

Improving a Car Dealership's Communications through the Comunicom Direct Active Communication System

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Abstract

The automotive industry is a trendsetter in communications, as it employs the latest technologies and communications techniques in order to adapt to the clients' needs. During 2006 to 2012 I implemented an innovative direct active communication system within a local Romanian Toyota dealership; the system called Comunicom (registered mark) aims to streamline the organization's communication processes with the dealership's target groups.

Comunicom is a matrix-based system adding communications applications to marketing. By combining data research & storing technologies and communications technologies with analyses and dynamic management matrices based on the organization's relations with clients, the system proves to be an efficient technology application for marketing communications. The implementation was successful, leading to significant improvements in the company's marketing communications mix and its commercial results. Once implemented, Comunicom was updated continuously and used over more than 5 years, leading to the same excellent commercial results.

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JEL classification: M31, M37.

Introduction

The automotive industry is an extremely dynamic sector, investing huge budgets in marketing communications and being this way a global trendsetter in both commercial and corporate communication. The automotive industry is quick to absorb new communications trends and technologies and employs them early on in different markets and contexts around the world. Thus, the car making industry adopts new marketing and communications ideas right after they are launched and is quick to test them.

The new technologies contribute to the development and streamlining of certain traditional communication channels and tools used by the automotive in its marketing communications mix; at the same time, the new technologies create new communication channels and tools that the car making industry currently uses in its marketing communications mix.

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These premises were tested during a project conducted between 2006 and 2012 by the company I manage, Oameni și Companii (“People and Companies”); the project was carried out at Mega Auto, the biggest Toyota dealership in Moldavia and the second-biggest Toyota dealership in Romania. The project’s objective was to implement a new cutting-edge marketing communications programme based on “direct active communication” - Comunicom.

1. The development and implementation stages of a “Comunicom” direct active communications system

“Comunicom” is a bundle of rules which help an organization to put together a systematic, organized and dynamic marketing communication strategy. The underlying principle of the “Comunicom” procedures is that modern marketing relies on direct, customized communication and that the driving forces behind this communication are public relations and relational marketing techniques based on the latest available tools. The “Comunicom” direct active communication system is a registered mark and constitutes the intellectual property of Cezar Caluschi.

Through an analysis of the organization, the analyst should obtain the necessary information package in order to identify the right design for the communication programme. The domains under scrutiny are the functioning of the decision-making process and particularly that of the management process, as well as the way the organization is structured: how it works, how decisions are passed forward, who the opinion-leaders and the decision-makers are, how communication takes place within and outside the organization, how well the communication process is understood in general, how the management views it and what are the expected results of the implementation of the direct communications programme.

An important step in the organization analysis is conducting external research using public material, on the Internet, in the written press, by interviewing people who are in regular contact with the organization implementing the project. This will allow an assessment of the manner in which the organization is seen from the outside and of the disparities between the message that the management feel they are conveying and what everyone else is actually understanding.

Once all the above information has been processed, the analyst proceeds to carry out an internal evaluation by interviewing the marketing, image and communications staff. These are the people who convey to the external world the messages created within the company. Once these interviews are completed, an evaluation of the organization’s communication processes can be carried out.

Anyone wishing to communicate can identify an organization as a communication partner only if it is represented by a person or a group of persons with whom the communicator is familiar or who are available to communicate.

Audience groups are those groups whose interests are affected by an organization’s activities or, vice versa, those groups whose actions or attitudes affect the organization on a short or long term. One of the major communication errors is drawing up a general communications plan with the target audience or

audiences and treating them as an homogenous whole. The audience targeted by an organization's communications strategy can sometimes be made up of scores of different audience modules. The more successful we are in isolating and identifying these audience modules, the better we will manage to draft messages and choose the best communication channels and tools for each of them.

The Comunicom direct active communication model underscores the need to have clear-cut audience groups, where the structure of every audience group needs to be extremely clear, not vague, general or defined superficially.

The most frequent audience groups that a communications specialist has to deal with are the media, business partners, opinion leaders in the sector, clients/partners, employees, the public at large, the political environment.

Once the communication objectives and the audience groups are clear, we can start fine-tuning, by identifying each of the recipients of our message personally. Our messages will be communicated directly and personally to as many members in the audience groups as possible.

The set of communications tools that are used in direct active communication ranges from the simplest, such as face-to-face meetings, to the most complicated, whose production requires the use of advanced technologies, such as interactive videos. Communications channels are all the channels we can employ in order to convey the agreed message to its recipient.

A communications matrix is a condensed version of the action plan in a communication programme. An integrated matrix contains all the information on the programme. An integrated communications matrix is made up of several composing matrices. For instance, after identifying the audience groups, we will draw up a communication matrix for each of them containing the following information:

- the message being conveyed - m
- the tools used - i
- the channels used - c
- the frequency of use - p

$$M=f(m,i,c,p) \quad (1)$$

The integrated communications matrix contains a summary of all this information and brings together all the separate communications matrices: it is the grand workplan, the roadmap, the project integrated in space and time, indicating responsibilities and deployment of resources.

Once the objectives, the messages, the audience groups, the tools and the communication channels have been set, one extremely important step when trying to systemize all the elements pertaining to the communication process is drawing up and implementing working procedures. These procedures are an integral part of the organization's communications matrix and describe each process sequence step by step. A standard procedure indicates who does what, how and at which frequency, to whom they report and in what ways they are evaluated.

2. The implementation of “Comunicom” in Mega Auto Iasi (2006-2012)

The company Mega Auto (a SRL - limited liability company) has been active on the car market in Iasi as an exclusive, authorised dealership for Toyota and Lexus cars since 2002.

Thanks to its well-formed sales team, Mega Auto saw its sales rise constantly up until the year 2008, when the overall car market saw a downturn due to the global economic crisis. Mega Auto sold 121 units in 2003, 189 units in 2004, 269 units in 2005, 427 units in 2006, 695 units in 2007, 624 units in 2008, 196 units in 2009 and 147 units in 2010.

In early 2006, the Manager of Mega Auto, Mr. Gabriel Manolache, asked us to provide recommendations on how to set up a medium and long-term communication strategy in order to achieve the following 6 objectives:

1. Turn Mega Auto into the biggest player on the Toyota/Lexus market in Moldavia
2. Turn Mega Auto into one of the 3 biggest Toyota/Lexus car dealerships in Romania
3. Turn Mega Auto into the car dealership offering the best after-sales service in Moldavia
4. Turn Mega Auto into the car dealership boasting the best dealer-client relations in Moldavia
5. Help Mega Auto spur a constant rise in brand awareness for the Toyota and Lexus brands in the Moldavia region
6. Help Mega Auto reach one of the best customer retention rates in Moldavia

We designed an interview schedule and an internal company analysis, as well as a qualitative research project based on focus groups. These processes took 2 months to complete. The analyses and implementation were carried out within every department in the company which fulfills internal or external communication functions through their activities: management, sales, service and marketing. The results of the analysis were as follows:

1. Mega Auto commanded a package of good internal communication procedures;
2. Mega Auto did have a package of external communication procedures, but communication was no longer in line with recent market standards and was not efficient enough to help achieve the 6 management objectives;
3. The employees at Mega Auto had very good technical skills and were motivated, but the management objectives that had been set required a new level of skills in pre-sale and after-sale communication;
4. We identified 4 categories of target groups on which we were going to apply the “Comunicom” programme: potential clients; existing clients who had purchased at least one car; existing clients who had purchased a fleet; former clients who had switched brands for various reasons.

In the implementation stage of the Comunicom System we set out clearly the following system details: the importance and ranking of the audience groups with which we were going to communicate within and outside the company; the communication tools that we were going to employ; the frequency at which we were going to employ them; the implementation and reporting tasks meant to ensure a design as precise as possible for the implementation procedures.

The consulting team started work on the Comunicom System procedures for Mega Auto and on designing the communications matrices, both individual matrices and customized matrices for each audience group, and the Mega Auto corporate matrix, which was to provide an overview of the entire communications taking place across the company.

After ranking contacts and communication tools, we went on to standardize the communication processes within the company by setting forth working procedures for each specific tool.

The implementation took over 1,000 hours of consultancy (evaluation, design, implementation and continuous support over more than 6 years, up to the present day).

Table 1: Toyota Corporate Communications Matrix

	Clients			Suppliers	Opinion leaders/VIPs	Local administration and political figures
	Current	Potential	Lost			
Gifts						
Company card						
Events						
E-mail						
Fax						
Photographs						
Gift cards						
Meetings						
Personalized items						
Messenger						
Text messages						
Letters						
Website						
Telephone						

Table 2: Sample matrix for an audience group

Group	Letters	Gift cards	Meetings	Events	Website	Personalized items	Telephone and text messages
Clients							
Current	Congratulation letters for important achievements	Cards for name days, Christmas and Easter	Yes, both in the showroom and on the recipient's premises	Any event organized by the company	PR materials with relevant statements and photos	Sent out in December	Spontaneous occasions - at least once a month
Potential		Cards on important occasions and religious holidays			Commercial information/monthly update	Sent out in December and at the time of purchase	Yes, at least twice a month
Lost		Cards on religious holidays			Commercial information/monthly update	Sent out in December	Yes, at least once every 3 months, on spontaneous occasions

3. Final external evaluation

Below is a comparative synthetic analysis of the communication tools employed by Mega Auto at the onset of the Comunicom programme and during its implementation.

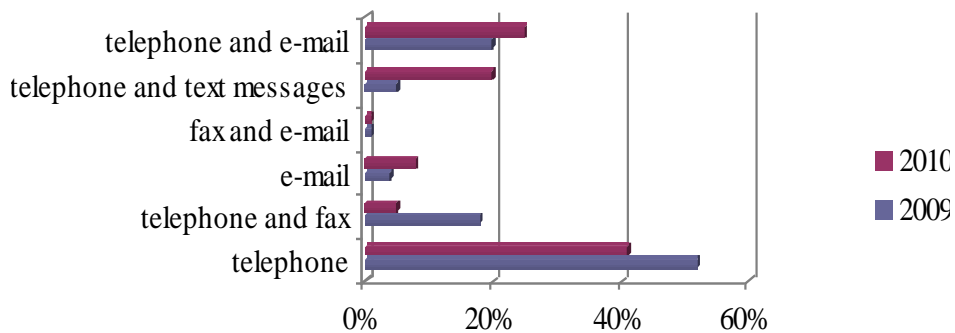
Table 3: Implementation stages of the Comunicom System in Mega Auto Iasi

Year	2006	2007	2008	2009	2010
Type of activity	analysis - initial evaluation	implementation	implementation	implementation	final evaluation
	system design	training	training	evaluation	training
	training		evaluation	training	

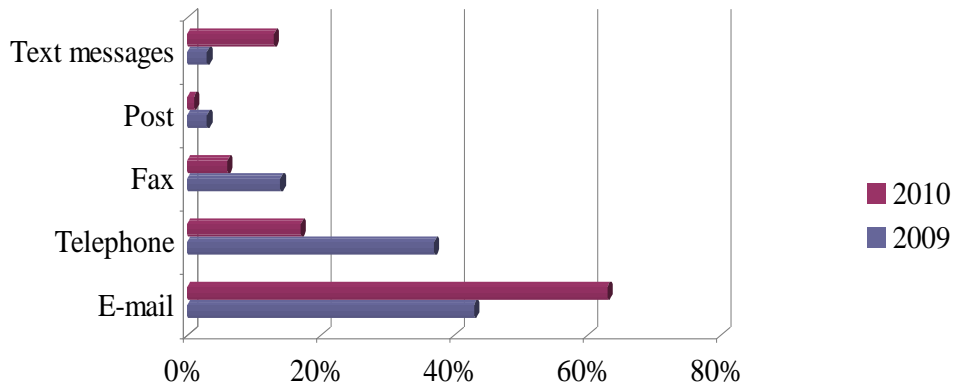
Table 4: The evolution of Mega Auto Iasi sales figures

Year	Toyota cars sold in Iasi	Overall car sales in Iasi	Toyota Iasi market share of the overall market	Evolution of overall car sales in Iasi
2006	382	10138	3.76%	
2007	648	13368	4.84%	up 31.86%
2008	597	10383	5.74%	down 22.30%
2009	172	3719	4.62%	down 64.19%
2010	141	2943	4.79%	down 20.86%
2011	163	2621	6.21%	down 10.94%
2012	174	2179	7.98%	down 16.86%

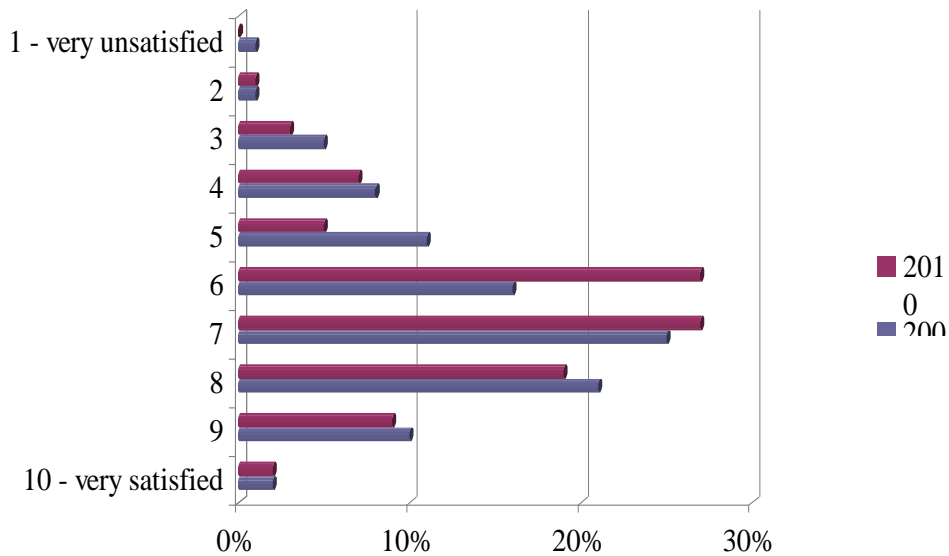
Mega Auto and Oameni si Companii applied a series of questionnaires in order to evaluate the external public's opinion on the communication tools. Satisfaction evaluation surveys and surveys to evaluate the communication tools employed by car companies were carried out in 2009 on a 880 target group of participants in the events organized by Oameni si Companii during the year. The same survey was carried out in 2010 on a 480 target group made up of participants in the year's events organized by Oameni si Companii.



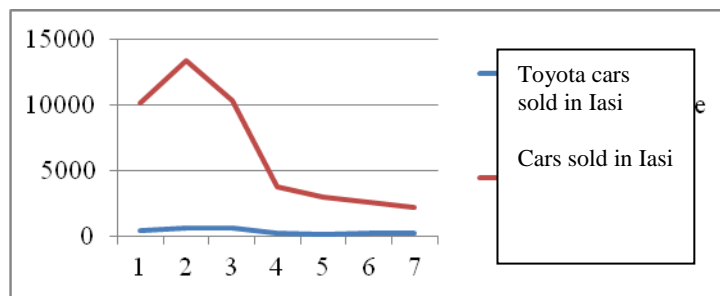
Graphic 1: Pre-sales and after-sales communication methods - a contrastive view 2009/2010



Graphic 2: Preferred method of communication - a contrastive view 2009/2010



Graphic 3: The clients' level of satisfaction based on how Mega Auto communicates with them - a contrastive view 2009/2010



Graphic 4: Mega Auto clients - the evolution of sales figures during 2006-2012

The graphs show that while Mega Auto employed the Comunicom matrix-based direct communication management system, the relevant client satisfaction indicators soared, particularly those related to communications. As the above graph shows, the average year-on-year increase of the segment “satisfied and very satisfied client” in 2010, the evaluation year, was over 200%.

With regard to sales - the indicator which best shows the way in which Mega Auto’s marketing objectives are achieved - the graphs show that despite an evolution consistent with the countrywide trend in 2006-2012 (with significant drops in 2009-2010), the Mega Auto sales curve was much flatter than the countrywide sales curve. In other words, Mega Auto sales recorded a much lower percentage drop than countrywide sales in the same brands and the same time frame.

Conclusions

The medium and long-term effects of the Comunicom Direct Communications System on Toyota are not only quantitative - as shown by the client’s profit and turnover figures - but also qualitative, reflected in more professional and more standardized marketing communication, as shown by the evaluation carried out 2 years after the system was implemented.

The spectacular commercial and management results achieved proved that:

a. the company was willing to invest in a very new and complex communications product that would help it perfect and modernize its marketing communications mix;

b. in the implementation process, the company resorted to further modern technologies available: modern computing and communications technologies, databases, electronic data storing and transmission applications, web tools;

c. the company was able to integrate, implement and employ the communications product in record time;

d. the implementation was successful, leading to significant improvements in the company’s marketing communications mix and it’s commercial results ;

e. due to its great success, the communication product was improved continuously and used over more than 5 years, leading to the same excellent commercial results.

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