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Sales activities of Fuyao Group

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Abstract

One of the main characteristics of a market economy is the existence, development and maintenance of free competition. In the conditions of competition in the market, enterprises survive that can timely reorient themselves to the needs of consumers and will more effectively promote their products. With the growth of market saturation and increased competition between producers, strategic management of sales activities becomes one of the most important conditions for effective management. The period of reform in the Chinese economy revealed the presence of significant problems in the field of strategic management of the marketing activities of enterprises, including in the automotive industry. In market conditions, manufacturers face tasks, including: searching for new sales markets and studying the demand for products, creating an effective sales management system, determining the optimal sales volume, choosing the most rational distribution channels. One of the factors for their successful solution should be the formation of an adequate strategy for marketing activities, focused on the maximum consideration of consumer preferences, etc. This is due to the fact that, in fact, the strategic management of marketing activities is simultaneously considered both as a function and as a process of enterprise management. Therefore, the topic of the article is relevant at the present stage.

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Keywords

Sales activity, sales management, sales control, sales strategy, strategic management, sales policy.

Introduction

Marketing activity is one of the most important activities of the enterprise as a whole and includes the development and implementation of a set of measures to form an optimal marketing network for effective sales of manufactured products (creation of a network of wholesale and retail stores, intermediate storage warehouses, determining product distribution routes, organizing transportation, providing efficiency of goods distribution, etc.). In essence, it can be defined as an activity for the sale of labor products [Braddick, 2007].

On the other hand, sales activity is a two-way process of making contacts with the aim of achieving certain results, and, above all, increasing the sale of products in a certain market segment.

Marketing activity can be interpreted as a process of promoting finished products to the market and organizing a commodity exchange in order to extract entrepreneurial profit. Here, finished products mean products, works and services that can be offered by the enterprise as goods. Thanks to marketing, the main intermediate stage between production and consumption, the user receives at his disposal products and services in a certain place, at a certain time [Kleiner, 2007].

We produce sales goals from the goals of the enterprise, among which the goals of profit maximization currently prevail. The achievement of the latter is possible with the successful implementation of the following tasks in the field of marketing activities:

- optimal loading of production capacities with consumer orders;
- choice of rational distribution channels of goods movement;
- minimization of total costs in the economic cycle of the goods, including the costs of after-sales service and consumer service.

The main marketing functions can be grouped into three groups: planning, organization, control and regulation [Doyle, 2004].

Planning functions include: development of prospective and operational sales plans; analysis and assessment of market conditions; formation of an assortment plan for production according to customer orders; choice of distribution and distribution channels; planning advertising campaigns and developing sales promotion measures; preparation of cost estimates for sales and their optimization.

Among the functions of the marketing organization, it is necessary to single out: the organization of warehouse and container facilities for finished products; organization of sales and delivery of products to consumers; organization of pre-sales and after-sales customer service; organization of distribution channels and distribution networks; organization of advertising campaigns and sales promotion activities; organizing the training of sales personnel and managing the activities of trade missions; organization of interaction of all departments of the enterprise to achieve sales goals.

The functions of marketing control and regulation include: evaluation of the results of marketing activities; monitoring the implementation of sales plans; operational regulation of the marketing activities of the enterprise, considering the influence of external and internal interference; assessment and stimulation of the sales apparatus; statistical, accounting and operational accounting of marketing activities [Karlof, 2005].

Thus, the marketing functions of the enterprise are very diverse. In addition, it is necessary to take into account the peculiarities of their implementation by each commodity producer, which is largely determined by the following factors:

- nomenclature and scale of production;
- number and geography of consumers;

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- number and intensity of distribution channels;
 - the nature and forms of organization of distribution channels;
 - the image of the commodity producer and its distribution network, etc.

Achieving the desired results of marketing activities requires not only a clear description of them, but also a conscious orientation of the enterprise towards their achievement. In other words, the marketing orientation of an enterprise presupposes the organized work of all its divisions and services in a certain way [Enis, 2001].

Strategic management, aimed at achieving a specific end result in future periods through managerial decision-making, imposes certain responsibilities on the manager. All decisions in the field of strategic sales management (in relation to policy, strategy, structure) are made in an increasingly complex general economic environment. Its external "components" include: economic, political, social, cultural, technical, legislative and legal factors, market, competition, demand for goods, etc.

The internal "components" of the situation that determine the production and marketing activities of the enterprise include: a marketing plan and tasks assigned to the unit engaged in marketing activities; informal political and social connections in the organization; relationship between the sales department and other functional divisions of the company (production, supply, finance and accounting, personnel); relationships with other elements of the marketing process (research, marketing strategy, pricing, brand prestige, forecasting, advertising), etc. [Kotler, 2004a].

At present, in the economic literature, the concept of "strategic management of marketing activities" acquires a new meaning: it is not only the most important function of the enterprise, but also one of the most important principles of the concept of strategic management. Strategic sales management is characterized, firstly, as a marketing philosophy; secondly, as a market-oriented organization and management of the firm; thirdly, as the creation of marketing policy instruments [Kotler, 2004b].

Strategic sales management in the general management system of an enterprise is an element of a complex impact on production, distribution channels and on the consumer (client), through strategic planning, motivation, and control.

Strategic management of the marketing activities of an enterprise can be considered from two points of view: socio-economic and organizational and technical. Accordingly, a number of specialists define the objects and subjects of sales management in different ways. From a socio-economic point of view, the object of sales management can be a sales manager, the subject are sales agents. From an organizational and technical point of view, goods movement itself can be distinguished as an object, and a sales agent can be distinguished as a subject.

In most large and medium-sized enterprises, strategic management of sales activities is carried out by specialists in sales departments, whose functions may vary, and are often determined by the industrial relations that have developed at the enterprise.

The activities of the sales apparatus can be organized in the following ways: by territory, by product, by groups of buyers.

The simplest and most common form, if the company's products are diversified and sales are carried out in several markets, is the organization of sales management by territory (region). In this case, the sales division can be organized according to the divisional principle, which implies an independent organization of sales for each channel. At the same time, the sales manager must sell the entire range of the enterprise's products in his region, that is, perform a full range of marketing functions. This allows you to more professionally focus on each product, consumer or geographic region [Kotler, 2004a].

This form of sales organization, as the most economical one, is used by most of the small enterprises, especially with a small assortment of products. Large enterprises do not use this model in its pure form, although they often include it in other forms of sales management organization. The advantages of this form include the simplicity of coordination work, close communication between clients, and small travel time associated with solving marketing problems. On the other hand, marketing costs increase (the number of employees, the cost of rent, security, etc. increase) [Enis, 2001].

Opposite to the considered form of organization of sales management is the orientation towards types of products. With such an organization, individual sellers are responsible for the sale of one, rarely several types of products without determining specific sales areas. For different types of products, special divisions are created within the sales department. The main advantage of this form is the possibility of specializing these departments according to various criteria – technical features of products, marketing prospects, methods of selling certain types of products. In addition, the efficiency of coordination of production and marketing of products is increasing. This form is used, as a rule, by enterprises with a wide and complex range of products and services. Its disadvantage is that sellers operating in the same region often turn to the same customers [Kotler, 2004a].

The advantage of this form of sales organization is also that, working with certain consumers, employees are well aware of the desires of customers and can contribute to the development and development of new products, the development of promising programs and projects for the company, which is especially important when there is strong competition. However, the disadvantages of this option are also obvious: poor coordination between individual regions, as well as high marketing costs. Therefore, sales organization with a focus on groups of buyers is usually applied to large customers.

With a low profitability of the goods (which can be caused by both market conditions and high costs of enterprises), sales can be organized on the basis of a matrix management structure, characterized by the fact that the main line managers are not the heads of departments, but managers responsible for specific sales channels. The task of other departments is to provide the business with the necessary resources. Distribution and control of resource use is assigned to resource managers [Evans, Berman, 2000].

The development and organization of experimental sales of new products can be carried out within the framework of project management. A project plan is developed (goal, amount of resources, deadlines), specialists from their own functional units or other organizations are involved, and a project manager is appointed.

The number and professional level of performers directly depend on the way the sales apparatus is organized, the methods used to contact customers, and the scale of the enterprise's activities. Of particular importance for sales managers due to the possible territorial dispersal of the apparatus of employees and the non-standard nature of the work of sales personnel is the manageability of one manager [Fuyao Group, www].

The use of such tools as the creation of a network of dealers and retailers, orders for goods with delivery at a certain time, the creation of special target groups of distributors, suggests an increase in the size of the strategic sales management apparatus. According to experts, a smaller number of sales managers is required in those industries where there is a formation of larger functional units or rationalization as a result of a merger of enterprises. In both cases, the number of points of sale that must be covered by a network of sales agents is reduced. However, in this case, there may be a need for employees of a different type – employees of a higher rank who have the right to independently negotiate and conclude contracts.

Among the key tasks of strategic sales management, of course, is the profitable sale of the

company's products in the long term. In addition, in consumer-oriented firms, strategic sales management should contribute to the implementation of the following activities:

- planning, forecasting, development of strategy and tactics of market promotion of the product;
- determination of sales targets, recruitment and selection of personnel;
- organizing, coordinating, managing, stimulating and improving the skills of individual employees;
- monitoring and evaluation of results;
- organization of effective management, information and other support for sales;
- conclusion of profitable contracts.

For the purposes of strategic sales management, it is important to have adequate information about the inventory in the warehouse, actual deliveries to customers, and the status of payments for the delivered goods [Enis, 2001].

Thus, we can conclude that the strategic management of marketing activities occupies an important place in the overall enterprise management system. Its effectiveness is largely determined by the type of organizational structure and sales management methods, the nature of the functions and tasks to be solved, both in tactical and strategic aspects.

Discussion

Fuyao Group was founded in 1987 in Fuzhou, China. In such a short time, she managed to take certain positions in the market and approve them. Namely, to become one of the world leaders in the production of safety automotive glass of various categories, as well as industrial glass. The structure of the enterprise today includes not only Chinese, but also foreign capital [Fuyao Group, www].

"Fuyao Group" produces windscreens, side and rear windows using new technologies: water-repellent, heat-absorbing, reinforced and reflective coating, with a built-in heating system based on tungsten filaments.

The production facilities of the group of companies are located in 16 provinces of China and 11 countries around the world. Subsidiaries of the group are present in the US market, European countries, Australia, Japan. The Fuyao Group has repeatedly been awarded the title of "Chinese Best Trademark" since 2004, this title has belonged to it almost every year. In 2009, the company entered the TOP-100 largest manufacturers in China.

Using cutting-edge technology, computer-aided design and the most advanced equipment available today, FYG is the largest glass supplier in China. All FYG products have international quality certificates including ISO 9002, QS 9000, VDA6.1, 14000 and TS 16949 certificates from the International Organization for Standardization [Fuyao Glass Industry..., www].

Sales of Fuyao Group products are carried out in 70 countries of the world: in Asia, Europe, the USA and Russia.

Currently, Fuyao Group occupies 25% of the global automotive glass market, which has allowed it to become one of the world's largest suppliers, whose products are recognized and acquired by the world's leading car manufacturers such as Bentley, Mercedes-Benz, BMW, Audi, GM, Toyota, Volkswagen. Ford and Chrysler.

More than 80 automakers around the world purchase glass directly from the Fuyao Group for use as original components in the assembly line of their cars.

Fuyao Group's marketing policy goals [Fuyao Group, www]:

- meet the demand of consumers to the maximum extent;

- ensure the volume of sales prescribed in the marketing strategy;
- increase the company's market share;
- increase the profit of the enterprise;
- strengthen your position in the niche and increase competitiveness;
- take the company to new markets;
- bring a new product to the market;
- retain existing customers;
- Cultivate loyalty to the "Fuyao Group" brand.

Recommendations and conclusions

One of the most promising tools for the sales strategy of Fuyao Group is the customer relationship management system – CRM (Customer Relationship Management). This system is a sophisticated form of database-driven marketing. Its advantage is a unique software that allows you to use the information about the consumer collected to achieve a greater effect from direct marketing activities.

As practice shows, many manufacturers are trying to put together information about consumers that is available in different departments of their companies, that is, to bring it into a common database.

The term CRM began to be used more than five years ago, but automakers did not immediately understand the benefits of this system. Initially, it was implemented in banks, telecommunications and mailing companies. The prerequisites for the emergence of the system in the automotive industry can be formulated as follows: the need to maintain contact with people who have already sold cars, as well as with those who may become buyers in the future.

According to most experts, CRM systems are successfully applied at the initial contact of company employees with a client, if there are from 25 to 3,000 potential buyers for each employee. These systems focus on the following areas: marketing budgeting; product promotion management; collecting information about the market; maintaining a database of contacts; sales management; marketing channels management; supply and service.

A tool for interacting with customers or potential buyers is most often a corporate website that serves to provide information on issues of interest and keep attention to products. The client must first fill out a special form. Information is entered into the database for all clients of the company and entered into a separate card. Based on the data received, the procedures for the work of sales managers are regulated.

Heads of after-sales service departments use the system to track customer problems and their suggestions for improving products. The result of this work is consumer preference for a particular brand of automotive glass.

However, Fuyao Group, which initially praised the introduction of a customer relationship management system to the software market, is not entirely sure that the money spent on it will pay off. Indeed, the initial investment in CRM is capital-intensive, which is recognized by specialists and company managers. All companies keep in the strictest confidence the amount of funds allocated for the implementation and use of these systems. However, given that attracting new customers to the Fuyao brand costs, according to some estimates, about five times more than retaining existing ones, the company is paying for such costs.

The fact that the Fuyao Group, operating in the global market, is increasingly paying attention to transactions via the Internet, allows us to conclude that despite the obvious advantages, the heyday of CRM is yet to come. By starting to implement e-business schemes, manufacturers thereby formed

alternative channels for the distribution of goods and services, saving the buyer from the need to enter into direct contact with the seller. The advantages of this were the minimization of the commodity distribution chain, the reduction of marketing and household costs. However, in doing so, the Fuyao Group lost some of its customers, and in some cases lost its edge over younger competitors with better Web knowledge. Having objectively assessed the situation, Fuyao Group had to re-gain the trust of customers, continuing to actively use the possibilities of the Web, but to increase the efficiency of its activities and increase revenues through the introduction of customer relationship management systems [ibid.].

The Internet and CRM have a significant impact on the way companies interact with individual customers. According to many experts, it is CRM that solves the problem of misunderstanding between customers and product suppliers through an e-commerce system. Fuyao Group, which has implemented CRM, mainly uses the opportunity to evaluate customer satisfaction, increase the number of purchased goods, and increase profits from each customer.

When used correctly, consumer data helps Fuyao Group understand how to better serve the customer and what they want to buy in the future. Despite the obvious complexity of this task, it is more difficult to process the data and determine the scope of the information obtained, since the lack of data is the main reason for the failures in research on consumer behavior.

With this in mind, today software vendors are actively developing CRM systems. The latest versions use neural network technologies to predict consumer preferences, even if customers have not yet thought about a future purchase. Thanks to these capabilities, Fuyao Group can form the most effective marketing strategy and evaluate sales growth for certain categories of customers.

Fuyao Group's customers, in particular dealers, regular wholesale buyers and end buyers, expect a certain benefit from the implementation of CRM. According to online surveys conducted by Fuyao Group, 83% of customers would like to access information about their balance of payments and orders directly from the supplier's website. Almost 76% of buyers expressed their willingness to purchase goods and services via the Internet. In addition, buyers want the official site to have visitor differentiation, link the site with delivery channels, and have a function to automatically notify users when goods and services appear in which there is a special interest.

At present, Fuyao Group has equipped its website with additional tools that allow the consumer to submit complaints, suggestions or request additional information on the product of interest to him; get information about goods and services and leave your comments; direct the client to other pages of the site in accordance with the concept of cross-selling; monitor the actions of the client and interpret them properly.

For dealers of Fuyao Group two information systems have been created, access to which is closed for outsiders. The first system is informational; each official dealer, using it, can receive in real time comprehensive information about the progress of his order. This implies access to data on the execution of the supply contract, shipment, prices, etc. The second system is a kind of "prototype" of the marketing information system being created. One of the main blocks is the collection of marketing information about regional markets; prices and spare parts in regions, sales volumes, data on competitors.

The next important, in our opinion, recommendation is that at present there is no need to place service centers on expensive retail space. It is more expedient for the manufacturer Fuyao Group to concentrate all service departments in one large center, this will significantly reduce costs. Cars will be picked up for repairs and returned to their owners by dealership drivers, in some cases leaving another car to the owner for the duration of the repair. This will allow the dealer to keep in touch with customers

and control the ongoing work [Kotler, 2004a].

If you look at the service department from the point of view of logistics, you cannot help noticing its effectiveness. Relationships with customers will gain flexibility, which will undoubtedly contribute to the growth of profits.

Until recently, the system of car distribution through dealer networks, which allowed manufacturers to dictate their terms on the market, did not give the expected results. Its further development is questioned by many leading experts in the field of marketing and sales.

In our opinion, official dealers will remain the dominant sales model for the next 5-10 years. But that doesn't mean they won't face increased competition, especially in a market where prices are falling, the difference between buying and selling prices is shrinking, and warranty requirements are rising. The emerging trends suggest that over the next 5 years, new forms of sales will appear and significantly increase.

The reaction of dealers must be rapid adaptation and transformation in accordance with the new conditions, otherwise the consequences can be very serious. Of course, some of them will lose their positions in the market. Realizing this, Fuyao Group set about changing its dealer networks. The complexity of this process cannot be underestimated: if any other retail sector is changing very quickly, the dealer network has hardly changed in decades. Such rates are unacceptable for restructuring. In order to offer customers the best sales and service and make a profit, you need to redesign the basic processes of the dealer relationship with the direct manufacturer.

Also, it's worth noting, that it is impossible to change a business without the support, involvement, training and development of staff. The experience of Western enterprises shows that the existing practice of personnel management often hinders progress. Some reward systems are used as a poor substitute for effective personnel and workflow management. But it is impossible to build a consistent service delivery system and a company with a strong corporate culture with employee turnover. In our opinion, the development of a personnel management system in the field of sales is not only training in special courses, but also training, mentoring, providing opportunities for career growth and development, as well as real powers, and improving working conditions.

So, if Fuyao Group and its dealer networks are to succeed in the marketplace, they must be more mindful of the need for change in their business. The official dealer model may still exist for a long time, but only those who consider the changed conditions will be able to survive. This is especially true for China: almost all competitors have come to realize this problem by starting to change their dealer networks and relationships with them. In essence, this is a process of natural selection; prosperity must be earned, not obtained by chance.

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Торговая деятельность компании Fuyao Group

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Аннотация

Одной из основных характеристик рыночной экономики является наличие, развитие и поддержание свободной конкуренции. В условиях конкуренции на рынке выживают предприятия, которые смогут своевременно переориентироваться на потребности потребителей и будут более эффективно продвигать свою продукцию. С ростом насыщенности рынка и усилением конкуренции между производителями стратегическое управление сбытовой деятельностью становится одним из важнейших условий эффективного управления. Период реформ в китайской экономике выявил наличие существенных проблем в области стратегического управления маркетинговой деятельностью предприятий, в том числе в автомобилестроении. В рыночных условиях перед производителями стоят многие задачи, в том числе поиск новых рынков сбыта и изучение спроса на продукцию, создание эффективной системы управления продажами, определение оптимального объема продаж, выбор наиболее рациональных каналов сбыта. Одним из факторов их успешного решения должно стать формирование адекватной стратегии маркетинговой деятельности, ориентированной на максимальный учет потребительских предпочтений и т. д. Это связано с тем, что, по сути, стратегическое управление маркетинговой деятельностью можно одновременно рассматривать и как функцию, и как процесс управления предприятием. Поэтому тема статьи весьма актуальна на современном этапе.

Для цитирования в научных исследованиях

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Ключевые слова

Торговая деятельность, управление продажами, контроль продаж, стратегия продаж, стратегическое управление, политика продаж.

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