

MODERN MARKETING APPROACHES FOR STUDYING THE MARKETING PASSENGER FREIGHTS BY LAND TRANSPORT

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Abstract

In today's conditions of dynamic market development, companies that carry out passenger freights use the concepts and methods for market research in order to improve quality, increase their competitive power and stable development, and reduce the number of risks that accompany transport activities. Marketing studies help provide information about the transport firm's environment and identify the problems related to its activity. A typical characteristic of companies that carry out passenger freights by land transport is that the approaches, methods and mechanisms they implement for the purpose of their marketing research have to be consistent with the type of transport as well as the specificity of the market. The present article reveals modern approaches for studying the transport market, in accordance with its characteristic features.

Keywords: *marketing approaches, marketing research of the market for passenger freights by land transport*

JEL Codes: *R40, R41, R49*

1. Introduction

Marketing of transport is a special system for managing transport production and providing transport services; it is a peculiar economic mechanism for transport enterprises in the conditions of globalization and dynamic economy. At the same time, the specific forms of using this mechanism's functions depend to a certain extent on the specificity of the work organization in one type of transport/transport enterprise or another.

In principle, every process, be it production or provision of services, should carry out marketing studies. If enterprises do not implement the marketing approaches for market analysis, they risk losing their current or

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potential customers. Nowadays, this is an especially topical issue because all enterprises are faced with serious competition on the market for goods and services in the conditions of dynamic economy. Therefore, they need to have a clear idea of the things people need, their quality and prices, meaning that they have to do marketing research. In order to do preliminary analysis, create plans for marketing realization and make it a reality, enterprise managers need to have at their disposal a wide variety of information on consumers, competitors, suppliers and other market participants (Tzvetkova, 2009).

Marketing studies are among the main components of marketing, along with setting marketing goals, selecting target markets, marketing organization, developing marketing strategies and plans, and marketing management. These are all elements of the planning process and include the design, price-formation, encouragement and realization of ideas, goods and services through exchange that satisfies the needs of both individuals and organizations (Tzvetkova, 2007).

Marketing research refers to systematic collection and analysis of data from various aspects of marketing activity. In-depth knowledge of consumers, as well as the peculiarities and motives for their behavior, allows companies to develop successfully in a highly competitive environment. Marketing studies are primarily aimed at analyzing the market, customers' behavior, business conditions, products or services, as well as the impact of promotions (Tzvetkova, 2018).

There are two major schools in the theory of marketing research: supporters of the formalization of studies and their results, who prefer using quantitative assessments and implementing statistical and economic models, etc., and supporters of non-formal analysis, who adhere to qualitative assessments. Each direction has its advantages and disadvantages.

Formalization makes accurate and reliable evaluations, ensures the report of multiple factors, allows the making of development prognoses, but at the same time it stipulates a labor-consuming research process which requires certain knowledge, the use of computers and specialized applications and programs which are necessary for summarizing the statistical information.

The non-formal method provides pretty reliable results, does not stipulate the use of mathematical apparatuses and models, but it does not guarantee highly accurate results, it is not always objective and it requires more experienced and qualified employees.

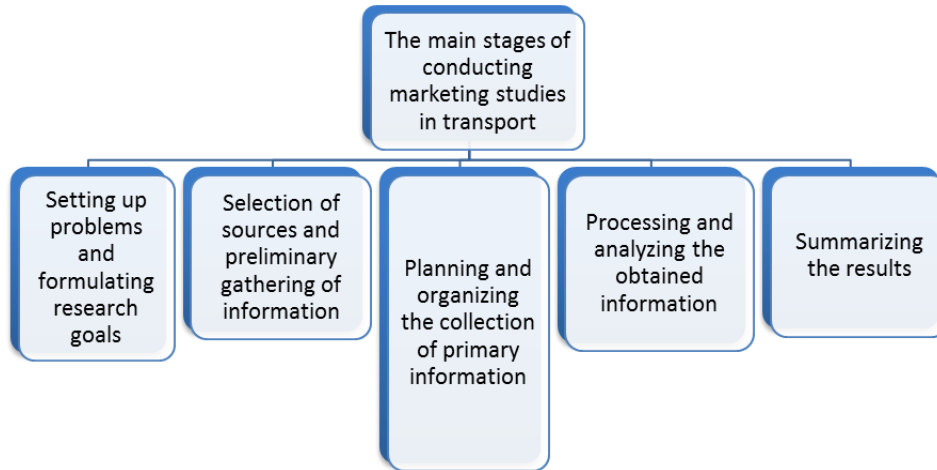
The best option is to mix these two directions, depending on the objectives and the specific circumstances. Certain marketing studies are characterized by the combination of highly formalized research processes (the use of computers, methods for statistical modeling, etc.) with non-formalization and descriptive characterization of the studied phenomena and processes, qualitative assessments, i.e. a type of market appraisal.

It should be noted that the methods for conducting marketing research in various marketing schools are diametrically opposed. One school supports the implementation of the methods of qualitative analysis, and the other, based on the opinion that identical situations are a rarity and nothing is repeated in marketing, adheres to the non-formal method of research. Many researchers believe that the specific features of marketing make the combination of these trends possible.

2. Setting Up the Problem

The effective market activity and stable development of transport enterprises that carry out passenger freights requires constant marketing studies in order to determine the degree to which the provided transport services satisfy customer demand and to adopt adequate and timely measures for defending the enterprise's market positions and increasing its competitive power if necessary. The main peculiarity of this type of studies that sets them apart from collecting and analyzing internal and external data is the target trend of solving certain problems or complexes of problems (Tzvetkova, 2014).

Figure 1. The main stages of conducting marketing studies in transport



Generally, there are five main stages of conducting marketing studies in the field of transport:

1. Setting up problems and formulating research goals.

The proper setup of problems and the correct formulation of research goals guarantee its successful conduction. Any mistakes made at this stage could lead to unjustified expenses for the conduction of the marketing study and deepen the main problem regarding the loss of time for carrying out activities in the wrong direction;

2. Selection of sources and preliminary gathering of information. This stage consists of consecutive execution of certain procedures. Depending on deadlines and the means used for the conduction of the studies, the selection of the most essential sources of information could be either consecutive or parallel;

3. Planning and organizing the collection of primary information. This is the most labor-consuming process of the marketing study, divided into two sub-stages. When planning the collection of information, the subject of study, the structure and the volume of collected data need to be determined. Determining the subject is often a necessary condition for the successful conduction of the research. The subject's properties could include one component from the marketing system or their sum. The number of subjects determines the goals and objectives of the studies carried out during the first stage;

4. Systematizing and analyzing the collected information. This is a primary stage of the study during the course of which the necessary information for the consequently made management decisions is prepared. After the obtained data has been systematized and grouped, it is then analyzed, as a rule, with the help of statistical methods. The final results of the analysis are frequently presented as recommendations or suggestions for the company's activity in the future;

5. Summarizing the obtained results and presenting them as an account of the marketing studies which allow the formation of general and partial strategies for the enterprise's marketing activity.

In principle, marketing research is a complex, hierarchically structured process, consecutively developing in time and inextricably linked with every stage of the marketing activity (Tzvetkova, 2017).

Marketing of the market for passenger freights carried out by railway and automobile transport is viewed as a complex problem of the transport process' organization, aimed primarily at satisfying the changing demand for transport services and the increased efficiency of the branches. The main objectives include:

- assessing the real volume of freights, railroads, types of trains, cars and rolling stock;
- specifying demand dissatisfaction by transport market segments and developing complex measures for mastering it;
- determining the irregularity in freight volumes by year periods;
- developing reliable prognoses;
- evaluating the used production capacity of passenger complexes and determining strategies and tactics for its development.

Transport service market research implements studies as well as field methods by polling consumers and monitoring focus groups. This explains why the marketing departments of transport enterprises can conduct quantitative studies and on-site studies whereas the organization and conduction of focus groups need experts in the field of psychology.

3. Marketing Approaches for Studying the Railway Passenger Market

Determining the interest in the use of certain types of transport is a method developed with a view to the experience in the respective type of transport, research activity and deductions in accordance with the needs that the respective type of transport faces.

1 Methods for conducting the individual types of marketing research of the population's transport needs related to the activity of railway passenger transport

Direction of Research	Target	Methods of Conduction
1. Determining the limits of activity expansion, regulating the volume of movement during passenger freights;	Size and market share	Studies based on data analysis from state statistics and local statistics; sectorial and cross-sectorial accountability
2. Determining the order of decision-making with a view to the choice of transport vehicles;	Consumer decisions	Polling and interviewing passengers in different types of transport for the purpose of determining the criteria for choosing transport types
3. Determining a plan for the formation of passenger freights; the amount of movement; appointments and plans;		Studies: <ul style="list-style-type: none"> • collection of statistical information about freight volumes with alternative types of transport; • analysis of freight demand in different train categories and car types
4. Determining the profitability level of the studied market	Pricing decisions	Polling, interviewing passengers and making decisions through the focus group method in order to spring responses when prices are changed; Studies involving the analysis of trips along identical routes

The conduction of the study and the analysis of the obtained data as a result of using the methods for evaluating the effective traffic organization and optimizing the combination of suburban freights are followed by the conduction of experiments and the planning of the management of marketing activities.

2 The mechanism for managing the elements of marketing activity in suburban complexes

According to these methods, the conduction of the study and the analysis of the obtained data as a result of using the methods for evaluating the effective traffic organization and optimizing the combination of suburban freights are followed by the conduction of experiments and the planning of the management of marketing activities.

Marketing element	Marketing goal	Mechanism for managing the elements (adapting in relation to natural resources)
Product	Determining the objective and subjective properties of transport services. Forming suggestions.	<ul style="list-style-type: none"> • determining the objective and subjective properties of transport services and using methods for the conduction of marketing studies; • determining the optimal volume of the offered service by using methods for evaluating the effectiveness of traffic organization and optimizing the variety of suburban freights; • forming optimal suggestions;
Price	Forming a correlation between price and value of transport services	<ul style="list-style-type: none"> • determining the peculiarities in the behavioral models of individual passenger groups; • forming a pricing policy in accordance with the solvency of the consumer segment;
Marketing communication	Demand management	<ul style="list-style-type: none"> • determining the additional number of passengers by using methods for evaluating

		<p>the effectiveness of traffic organization and optimizing the variety of suburban freights;</p> <ul style="list-style-type: none"> • manifestation of the reserves regarding market share growth; • work organization with regard to the increased number of passengers;
Including:		
Advertisement;	Demand management, working with potential consumers	Work organization in the field of publicity, based on systematic media planning:
Demand stimulation;	Working with active consumers	<ul style="list-style-type: none"> • bringing out active consumer segments by using methods for sociological studies; • organizing and conducting stimulating actions (competitions, campaigns, discounts, etc.)
Public realization;	Forming and strengthening the respective transport enterprise's image	<ul style="list-style-type: none"> • determining the market's specifics, choosing strategies; • organizing the interaction with mass media;
Merchandising.	Presenting the merchandise at the point of sale	<ul style="list-style-type: none"> • work organization of ticket offices; • information system for consumers;
Information channels	Choosing the optimal type of information channel	Determining the optimal marketing systems for regional suburban complexes
Staff	Training specialists who perform the main types of communication with consumers	Introducing the cycle of training at ticket offices, conducting courses on psychology and sales skills;

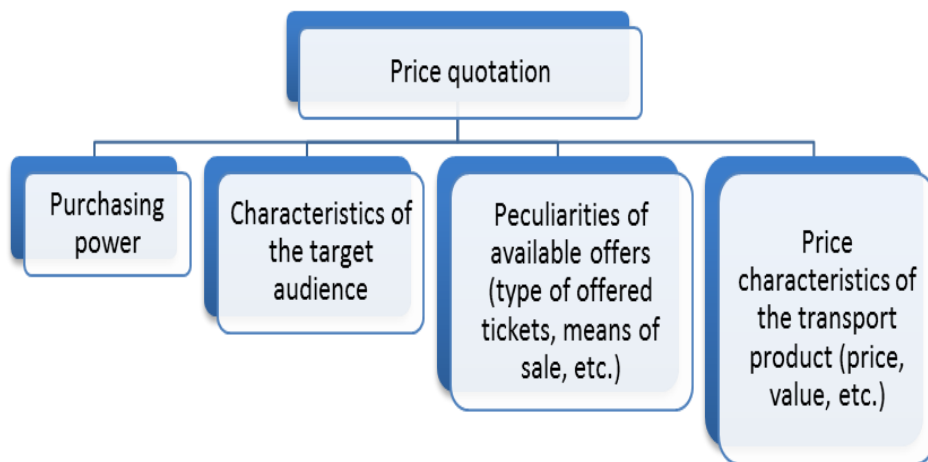
The management of the “service” element suggests the solution of problems like determining the properties of transport services and the optimal volume of offered services.

Determining the optimal volume of services is possible on the basis of consistency with the available structure and the preferences of consumer groups, satisfying the population’s needs quantitatively and qualitatively.

The necessary properties of transport services are determined with the help of the target audience’s characteristics and an additional number of passengers transported by suburban transport.

The formation of pricing policies in accordance with consumers’ solvency requires a minimum volume of information which includes population solvency, passenger preferences, etc.

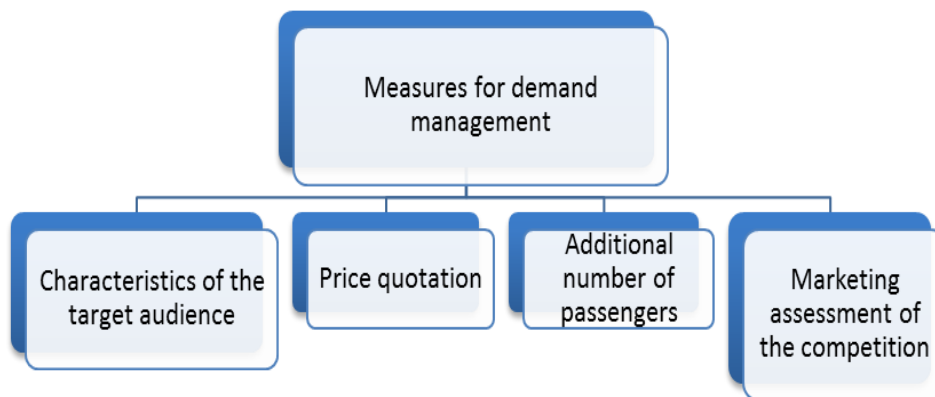
Figure 2. Forming the enterprise’s pricing policy



Demand management in suburban passenger transport is a multifunctional tool for ensuring the complex’s problem-free work.

The measures developed on the basis of marketing data should be in accordance with the new services and improve the effectiveness of already existing ones.

Figure 3. Actions which aid effective demand management



The measures intended for effective demand management should be aimed at doing an in-depth characteristic of the target audience, taking acceptable price quotations into account, guaranteeing additional number of passengers, as well as detailed analysis and marketing assessment of competitive enterprises and especially passenger freights carried out by automobile transport, which is presently the main competitor of railway transport in Bulgaria (Tzvetkova, 2018).

The qualitative implementation of marketing approaches for studying the market of railway passenger transport guarantees the success of transport enterprises, but its lack of structured basis could result in loss of time and resources.

4. Marketing Approaches for Studying the Automobile Passenger Market

Marketing studies of enterprises in automobile passenger transport are primarily aimed at providing the population with higher-quality service and improving the effective use of the rolling stock.

The quality of passenger service depends on the organization of the transport process, the constructive peculiarities and the technical condition for the use of the rolling stock, as well as the various ways of developing passenger networks and other factors.

There are several crucial criteria or quality indicators for the assessment of service quality in automobile passenger transport: comfort, awareness, accessibility, safety, reliability, rhythm and travel time.

The terms simple, complex and integral quality could be applied in relation to passenger freights.

The simple quality of passenger freights is characterized by the most essential natural indicators and their utility value – for instance, passenger freight time and level of comfort when providing service during and after the trip. The complex quality includes all primary natural properties (indicators) and their utility value.

The integral quality of passenger freights, for its part, is characterized not just by the aforementioned natural indicators and their utility value, but also by indicators related to the costs for their realization (operating, capital and set).

For the purpose of the qualitative assessment of passengers, it is appropriate that the sum of its characteristics be divided into four categories:

- safety (no risks for people's health during travel) or number of traffic accidents;
- level of organization of the traffic of transport vehicles in a temporal aspect (frequency, rhythm, regularity, precision of movement, as well as dependency on the movements of external conditions);
- loss of time during travel with a view to waiting and speed of passenger movement;
- commodities during transport use – a sum of commodities provided to passengers;

Improvement of freight quality refers to the realization of complex measures that shorten time losses for the population with a view to waiting for transport vehicles and increasing comfort during travel (Tzvetkova, 2015).

The time that passengers lose during travel is an important indicator that allows an in-depth and comprehensive characterization of the level of transport services for the population, evaluating the effective incorporation of measures related to the freight process, ringing out alterations that aid its improvement, etc.

The structure of passenger time losses during travel as a result of using passenger transport is determined by the following elements of the transport process: moving to the places for boarding transport vehicles, transportation

points, freight, boarding of passengers and moving from the places for disembarkation to the final destination.

The quality of passenger service is characterized by the coefficient (K_s), which is defined as a correlation between the time that passengers spend travelling while in the transport vehicle to the total time that passengers need to move from one location to another, which is defined as the ratio of the time that passengers spend travelling:

$$K_s = T_{\text{travel}}/T_{\text{moving}}$$

In order to ensure high quality of service, it is necessary to:

- perfect the dispatch level of managing the transport process;
- stimulate drivers' quality of work;
- control personnel work along transport lines;
- purchase new, reliable and comfortable rolling stock;
- improve the quality of information services and the organization of

the freight process.

It is important for transport companies that carry out automobile passenger freights to determine the quality of their products and services on a strategic level with a view to the need for concentrating resources in places where it is possible to achieve major results within consumption and customer satisfaction. The significance of this factor should be analyzed both in the short run and the long run. The choice should be made on the basis of a comprehensive study of passenger expectations, perceptions and behavior (Tultaev, 2008).

In the short run, the management of service quality allows the provision of bonuses or discount prices. In the long run, the attraction of new passengers and the improvement of regular customers' attitudes increase the total quantity of trips and earnings of motor transport enterprises that carry out passenger freights.

5. Conclusions and Recommendations

In order to conduct their marketing studies and transport market analyses effectively, enterprises need to collect information about the state and situation of its service market and do a careful selection of actually applicable approaches and methods for their research. Transport freighters need to be able to define

their “customers” and distinguish them from the general group of “consumers”, segment the market and identify customer needs and desires in each segment. Most importantly, they need to study the market more from the perspective of the dynamic of their development rather than their static state; they should also be able to predict future changes in the market situation and study primary consumer needs, all the while modifying the product in accordance with the altered circumstances and, most importantly, be able to make effective decisions and take specific actions regarding the route network.

The success of every research activity involves the correct setup of the problems and the formulation of the study’s goals. These activities should be done in the earliest possible stages of the study. Therefore, it is necessary to make decisions regarding the necessary data and the methods for collecting information in order to determine the individuals responsible for the analysis and the presentation of the results. It is also necessary to establish a stable plan for the immediate study and for the incorporation of the results in the work of transport enterprises. By themselves, studies that grant researchers more knowledge of the market but do not lead to adequate reactions from people are not valuable.

By itself, marketing research is an independent scientific trend which combines elements from multiple sciences. It has a complex enough methodology which, by itself, represents a unification of statistical, economic, behavioral and personal marketing methods.

The sum of this information obeys the rules of statistical surveillance, statistical methods used in the assessment of the dynamic, variations, structure of market phenomena, and manifested trends and regularities.

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