

# “Planning of marketing communication strategies by car dealerships”

## AUTHORS

Makgopa S. Sipho

## ARTICLE INFO

Makgopa S. Sipho (2016). Planning of marketing communication strategies by car dealerships. *Problems and Perspectives in Management*, 14(4-1), 212-220. doi:[10.21511/ppm.14\(4-1\).2016.10](https://doi.org/10.21511/ppm.14(4-1).2016.10)

## DOI

[http://dx.doi.org/10.21511/ppm.14\(4-1\).2016.10](http://dx.doi.org/10.21511/ppm.14(4-1).2016.10)

## RELEASED ON

Friday, 23 December 2016

## JOURNAL

"Problems and Perspectives in Management"

## FOUNDER

LLC “Consulting Publishing Company “Business Perspectives”



NUMBER OF REFERENCES

0



NUMBER OF FIGURES

0



NUMBER OF TABLES

0

© The author(s) 2026. This publication is an open access article.

Makgopa S. Siphso (South Africa)

## Planning of marketing communication strategies by car dealerships

### Abstract

Effective marketing communication strategies and campaigns are of much importance in many organizations in informing, reminding and persuading current and potential customers to support the organization by buying organizations product offerings. Organizations in planning of marketing communication strategies and campaigns, organizations in theory need to conduct micro-environmental analysis determining organizations' strengths and weakness. The purpose of this paper was to investigate the planning of marketing communication strategies and campaigns of car dealerships in practice with more emphasis on micro-environmental factors of consideration. In achieving the purpose of this paper, a qualitative research approach using semi-structured in-depth interviews with marketing personnel of different car dealerships in Gauteng Province, South Africa was followed. In this paper a qualitative content analysis was used to analyze primary data using Atlas ti version 7 computer software. The results revealed that there are key micro-environmental factors of consideration during the planning of marketing communication strategies and campaigns. Based on the results of this paper, the author provided recommendations to stakeholders in the motor vehicle industry, specifically, car dealerships and future research directions.

**Keywords:** marketing communications, marketing communication objectives, marketing communication strategy, mediatypes, micro-environment.

**JEL Classification:** M31.

### Introduction

Marketing communication as a marketing mix element is one of the most difficult but crucially important component of contemporary marketing. In recent years this challenge has been made even more complicated by the explosion of new digital media options. These options offer new opportunities and hold much promise for marketers of organizations, but also bring great difficulty to managerial decision making. To highlight just a few of the benefits of marketing communications, marketers can choose to do some or all of the following with their brands: To use marketing communications to draw attention to their organizational brands, marketers can reach consumers through mass or targeted advertisements on social media networks such as Facebook, Twitter, Youtube or other social networks; banner or display advertisements on third-party websites; and paid or search engine advertisements. To shape brand preference, they can send timely e-mails and use their own websites to provide detailed content. To drive short-term sales, they can offer promotions and other incentives through tweets, texts, and targeted e-coupons. And to reinforce long-term brand loyalty, they can form online brand communities through their own or third-party social media. Given so many different new and traditional communication media options available to marketers of organizations and so many different ways to combine these options, Keller (2016) argued that marketers struggle with how to make good marketingcommunication decisions. Therefore, it becomes imperative to investigate the planning of marketing communication strategies and campaigns with more emphasis on micro-environmental factors of consideration.

The next section briefly outlines the purpose of this study.

### 1. The purpose of the study

The purpose of this research was to investigate the planning marketing communication strategies and campaigns in practice with more emphasis on micro-environmental factors of consideration. The stated research purpose requires in-depth theoretical background on micro-environmental factors, marketing communications and its benefits of it thereof. This paper will start by explaining the concept of marketing communications and followed by literature review of previous studies on the topic.

### 2. Theoretical background and literature review

In this section theoretical background and literature review on marketing communication is provided, focusing on micro-environmental analysis, the marketing communication concept, components of marketing communication mix, and conclude by reviewing previous studies on the topic.

**2.1. Micro-environmental analysis.** Performing the situation analysis involves analysing the micro-environment of the organization. The micro-environment represents the internal environment of the organization. When analysing the internal environment, marketing managers need to analyze the organization's mission, business objectives and strategies, its resources, skills and capabilities (Van Schie, 2012). According to Van Schie (2012) marketers should consider the organization's targets or goals, services to be provided and synergy to be exploited, as no single management is expected to have all the talents and other qualities essential for planning, direction and control.

---

© Makgopa S. Siphso, 2016.

Makgopa S. Siphso, M.Phil., M.Com. and Ph.D. Student, Lecturer Business Management, University of South Africa, South Africa.

Organizations can establish what its strengths or weaknesses are in terms of resources to be used during the planning stage (Helms and Nixon, 2010). These strengths or weakness may be in the form of resources, such as the skills and competencies of the marketing personnel (Morgan, 2012). From the marketing point of view, marketing resources refers to resources available to marketers that can be turned into marketing capabilities that can create value to customers (Morgan, 2012). According to Morgan (2012), the marketing resources within the micro-environment that can be used to the advantage of the organization include: tacit knowledge resources, physical resources, human resources, organizational resources, informational resources, relational resources, and legal resources.

Despite the internal analysis of resources within the micro-environment, the marketers need to consider the organization's overall objectives and mission to ensure that these internal variables support each other. This is backed by Arrey (2013) pointing that in most organizations strategy decisions (including marketing communication strategy decisions) are guided by the organization's mission and corporate objectives. The marketing resources can be turned into capabilities that can serve as strengths or weaknesses to an organization, and they need to be analyzed as a part of internal assessment or analysis using the SWOT analysis tool. This micro-analysis is, therefore, important in planning marketing communication strategies and campaigns in practice.

The next section focuses on marketing communication concept and its nature.

**2.2. Marketing communications.** Marketing communication is a crucial part of the organizational activities of many organizations. Marketing communication initiatives are aimed at informing, reminding and persuading present and potential customers to support the organization by purchasing its products (Keller, 2009). Keller (2016) emphasized that marketing communications is a one of the most difficult but crucially important components of modern marketing. Keller (2016) added marketing communications plays a crucial role when organizations aim to influence consumer decision-making, draw attention to organizations' brands, and shape brand preferences. Marketing communication is also an important marketing tool which provides customers with information to help them make purchasing decisions. The result of a successful marketing communication campaign can lead to sales growth, an increase in market share, and subsequently to increased profitability (Ahn, Lee, Lee and Paik, 2012).

There are many elements of marketing communication at the marketers' disposal; for example, advertising, direct marketing, personal selling, sales promotions, public relations and sponsorships may all be employed to maximize the impact of promotional activities (Keller, 2016). Many different marketing communications options exist that can play different roles and have different objectives in the marketing of a brand (Batra and Keller, 2016). One popular distinction made by many marketers and academic researchers (e.g., Stephen and Galak, 2012) is between communications which appear in paid media (traditional outlets such as TV, print, and direct mail), owned media (company-controlled options such as websites, blogs, mobile apps, and social media), and earned media (virtual or realworld word of mouth, press coverage).

The next sub-section reviews previous studies on marketing communications.

**2.3. Previous studies on marketing communication.** Many studies have explored the economic impact of advertising on sales, and various other studies have examined the relationship between advertising expenditure and its influence on achieving the marketing communication objectives. However, few researchers have focused on planning of marketing communication strategies in realising the marketing communication objectives of organizations, specifically, micro-environmental analysis during the planning stage. These studies have overlooked the internal environmental factors of consideration that during the planning marketing communication strategies and campaigns of the organizations in practice, specifically, car dealerships and they have focused more on advertising such as (Buil, de Chernatony and Martínez, 2013; Feng and Purushottam, 2012; Singh, Sharma and Mahendru, 2011; Ventoura-Neokosmidi, 2011).

Many studies have examined the efficiency of advertising (Pergelova, Prior and Rialp, 2010; Crespo-Cuaresma, 2012; Singh, Sharma and Mahendru, 2011). Pergelova, Prior and Rialp (2010) examined the relationship between advertising spending and its efficiency in achieving marketing communication objectives using data obtained from the Spanish Association of Manufacturers of Cars. Their results have shown that an increase in advertising spending, whether for off-line or online advertising, is highly efficient.

Crespo-Cuaresma (2012) assessed the relationship between marketing communication expenditure and sales in the premium car segment in Germany. The findings of this study revealed that an increase in marketing communication expenditure, specifically advertising spending, resulted in high sales. In India, Singh, Sharma, and Mahendru (2011) used various

models, including regression and econometric models, to find out the cause and effect relationship between advertisement expenditure and sales, and the results showed that there is a positive relationship between advertising expenditure and sales. In another study, Ventoura–Neokosmidi (2011) investigated the relationship between advertising to sales ratio, market share and firm profitability was carried out. Cross section analysis was used over 36 Greek companies for the year 2002. This paper revealed that market share has a positive impact on firm profitability, and the influence of market share is greater than that of advertising to sales ratio. In another study, Buil et al. (2013) highlighted that although advertising has a role in building brand knowledge, it has led to huge levels of marketing communication expenditure.

In another study, Buil, de Chernatony and Leslie, E (2010) explored the relationships between two marketing mix elements – advertising and sales promotions– and brand equity creation. In particular, the study focuses on advertising from a quantitative (advertising spending) and qualitative (general perceptions of advertising) perspective. Similarly, the study investigated the effects of two kinds of sales promotions, i.e. monetary and non-monetary promotions. Based on a survey with 411 UK consumers, findings showed that the content of advertising plays a key role influencing brand equity dimensions, whereas advertising spend improves brand awareness but with minimum positively influence brand associations. The paper also revealed distinctive effects of monetary and nonmonetary promotions on brand equity. In addition the results showed that organizations can optimise the brand equity management process by considering the relationships existing between the different dimensions of brand equity.

However, in a recent study, McAlister, Srinivasan, Jindal and Cannella (2016) investigated the advertising influence on the organization value as a differentiator. The results of this study uncovered that advertising cannot be used to build brand equity for a cost leader as such an organization has no point of difference on which to build. Identifying differentiators and cost leaders on the basis of firms' reactions to a change in accounting regulations, the results revealed that advertising is related to sales for all firms, but it is more strongly related to firm value for differentiators than for cost leaders.

Despite the benefits that can be derived from marketing communication elements and activities, marketing communications such as advertising result in increased marketing expenditure, where the largest expense is usually incurred by marketing communications, more specifically, advertising (Feng and

Purushottam, 2012). However, the marketers are accountable for marketing communication spending and other marketing expenditures (Pergelova, Prior and Rialp, 2010). This is backed by Raithel, Scharf, Taylor, Schwaiger and Zimmerman (2011) in highlighting that marketers are under pressure to demonstrate the financial return associated with marketing expenditures. There is a pressure on marketers, these marketers have been reducing their marketing communication spending, specifically on advertising, and have been selecting other marketing communication elements/approaches (Feng and Purushottam, 2012). This view is also shared by Danenberg, Kennedy, Beal and Sharp (2016) in emphasising that deciding on and justifying the size of marketing communication budget, specifically, advertising budgets is a common challenge that marketers of organizations face. These views imply that marketers of organizations should plan properly during the planning stage of marketing communication strategies and campaigns.

The next section provides the contribution of this study.

### 3. Contributions of the study

In reviewing the secondary research available, it is clear that the planning of marketing communication strategies and campaigns is not widely covered in the South African context and other parts of the world, specifically in the car retail sector. This study contributes to literature on the topic. Furthermore, this study further benefits car dealerships operating within the motor vehicle industry by revealing micro-environmental factors considered in planning of the marketing communication strategies and campaigns of car dealerships in practice. This study will help marketers make better marketing communication decisions, more on decisions associated with paid and owned media, as those are the areas over which marketers have the most direct control and therefore are responsible for making the most decisions.

The next section outlines the research methodology followed to accomplish the research purpose of this study starting with the research design, target population, sampling frame and technique, data collection, and data analysis method used.

### 4. Research methodology

This section outlines the research methodology followed to realize the research purpose of this study starting with the research design, target population, sampling frame and technique, data collection, and data analysis method used.

**4.1. Research design.** An exploratory qualitative approach was followed in order to address the research objective. Malhotra (2010) pointed that an exploratory

research design is useful when the researcher requires more information about a specific problem, an opportunity or a phenomenon. The qualitative research approach was chosen for a number of reasons: participants' perspectives and experiences were emphasized, it took into account participants' interpretation and it allows for flexibility. More specifically, the aim of using a qualitative approach was to collect data more effectively and to gain richer information by enabling participants to also express their opinions, and share their experiences with regard to the online social media platforms used in conveying marketing communication messages to their current and potential customers.

**4.2. Target population.** The target population of interest for the current study was the car dealerships operating in Gauteng province. Gauteng province was chosen due to its convenience and accessibility for the researcher. In addition, one province was selected, as the aim of the study was not to be representative, but rather to enable other researchers to gain understanding into the marketing communication practices of these dealerships. Marketing personnel or executives of dealerships were chosen as the unit of analysis considering their involvement in planning of marketing communication strategies and campaigns. In this study, dealership principals, dealership assistant managers and senior sales managers of car dealerships were interviewed since they were holders of the data needed to answer the research questions.

**4.3. Sample frame.** In the current study, the Retail Motor Industry (RMI) member list was used as a sample frame to select accredited dealerships included in the study. The dealerships operating within the borders of Gauteng were contacted. Tustin et al. (2005) indicated that the sample frame may be a telephone directory, customer list, and research company databases, a list of e-mails addresses or even geographic maps. The researcher used Google, which is a well-known search engine on the Internet and search for list of accredited dealership in Gauteng from Retail Motor Industry (RMI) organization website (Retail Motor industry, 2014). RMI member list contains the contact details of accredited dealerships operating in nine provinces of South Africa. The researcher used the e-mail addresses and telephone numbers obtained from RMI member list to contact car dealerships to get contact details of marketing personnel (involved in planning of marketing communication strategies and campaigns). Based on the contact details provided by the dealership managers or principals, other participants were contacted via e-mails to request their consents to participate and in-depth interviews were scheduled.

**4.4. Sample technique.** A purposive sampling method was used in this study. Purposive sampling method means that participants are selected because of some defining characteristics that make them the holders of the data needed for the study (Tustin et al., 2005). The population can be defined as the total group of persons or entities from whom information is required (Tustin et al., 2005). The target population refers to the collection of elements that possess information sought by the researcher (Malhotra, 2010). A purposive sampling method was used in order to concentrate on the participants, in this case marketing personnel who possess the richest information based on their positions in their respective organizations, which presented a possibility to answer research questions.

**4.5. Data collection.** In-depth semi-structured interviews were used to collect the primary data in the current study using audio recorder. The primary data was collected using semi-structured in-depth interviews. According to Malhotra (2010) an in-depth interview refers to an interaction between an individual interviewer with a single participant, and the semi-structured depth interviews allow the interviewer to uncover underlying motivations and probe on a particular topic. The researcher used a research guide containing research question topics during the interviews with participants. The researcher had to arrange a time and date most suitable for an interview with participants. All participants were briefed telephonically about the research objectives and the research topic was emailed to the participants. This was done to ensure that the researcher, as well as the participants, was at ease, and prepared for the interview, as well as to build rapport and relationship before the data collection began. Before the interviews could begin, the motivation for the research was explained to the participant to put participants at ease.

**4.6. Data analysis.** In the current study the use of qualitative content analysis was followed, as it ideally suited the purpose of this study, which aimed to establish an understanding of the online social media tools used by car dealerships in their marketing communication strategies and campaigns. In addition, Atlas ti version 10 computer software was used to generate themes. During the data collection period, the transcriptions of the interviews were analyzed, to enable any decisions to be made relating to what and how to probe for more detail during further interviews. The trustworthiness or validity of the qualitative data can be assessed by the care taken and practices employed during the data collection and analysis procedures. Following these techniques, the length and depth of the interviews, as well as the level and experience of the participants, resulted in rich information discussions.

## 5. Findings

The following dimensions of the micro-environmental analysis were found to be of consideration in planning the marketing communications strategy of car dealerships, namely, the marketing communication budget, the marketing communication objectives, the dealerships' available products and services offerings.

**5.1. Marketing communication budget.** Participants identified the marketing communication budget as a primary internal factor that is considered in planning marketing communication strategies and campaigns. The majority of the participants indicated that it is necessary to ensure that the marketing communication budget is allocated in order to support the attainment of the dealerships' marketing communication objectives. In addition, dealerships use different marketing communication budgeting methods. The budgeting methods pointed out by participants include the percentage of sales, affordability and objective-and-task methods.

Despite the mentioned budgeting methods, Participant 9 highlighted that the marketing communication budget in his dealership is linked to specific time periods each year during which the marketing communication budget is allocated, using affordability budgeting method. The affordability budget method involves the allocation of a certain amount annually for marketing communication purposes when the management determines its total budget. This budget method ignores the role of marketing communication as an investment and it focuses on short-term planning. Participant 9 said:

*"They give you an x-amount of budget to say basically you can use that kind of money per month, they give you basically R500 000,00 or R600 000,00".(P9)*

According to Participant 9, his dealership bases the budget on the available budget which is limited to between R500 000 or R600 000 for the development of marketing communication campaigns throughout the year, and this illustrates the affordability budgeting method. Furthermore, Participant 9 indicated that the marketing communication budget is allocated annually and is divided on a monthly basis as and when a specific promotional need arises that needs to be addressed. This further confirms the usage of the affordability budget method. Participant 9 alluded to the fact that the allocation of budgets on marketing communication campaigns is linked to specific time periods with the busiest months of the year for getting more budget allocations. Participant 9 said:

*"...then we have to sit down and say, where the busiest months are allocated more budget those months..." (P9)*

According to Participant 9, the annual marketing communication budget is divided up so that the busiest months of the year get more budget allocation which illustrates seasonal considerations.

Participant 1 is cited below emphasising how the budgeting according to percentage of sales method is utilised by his dealership. The percentage-of-sales method requires that the marketing communication budget be determined by setting a specified percentage of the previous year's sales or predicted future sales. The following point is highlighted by this participant:

*"You should spend about 3% of your total sales-budget on advertising. That's how much money you should be spending on advertising. So if you are making or if your sales is R100 you should be spending R3 on advertising, 3% of your total sales turnover."(P1)*

Participant 10, on the other hand, explains how the objective-and-task marketing communication budget method is used by his dealership. This method requires that marketers define specific communication objectives, while determining the promotional activities that must be performed to achieve these objectives and then estimate the cost of performing these tasks. He said:

*"You're looking at the impact with the amount of input; you're going to put cash wise with the return that you've got. Because it's got to be directed to the target market you want and it must create a reaction. I mean, you're looking at enhancing the bottom-line. If I go out and spend money on behalf of the shareholders, they expect a certain return. For an example, if I send out a SMS campaign, I do expect to sell five or six cars for the week out of the campaign. So it must be structured in a manner that it attracts that kind of market that will be looking for a particular vehicle model (mentioned vehicle brand)."(P10).*

According to Participant 10, sales targets are set when developing marketing communication campaigns, in his case, five or six car sales per week are expected from a short-messages (SMS) campaign. In addition, Participant 10 emphasised that each marketing communication campaign aims to enhance the bottom-line as the shareholders' money spent on campaigns should bring a certain return.

**5.2. Marketing communication objectives.** In general, the participants pointed out that they engage in marketing communication campaigns to achieve spe-

cific marketing communication objectives from target audiences, which in turn, can lead to responses or reactions from the target audiences. These marketing communication objectives aim to convey messages about the locations of the dealerships, available products on offer, brands and existence, and to convince target audiences to visit these dealerships for further information. Some participants also indicated that their dealerships maintain continuous communication with existing customers as a part of the marketing communication retention strategy.

Participant 1 pointed out that in planning marketing communication campaigns, the car dealership's marketing communication objective focuses on creating an element of uniqueness that will differentiate the dealerships from its competitors. Participant 1 said:

*"the dealership's obligation is to go out there and differentiate my dealership from other dealerships. You can use xenon lights (motor vehicle/product feature) to differentiate your dealership"*(P1)

This implies that when dealerships convey a marketing communication message, an element of uniqueness is incorporated to distinguish their dealership from competitors by using motor vehicle product features or other economic factor such as interest rates to catch target audiences' attention. This view was also shared by Participant 2 that their intention in developing marketing communication campaigns is primarily aimed at convincing the target audiences to visit their dealership for further information rather than going to a competitor. Their marketing message was based on low instalment repayments as a distinctive factor to attract target audiences. He says:

*"We're getting that message across because it's in combination as I mentioned with instalments so you can drive a top of the range vehicle for R8 500 a month, so we're pointing that out, our vehicle model (mentioned vehicle model) for example, R5 000 a month. But obviously that is the marketing side so the customer needs to come in and we can explain how you do it."*(P2)

Therefore, according to Participant 2, low instalments repayments are used in their marketing communication campaigns to attract customers to come in for a personal selling opportunity.

Participants 4 and 10 indicated that the marketing communication objectives should support their respective car dealerships' overall marketing objectives which aim for an increase in sales, to introduce the dealerships and create awareness. Participant 4 indicated that their target audiences are diverse, and as a result, they use different promotional tools, such as cold calling, flyers and telephone calls to convey the marketing communication messages about their dealership just to create awareness. He said:

*"We get different kind of customers and we get them differently, sometimes by way of getting leads, sometimes cold calling, it's still cold calling going out to a said department just to introduce yourself. You can do flyers; make time that on such and such a robot I'm going to be there just to give out these flyers to get to know, to get people to know who we are and what we are doing."*(P4).

According to Participant 4, in their dealership they sometimes get leads, and in other instances they also visit certain departments in companies to introduce themselves.

Participant 10 emphasised that their dealership develops marketing communication campaigns in order to attract the target audiences to come and buy their product and thus increase sales as the marketing objective. He said:

*"If I send out a short message campaign, I do expect to sell five or six cars for the week out of the campaign. So it must be structured in a manner that it attracts that kind of market that will be looking for a particular vehicle model (mentioned vehicle brand)"*(P10).

According to Participant 10, when a particular marketing communication campaign is developed as a part of marketing communication strategy a certain sales target is set.

The quotes below are taken from Participant 2, 3, 5, 10 and 11 which relate to the generally mentioned marketing communication objectives emphasising creating awareness and getting inquiries and generating reactions from target audiences. These statements are:

*"You know, we tend to rather look at something that creates awareness for the dealership. In other words, we don't go and advertise a product as such. So we won't go and advertise (mentioned vehicle model) or one of our vehicles or a service. We want people to know who we are and where we are."*(P11)

*"We go there basically to create awareness for the business, (mentioned dealership name), what we have"*. (P5)

*"It's also for a reminder to also serve a purpose of a reminder that we do exist."*(P3)

*"To get the people to inquire about our products and services"*. (P2)

*"Because it's got to be directed to the target market you want and it must create a reaction. I mean, you're looking at enhancing the bottom-line."*(P10)

In summary, according to Participants 5 and 11, their dealerships develop marketing communication campaigns to create awareness about the existence of

their dealerships. Participant 11 added that the objective is also to create awareness regarding their dealerships' location and advertising a particular vehicle model. On the other hand, participant 3 stated that their dealership develops marketing communication campaigns to remind target audiences about their existence as a dealership. According to Participant 3, their dealership develops marketing communication campaigns with the objective to trigger target audiences to inquire about their offerings. According to Participant 10 their dealership develops marketing communication campaigns with the objective to trigger target audiences to react by buying their product offerings, in his case, vehicle sales and thus enhancing the bottom-line (profitability).

The participants further indicated that their dealerships maintain continuous marketing communication contact with the existing customers in order to establish and maintain a long-term relationship with them. The participants indicated that it is important for them to maintain and retain existing customers to grow their businesses, and further, to try to provide added value to the customers.

Participant 4 pointed out that maintaining relationships through continuous contact with the existing clients is crucial as it enables the car dealerships to monitor the changes in clients' demographic characteristics, such as their income, education level, and profession. Participant 4 said:

*"You start with someone who say five years back I sold a car which was worth R50 000. That guy was earning maybe R5 000 studying at the same time, but if you keep good contact with him you might find that one day he is a professor or head of department earning 15/20 times he used to earn five years back. You stand a good chance to can take him out of that low priced car to an executive car. Customer, if you retain your customers chances are you know from time to time where they are."*(P4)

According to Participant 4, changes in the target audience's income level can present a good opportunity to promote a client out of a low-priced car bracket to high-priced car.

Participant 2 also shared the same sentiment as Participant 4 that keeping existing customers is important for the success of the business as is it easier to do deal with customers you know. Participant 2 said:

*"The existing client is the key. If we can, we have the saying if we can maintain and acquire new customers and that is great but you must maintain your existing database because that's where it is. We have a relationship with the people so they know who we are. So it will be I think a little bit difficult if*

*you want to go and start all over again with another branch. You know, you don't know anybody there. It's always easier if you know somebody or have a face or something behind the telephone. That is the key I think to retain, to retention."* (P2)

According to Participant 2, it is more difficult to acquire new customers when compared to retaining the existing customers as there is already an existing relationship with them.

*Additional internal factor of consideration: Internal stock levels*

Participants also revealed that the available products or stock levels impact on the marketing communication objectives when developing marketing communication campaigns. Participant 1 pointed out that the available stock levels serve as a major indicator that determines whether sales promotion campaigns involving special deals and clearance sales can be planned and executed by his dealership. He said:

*"If I for example have a build-up of stock of let's say I've got too many vehicles (mentioned vehicle model) I will say let's do a special deal on this vehicle model (mentioned vehicle model) and let's send it out to our database, you know, something just to clear my inventory problem or whatever."* (P1)

According to this participant their dealership's sales promotion campaigns are influenced by the internal stock level.

Participant 3 added that sales promotion campaigns, such as clearance sales, are often carried out in their dealership towards the year-end in order to push sales of older vehicle stock and further minimise the depreciation costs. Participant 3 said:

*"We would have a clearance sale. Usually towards year-end we would have a clearance sale, getting rid of all the aging stock, because you know every year the car depreciates so what we try to do is to get rid of those cars before the year-end and make sure that we do not carry a lot of depreciation."* (P3)

According to Participant 3 clearances sales are carried out to get rid of aging stock and minimise depreciation cost.

## **Conclusions and discussions**

The research study sought to investigate the planning the marketing communication strategies and campaigns of car dealerships with more emphasis on micro-environmental factors of consideration. The results of this study indicated that during the planning of marketing communication campaigns

the available marketing communication budget, and marketing communication objectives are of much consideration. The participants pointed out that the marketing communication budget remains a major consideration in planning marketing communication strategies and campaigns of car dealerships. Car dealerships plan different marketing communication activities in efforts to achieve various marketing communication objectives. These marketing communication objectives include increasing sales, creating awareness about the product offerings and the dealerships' locations. In addition, this study uncovered the marketers of car dealerships use different marketing communication budgets in planning marketing communication strategies and campaigns. These findings of the study on marketing communication budget as part of marketing communication planning concur with Keller (2016) indicating that marketing communication is one of the difficult activity. However, the literature discussed does not indicate that the existence of the relationship between marketing communication budget and marketing objectives as revealed by the findings of this study. The findings of the study with regard to the considerations affecting the marketing communication objectives, that are derived from the overall marketing objectives in planning marketing communications, is in line with the view by Arrey (2014) that during the marketing planning process it is vital to ensure that the marketing objectives are guided by the organization's corporate mission and objectives. This study further uncovered that the available internal stock levels are considered in planning marketing communication campaigns. This findings offers insight as it reveals the reasons which trigger the planning of marketing communication

campaigns such as clearance sales which are carried-out by car dealerships in attempt to reduce depreciation costs.

### Recommendations

Marketers of car dealerships should consider the seasons of the year, marketing communication objectives and available marketing communication budget when planning marketing communication strategies and campaigns in order to guide allocation of budget, and allocate more budget to busiest seasons. In addition, marketers should consider their internal stock in order to identify which products and old stock (in this case car models) that should be part of sales promotion campaign such as clearance sales, or alternately identify products that must be market aggressively in marketing communication campaigns.

### Directions for future research

This study explored micro-environmental factors of consideration in planning marketing communication strategies and campaigns. Therefore, it is recommended that a future study could be conducted to explore further on how micro-environmental factors' influence on the decision related to the selection of traditional and new media types used in marketing communication strategies and campaigns of car dealerships in practice. In addition, future research study could investigate market and macro-environmental factors of consideration in planning marketing communication strategies and campaigns of car dealerships in real scenario. Furthermore, a study focusing on all environmental factors, namely: micro, market and macro-environmental factors at car manufacturer level could result with different findings.

### References

1. Ahn, J., Lee, C., Lee, J. and Paik, M. (2012). An analysis of different types of advertising media and their influence on consumer preferences and purchase intentions for digital cameras, *Journal of Global Scholars of Marketing Science*, 22 (4), pp. 356-369.
2. Arrey, O.B. (2014). Corporate Marketing Planning. *Global Journal of Management And Business Research*, 13(10).
3. Batra, R. and Keller, K.L. (2016). Integrating Marketing Communications: New Findings, New Lessons and New Ideas, *Journal of Marketing*.
4. Buil, I., de Chernatony, L., and Martínez, E. (2013). Examining the role of advertising and sales promotions in brand equity creation. *Journal of Business Research*, 66(1):115–122.
5. Buil, I.B., de Chernatony, L. and Leslie, E. (2010). February. The Effect of Advertising and Sales Promotions on Brand Equity. In *The 6th Thought Leaders in Brand Management International Conference* (p. 14).
6. Crespo Cuaresma, J. and Stöckl, M. (2012). *The Effect of Marketing Spending on Sales in the Premium Car Segment: New Evidence from Germany*, 2012-2. University of Salzburg.
7. Cuaresma, J.C. and Stoeckl, M. (2012). The effect of marketing spending on sales in the premium car segment: New evidence from Germany.
8. Danenberg, N., Kennedy, R., Beal, V. and Sharp, B. (2016). Advertising Budgeting: A Reinvestigation of the Evidence on Brand Size and Spend, *Journal of Advertising*, 45(1), pp. 139-146.
9. Feng, J. and Purushottam, P. (2012). Is Online Word of Mouth Higher for New Models or Redesigns? An Investigation of the Automobile Industry. *Journal of Interactive Marketing*, 26, pp. 92-101.

10. Helms, M.M., & Nixon, J. (2010). Exploring SWOT analysis – Where are we now? A review of academic research from the last decade. *Journal of Strategy and Management*, 3(3), pp. 215-251.
11. Keller, K.L. (2016). Unlocking the Power of Integrated Marketing Communications: How Integrated Is Your IMC Program? *Journal of Advertising*, 45 (3), pp. 286-301.
12. Malhotra, N.K. (2010). *Marketing research: an applied orientation*. 6<sup>th</sup> global ed. Upper Saddle River, NJ: Pearson.
13. McAlister, L., Srinivasan, R., Jindal, N. and Cannella, A.A.(2016). Advertising Effectiveness: The Moderating Effect of Firm Strategy. *Journal of Marketing Research*, 53(2), pp. 207-224.
14. Morgan, N.A. (2012). Marketing and business performance. *Journal of the Academy of Marketing Science*, 40(1), pp. 102-119.
15. Pergelova, A., Prior, D., and Rialp, J. (2010). Assessing advertising efficiency. *Journal of Advertising*, 39(3), pp. 39-54.
16. Raithel, S., Scharf, S., Taylor, C. R., Schwaiger, M., and Zimmermann, L. (2011). Marketing Accountability: Applying Data Envelopment Analysis to Assess the Impact of Advertising Efficiency on Shareholder Value. *Advances in International Marketing*, 22, pp. 115-139.
17. Raithel, S., Scharf, S., Taylor, C.R., Schwaiger, M. and Zimmermann, L. (2011). Marketing Accountability: Applying Data Envelopment Analysis to Assess the Impact of Advertising Efficiency on Shareholder Value, *Advances in International Marketing*, 22, pp. 115-139.
18. Sharma, G.D., Mahendru, M. and Singh, S. (2011). Advertisement Cause Sales or Sales Cause Advertisement: A Case of Indian Manufacturing Companies.
19. Sharma, S., & Sharma, J. (2009). Sales and Advertisement Relationship for Selected Companies Operating in India: A Panel Data Analysis. *School of Doctoral Studies European Union*, 83.
20. Stephen, A.T. and Galak, J. (2012), “The Effects of Traditional and Social Earned Media on Sales: A Study of a Microlending Marketplace,” *Journal of Marketing Research*, 49 (5), pp. 624-39.
21. Tustin, Ligthelm, Martins & Van Wyk. (2005). *Marketing research in practice*. 1<sup>st</sup> ed. South Africa, University of South Africa: Unisa Press.
22. Van Schie, W. (2012). The proposed short term marketing strategy for Audi South Africa focusing on distribution and after sales (Doctoral thesis).
23. Ventoura-Neokosmidi, Z. (2011). Advertising, Market Share, And Profitability In The Greek Consumer Industry. *Journal of Business & Economics Research (JBER)*, 3(9).