements of marketing communications:** Due to the relatively high variety in the elements and tools forming marketing communications, home appliance producing companies must design various and different programs based on integration of these elements relative to the environmental and competitive conditions of the target market. This planning is important because if these companies don't have an enough knowledge and awareness of these elements before entering the target markets, undoubtedly, they

will face with crisis or fail when they enter the market. These five elements that were implied in above definitions are as follows:

- **Advertising:** Any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor (Kotler *et al.*, 1999).
- **Sales promotion:** Short-term incentives to encourage purchase or sales of a product or service (Kotler *et al.*, 1999).
- **Public relations:** Building good relations with the company's various publics by obtaining favorable publicity, building up a good 'corporate image' and handling or heading off unfavorable rumors, stones and events (Kotler, 2003).
- **Personal selling:** Two ways flow of communication between a buyer and seller, designed to influence a person's or group's purchase decision (Kerin *et al.*, 2002).
- **Direct marketing:** Marketing through various advertising media that interact directly with consumers, generally calling for the consumer to make a direct response (Kotler *et al.*, 1999).

As it is shown in Table 1 the five elements of marketing communications and the tools used in each element are separately shown.

## RESEARCH QUESTIONS

In this study, a major question and five minor questions were used to examine the importance of marketing communications of foreign home appliances in Iran.

Table 1: Elements and tools of marketing communications (Kotler *et al.*, 1999; Kotler, 2003; Kerin *et al.*, 2002)

Advertising	Sales promotion	Public relations	Personal selling	Direct marketing
Packaging	Discounts	Community and	Face-to-face selling	Catalogues
Branding	Coupons	Charity affairs	Telephone selling	Fax
Guarantee	Premiums	Counseling	Sales presentations	Telemarketing
Customer services	samples	Events	Fairs and trade shows	Electronic marketing
Billboards	Competitions	Identity media	selling	Direct mail
Celebrity spokespeople	Sponsoring	Lobbying	Incentive programs	Internet marketing
Radio and television broadcast	Point-of-purchase displays	News releases	Interactive electronic communication	Mail-order selling
Press and print media	Demonstrations	Press relations		Interactive media
Electronic and digital magazines	Specialty adv.	Press conferences and seminars		Televised home shopping
		Product publicity		
		Public affairs		
		Publications		
		Publicity		
		Social investments and events		

- **The major question:** Is the importance degree of marketing communications in home appliance products of European companies different from that of Eastern Asia?
- **The minor questions:** Is the importance degree of advertising different between European and Eastern Asian companies?
- Is the importance degree of sales promotion different between European and Eastern Asian companies?
- Is the importance degree of public relations different between European and Eastern Asian companies?
- Is the importance degree of personal selling different between European and Eastern Asian companies?
- Is the importance degree of direct marketing different between European and Eastern Asian companies?

### RESEARCH METHOD

The present study is a descriptive survey research in the aspect of data collection and is an applied research in the aspect of objective of the research and for collecting primary data, a pair wise comparison questionnaire is used. This questionnaire includes 60 questions that are in three parts of heavy home appliance, middle weight home appliance and light weight home appliances based on Saaty's nine spectra. The questionnaire was distributed among the senior managers of the target home appliance companies and for validity measurement, two factors were used. First, there is a kind of content or logical reliability here that is related to the pair wise comparison method, because in this method, all indexes are pair wise measured. Second, at the time of designing the questions of the questionnaire, a kind of reliability has been created using opinions of the experts that in sum, the required validity is supplied and ensured through these factors. Since in this research, all measures are pair wise compared, the stability of this research only shows that

Table 2: Sex frequency of the respondents

Classification	Frequency	Frequency percent
Males	9	90
Females	1	10
Total	10	100

which measure is preferred to other measures, because in pair wise comparison, when a high weight is obtained that an index is more important than another index. The population of this research also includes official agents of European and Eastern Asian home appliance companies that are active in Iran and also have the three groups of home appliances including heavy home appliances such as refrigerators and freezers, middle weight home appliances such as microwaves and vacuum cleaners and light weight home appliances such as juicers and irons. According to the very limited number of companies having these conditions, two famous brands of two regions of Europe and Eastern Asian being active in Iran were finally examined. Then, five people of the experts of the companies were selected including the managing director, marketing manager, sale manger, public relations manager and service manager and finally, the required data was collected by this way. As it is seen in this research, instead of using the non-expert sample with a high population range and quantity, the perfectly expert sample with a high information deep and quality was used through a purposive and judgmental sampling and as a result, due to data collection through asking the main experts of the population, the best answers with the highest quality were obtained.

### DATA ANALYSIS AND FINDINGS

The result of the demographic examination of the respondents in Table 2 shows that most of the respondents are male and only 10% of them are female.

For comparing the marketing communication program of home appliance products of European companies with that of Eastern Asian companies, the elements of marketing communications in any company were rated by calculating the data obtained from the questionnaire using the Expert Choice Software. Then,

Table 3: European companies in present circumstances

Rank	1	2	3	4	5
Elements of MC	Advertising	Personal selling	Sales promotion	Direct marketing	Public relations
Weight	0.45	0.23	0.20	0.08	0.04

Table 4: European companies in desirable circumstances

Rank	1	2	3	4	5
Elements of MC	Advertising	Personal selling	Sales promotion	Direct marketing	Public relations
Weight	0.29	0.25	0.20	0.18	0.08

Table 5: Eastern Asian companies in present circumstances

Rank	1	2	3	4	5
Elements of MC	Advertising	Sales promotion	Personal selling	Direct marketing	Public relations
Weight	0.36	0.34	0.15	0.10	0.05

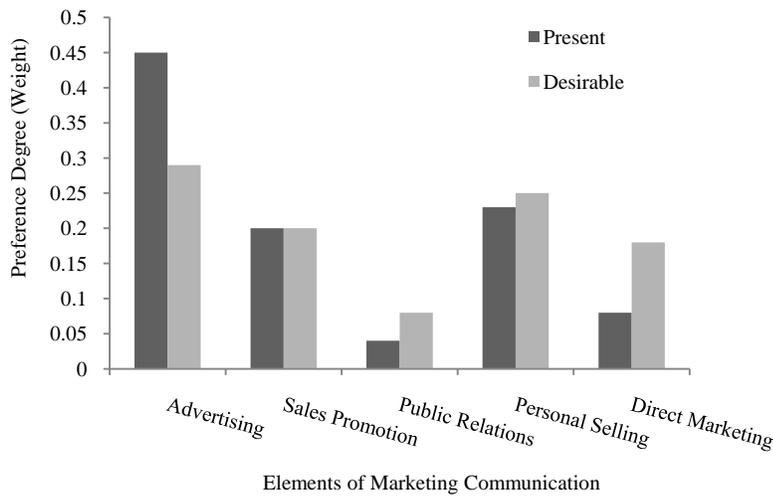


Fig. 2: The present and desirable circumstances of European companies

beside answering the questions of the research, the weights obtained from this rating for any company were analyzed in two present and desirable circumstances. After rating using pair wise comparison method (Ghodsipour, 2010) as it is shown in Table 3 and 4, the importance degree of marketing communication elements of European companies were obtained in two present and desirable circumstances in the following order.

Studying these tables, the difference existing between the current programs of European companies in using the five elements of marketing communication for selling European home appliances in domestic markets is identified. As it is seen in Fig. 2, the preference degree of any of the five marketing communication elements in two present and future circumstances shows that currently, the preference degree of the element advertising is in a higher position than its importance degree in the desirable circumstance, but the importance degree of other elements are currently in lower positions than their future positions. Meanwhile, the importance degree of the element sales promotion in both present and desirable circumstances is in equal positions. This

diagram first shows that the managers of European companies are not satisfied with a high degree of importance they consider for advertising and keeping its first position, they try to lower its position a bit. Then it shows that they are not also satisfied with the low degree of importance they allocate to the three elements public relations, personal selling and direct marketing and they want to heighten their positions. But about the element sales promotion, the equality in preference degree in the present and desirable circumstance shows the satisfaction degree of the managers of European companies with the importance degree of this element at present. An important point in this diagram is the prioritization of the elements at present and in future that follow an equal and a similar trend.

In the next section, as it is shown in Table 5 and 6, comparing the elements of marketing communications of Eastern Asian companies, the importance degree of these elements in the present circumstance is measured with their preference degree in the desirable circumstance.

Studying these tables, the difference between the current programs of the home appliance companies of the Eastern Asia in using the five marketing

Table 6: Eastern Asian companies in desirable circumstances

Rank	1	2	3	4	5
Elements of MC	Advertising	Personal selling	Sales promotion	Direct marketing	Public relations
Weight	0.33	0.26	0.19	0.17	0.05

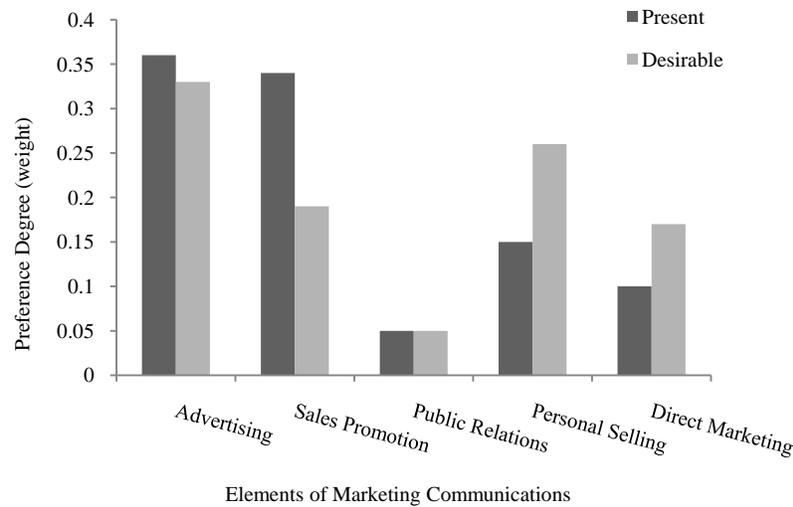


Fig. 3: The present and desirable circumstances of Eastern Asian companies

communications elements for selling home appliance products in domestic markets is identified.

Figure 3 shows that currently, the preference degree of the elements advertising and sales promotion from is in a higher position than their importance degree in the desirable circumstance, but the importance degree of the elements personal selling and direct marketing is currently in a lower position than their future positions. Meanwhile, the importance degree of the element public relations in two present and desirable circumstances is in equal positions. This diagram first shows that the managers of Eastern Asian companies are not satisfied with a high degree of importance they consider for the elements advertising and sales promotion and they try to lower the position of advertising a bit and that of sales promotion a lot. Then it shows that the managers of these companies are not satisfied with the low degree of importance they allocate to the two elements personal selling and direct marketing and they want to heighten their positions in future. But about the element public relations, the equality in the preference degree in the present and desirable circumstances shows the satisfaction degree of the managers of European companies with the importance degree of this element at present. An important point in this diagram is that the prioritization of the element personal selling at the present circumstance is in second position, but in the desirable circumstance, it is in the third position and is replaced by the element sales promotion. This shows that the managers of Eastern Asian companies prefer using the element personal selling to sales promotion and try to allocate more importance to it in the future.

Table 7: European and Eastern Asian companies in present

Companies	Rank	Elements	Weight
European	1	Advertising	0.45
Eastern Asian		Advertising	0.36
European	2	Personal selling	0.23
Eastern Asian		Sales promotion	0.34
European	3	Sales promotion	0.20
Eastern Asian		Personal selling	0.15
European	4	Direct marketing	0.08
Eastern Asian		Direct marketing	0.10
European	5	Public relations	0.04
Eastern Asian		Public relations	0.05

Table 8: European and Eastern Asian companies in desirable

European	Rank	Elements	Weight
European	1	Advertising	0.45
Eastern Asian		Advertising	0.36
European	2	Personal selling	0.23
Eastern Asian		Personal selling	0.34
European	3	Sales promotion	0.20
Eastern Asian		Sales promotion	0.15
European	4	Direct marketing	0.08
Eastern Asian		Direct marketing	0.10
European	5	Public relations	0.04
Eastern Asian		Public relations	0.05

Now using the rating of the marketing communications elements mentioned in the tables above and as it is shown in Table 7, the importance degree of the marketing communications elements of the companies being examined at the present circumstance is evaluated:

The diagram of the comparison between the importance degrees of the marketing communications elements of European companies with that of Eastern Asian companies at the present circumstance is shown in Fig. 4.

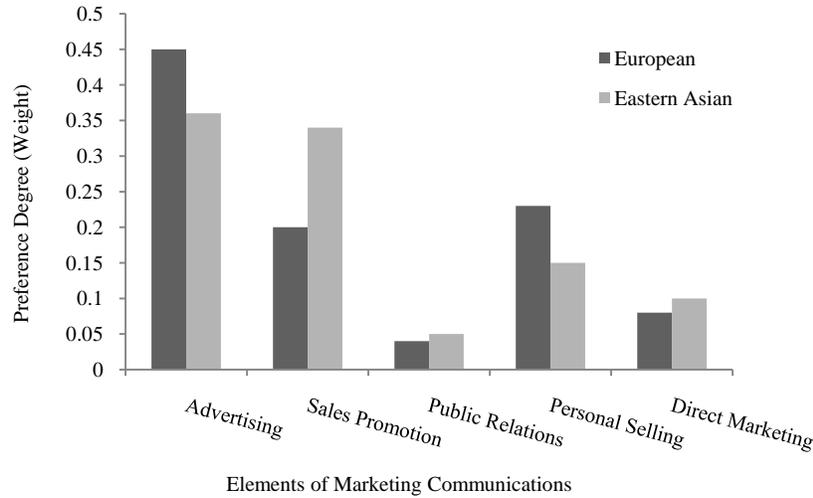


Fig. 4: The comparison of European companies with Eastern Asian companies at the present

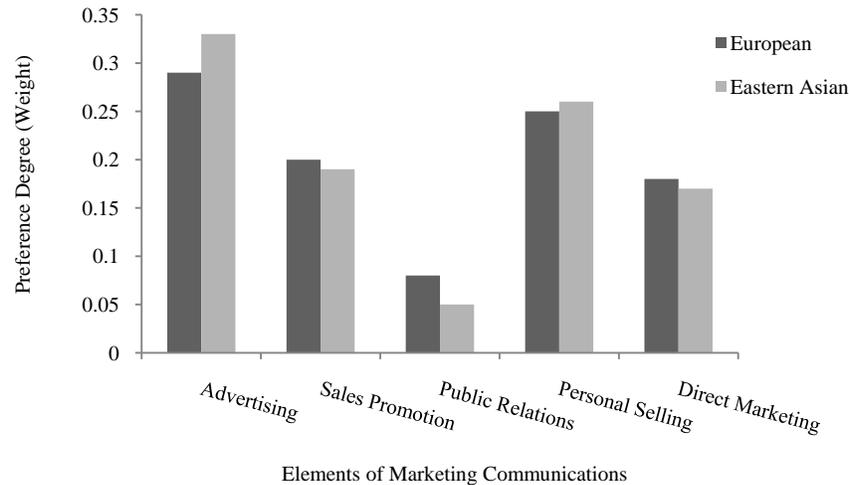


Fig. 5: The comparison of European companies with Eastern Asian companies at the desirable

Then, the results from calculating the importance degree of the marketing communications elements of the examined companies at the desirable circumstance were calculated and are shown in Table 8:

The comparative diagram of the importance degree of the marketing communications elements of European companies with those of Eastern Asian companies at the desirable circumstance is drawn in Fig. 5:

Finally, the results obtained from the data of European and Eastern Asian companies at two present and desirable circumstances were analyzed.

Figure 6 shows the comparison of the importance of the marketing communications elements of the examined companies at present and future circumstances using a linear diagram in four colors. Red and green colors that are seen in the starting point at two higher levels than the two other colors show the importance degree of the marketing communications

elements of European and Eastern Asian companies at the present circumstances, respectively. Two yellow and blue colors also show the importance degree of the marketing communications elements of European and Eastern Asian companies at desirable circumstances, respectively.

Examining this diagram exactly, it is evident that first, both European and Eastern Asia companies want to have a basic change in their promotion programs through reducing the importance degree of the elements currently having a high prioritization and then increasing the importance degree of the elements currently having a lower prioritization. Second, as it is seen in Fig. 6, making the lines drawn at desirable circumstance to each other, these companies have tried to give equal importance to their marketing communications elements. In fact, based on their previous experiences, both European and Asian

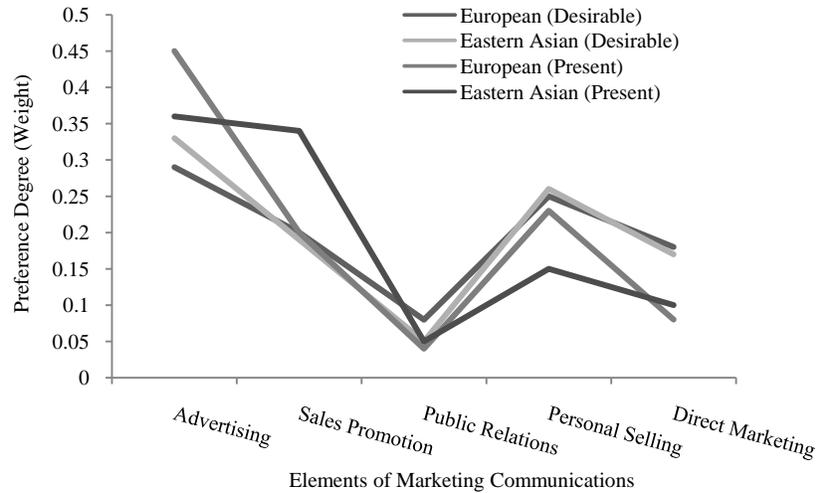


Fig. 6: The comparison of European and Eastern Asian companies at two circumstances

companies are in the path of using their marketing communications elements equally, intentionally or unintentionally and if this path leads to more integration in using promotional elements, in the near future, the home appliance companies will experience an accelerated evolution in selling their products.

After rating and comparative survey of the companies, the answers of the questions of the research are examined in this stage. The answer of the major and any five minor questions mentioned before can be stated as follows:

- The importance degree of the marketing communications in home appliance products of European companies is different from that of Eastern Asian companies at the two present and desirable circumstances.
- The importance degree of advertising in the products of European companies is different from that of Eastern Asian companies at the two present and desirable circumstances.
- The importance degree of sales promotion in the products of European companies is different from that of Eastern Asian companies at the two present and desirable circumstances.
- The importance degree of public relations in the products of European companies is different from that of Eastern Asian companies at the two present and desirable circumstances.
- The importance degree of personal selling in the products of European companies is different from that of Eastern Asian companies at the two present and desirable circumstances.
- The importance degree of direct marketing in the products of European companies is different from that of Eastern Asian companies at the two present and desirable circumstances.

## DISCUSSION AND CONCLUSION

The study of the results from the answers of the minor questions shows that the elements advertising, sales promotion, public relations, personal selling and direct marketing all have different degrees of importance in European companies compare with Eastern Asian companies at the two present and desirable circumstances. As a result, it can be concluded that the importance degree of the marketing communications of home appliance products in European companies is different from that of Eastern Asian companies at the present and desirable circumstances in the markets of Iran. Examining and comparing two present and desirable circumstances of these geographical regions (Fig. 4), it can be concluded that the managers of home appliance companies of both Europe and Eastern Asia try to make the importance degree of all elements closer to each other and thus, to use the marketing communications elements simultaneously and in an integrated manner by increasing their attentions to use the elements that had lower importance degree and decreasing their attentions to use the elements that had more prioritization. However, it seems that home appliance companies must create a similar rating with equal levels among these elements in the future by removing the distances between the importance degree of the marketing communications elements and before entering domestic markets of Iran, they must identify and understand the culture and the community of Iran and know the demands, tastes and the interests of Iranians exactly. Examining the effect of the factors as the culture, the community, the law and the politics on the importance degree of the marketing communications elements of foreign home appliances in the domestic markets of Iran and comparing the views of the managers of home appliance companies with those of the customers of

those companies about the difference between the importance degree of the marketing communications elements and examining the difference between the preference degree of the marketing communications degree of Iranian and foreign home appliance products are those subjects that are not emphasized in this research and they must be examined in future researches.

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