

THE PROMOTION OF THE NATIONAL CAR BRAND

Ukrainian passenger car market has always been attractive for world motor companies as unsaturated market with low number of cars per 1000 citizens (187 cars). But car market it has changed dynamically lately. The main reason of the last change is the import taxes increasing and the enactment of the recycling law. The current situation is favorable for Ukrainian car factories, which are strategically important for our state. The taxation changes have affected on ZAZ trade mark, which has taken the first place by market share indicator. The market share of this company has grown to 8,3% by results of 9 months 2013 (Fig. 1). So that is a great time for strengthening positions and developing.

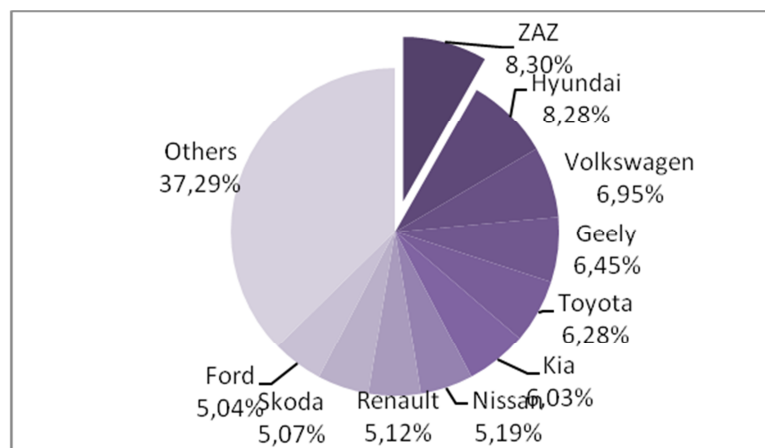


Fig. 1. Car market shares according to results of 9 months 2013

ZAZ Company took a lead by using pricing policy, because low price is the main reason for purchase of a car in our country. Nine the most purchased cars in Ukraine belong to low-cost price segment and three of nine models of cars belong to ZAZ trade mark by results of 8 months 2013. But enactment of new recycling law is expected. It will increase prices on cars, manufactured by the national plants. In conditions of price increase ZAZ cars can lose the priority and the company must search for other marketing instruments to manage this situation. Such methods as developing new product policy and changing product portfolio are too expensive and lengthy, so they don't match the tactical planning in the short term period.

Promotion is one of the most effective instruments of 4P in current situation. The perception of a car shows a place, that this car takes in the mind of a consumer. For example, Audi and BMW are perceived as German, quality, luxury cars, Toyota and Honda are perceived as valuable, their equipment meets their price in the opinion of the consumers. Ferrari and BMW are famous in the category of performance that means a car designed and constructed for speed.

The analysis of perception, opinion about ZAZ car brand generally and ZAZ cars in particular showed dissatisfactory result. ZAZ cars don't have any direct and clear perceptions. So ZAZ don't subject to the definition of the brand, as a set of perceptions and images that represent a company, product or service. At the same time they are associated with Zaporozets as not very attractive car, low quality and uncomfortable interior, frequent breakdowns and others. But there are some positive perceptions, such as affordable price, hardiness and patriotic sentiments.

ZAZ cars need a new advertising concept to change the perception and to get a right to be named the brand. The main aim of this advertising campaign is to show that the quality is higher than the price, so that everybody can allow himself to buy ZAZ car. In spite of the recycling law ZAZ cars will stay in the low-price segment, so it's advisable to form the perception of ZAZ as the first car of a person. It is aimed at the 18-25-years-old segment, characterized by a low level of income.

"Your first car" – this marketing message will attract young people, who want to buy a car but they aren't informed about prices. We must show that purchase of a new car is real, inexpensive and it is a great chance for young, starting independent live people. One of the varieties of this concept is "Our first car", aimed at young families and families with children. First of all we need to show the necessity of car in families with small kids in connection with difficulties in using public transport for them. The target audience of this advertising campaign is focused on the flexible payment terms, such as installment agreement. Three-year installment, for example, means that the customer pays only 1600 UAH ever months that is very easy considering the level of wages in Ukraine.

According to this concept we can imagine 4 basic commercials. The first commercial shows the young student, who have just graduated from the university and have received a new ZAZ car as a gift from his parents. He tosses up his square academic cap, sits in the new car and drives away. The second commercial shows the wedding, where the main gift is the ZAZ car. The third commercial shows the man, buying the new ZAZ car. He cares about it, preparing to something important. The next day he drives to the maternity hospital and takes away his wife with two newborn children. The fourth commercial shows a young man, starting his own business with ZAZ car. He works hard and his new car helps him to reach the success. All these commercials are associated with the most important and pleasant moments of our life. Key associations are the beginning, the family, the success, the care, and the youth, the reliability.