

Polous OlhaDoctor (Candidate) of Economic Sciences, Associate Professor
Professor at the Department of Marketing
National Aviation University**Horiunova Kateryna**Junior Researcher of the Department of Business and
Rural Development Management,
Vytautas Magnus University**Beznitska Daria**Student
National Aviation University**Полоус О.В.**

Національний авіаційний університет

Горюнова К.А.

Університет Вітовта Великого

Безніцька Д.О.

Національний авіаційний університет

TRANSFORMATION OF THE AUTOMOBILE SECTOR COMPANIES` INTERNATIONAL MARKETING STRATEGY TAKING INTO ACCOUNT FACTORS OF SUSTAINABLE DEVELOPMENT

ТРАНСФОРМАЦІЯ СТРАТЕГІЇ МІЖНАРОДНОГО МАРКЕТИНГУ КОМПАНІЇ АВТОМОБІЛЬНОГО СЕКТОРУ ІЗ УРАХУВАННЯМ ФАКТОРІВ СТАЛОГО РОЗВИТКУ

The paper examines the theoretical and practical foundations of the transformation of the company`s international marketing strategy in the automotive sector, taking into account the factors of sustainable development. The importance of taking into account the factors of sustainable development when developing strategies and business models of companies in order to maintain their competitiveness in changing and developing markets is emphasized. It has been established that the automobile market plays a significant role in the world economy and significantly affects its development. The production and sale of passenger cars and light commercial vehicles contribute to the overall economic output of many countries and have a ripple effect on related industries such as manufacturing, technology, and transportation. Fluctuations in the volume of car sales on the global market were analyzed and the key factors that influenced their decline were determined. The global automotive industry has been severely affected by the COVID-19 pandemic, disrupting global supply chains and causing temporary factory shutdowns. Worldwide car sales experienced a modest growth from around 66.7 million units in 2021 to approximately 67.2 million automobiles in 2022. This growth suggests a potential recovery from the downward trend witnessed in the previous years. It is emphasized that the management of automotive enterprises should anticipate the changing dynamics of the market and invest in innovation in order to remain a competitive business. Automotive companies that have set themselves the goal of using sustainability as one of the vectors of their international marketing strategy should actively communicate their sustainable initiatives and achievements in order to attract the attention of consumers and create an image of a responsible and socially oriented company. A model of the transformation of a company`s international marketing strategy in the automotive sector, taking into account the factors of sustainable development is proposed.

Key words: marketing, international marketing, sustainable development, value marketing, post-pandemic period, transformation, globalization, automotive sector.

У статті розглянуто теоретико-практичні основи трансформації стратегії міжнародного маркетингу компанії автомобільного сектору із урахуванням факторів сталого розвитку. Підкреслено важливість врахування факторів сталого розвитку при розробці стратегій та бізнес моделей компаній задля збереження їх конкурентоспроможності на ринках, що змінюються та розвиваються. Встановлено, що автомобільний ринок відіграє значну роль у світовій економіці та суттєво впливає на її розвиток. Виробництво та продаж легкових автомобілів і транспортних засобів сприяє загальному економічному розвитку багатьох країн і впливає на суміжні галузі їх економіки, такі як промисловість, технологічний сектор та транспорт. Проаналізовано коливання обсягів продажів автомобілів на глобальному ринку та встановлено ключові фактори, які впливали на їх падіння. Виявлено, що пандемія COVID-19 сильно вплинула на автомобільну промисловість у всьому світі, порушивши глобальні ланцюжки поставок та призвівши до тимчасового закриття виробництв. Продажі автомобілів у всьому світі помірно зросли з приблизно 66,7 мільйонів одиниць у 2021 році до приблизно 67,2 мільйонів одиниць у 2022 році. Це зростання свідчить про потенційне відновлення після тенденції до зниження, яка спостерігалася в попередні роки. Наголошено, що менеджмент автомобільних підприємств має передбачати мінливу динаміку ринку та інвестувати в інновації, щоб залишатися конкурентоспроможним бізнесом. Автомобільні компанії, які поставили собі за мету використовувати сталість як один із векторів своєї міжнародної маркетингової стратегії, повинні активно поширювати свої ініціативи та досягнення у сфері сталого розвитку, щоб привернути увагу споживачів та створити імідж відповідальної та соціально орієнтованої компанії. Запропоновано модель трансформації стратегії міжнародного маркетингу компанії автомобільного сектору із урахуванням факторів сталого розвитку. Підкреслено, що використання елементів концепції сталого розвитку за різними напрямками міжнародної маркетингової стратегії дозволить автомобільним компаніям не лише розвивати перспективні ринки та створювати позитивний імідж бренду, а й впливати на поведінку споживачів та сприяти сталому розвитку суспільства в цілому.

Ключові слова: маркетинг, міжнародний маркетинг, сталий розвиток, маркетинг цінностей, постпандемічний період, трансформація, глобалізація, автомобільний сектор.

Statement of the problem. In today's innovative and digitalized society, social and environmental responsibility are becoming increasingly important for both companies and consumers of their products. Consumers in many countries around the world are becoming more aware and paying attention to how companies affect the environment, society and what working conditions they create for their employees. In many areas of their consumption, they tend to choose products and services from companies that demonstrate social and environmental responsibility, therefore, it becomes important for companies in different sectors of the economy to take these factors into account when developing their strategies and business models in order to remain competitive in the market.

At the same time, the values of sustainable development can have different significance in the hierarchy of value orientations of consumers in different countries, since it can be influenced by cultural, social, economic and environmental factors. Thus, in developed countries with a high level of environmental awareness and social responsibility, consumers often focus on sustainability and environmental responsibility when choosing products, while in some developing countries or in countries with other priorities in the economy and society, sustainability may have a lower level of significance in the hierarchy of consumer values.

Flexibility and adaptability in an international marketing strategy can enable an automobile company to best respond to the value orienta-

tions of consumers in different countries and increase its attractiveness in the international market by developing and promoting environmentally friendly and energy-efficient car models, actively participating in sustainable production and waste management programs, and also partnerships with local environmental organizations. At the same time, the problem of transforming the international marketing strategy of an automobile company is a topical issue today, which should be studied in more details.

Analysis of recent research and publications. Problems of continued functioning of the automotive market, both nationally and globally, related to the practice of a number of Ukrainian and foreign scientific researchers. So, Polous O.V., Radchenko G.A., Parker M.O. [7], Savich O.P. [8] purposefully follow the last trends that contribute to the functioning of the global automotive market and explore possible ways in the transformation of the activities of automotive manufacturing companies for the sake of competitiveness. The authors Boiko O.V., Dvulyt Z.P. [2], Deineka O.G., Nesterenko A.S. [4], Fedotova I.V., Bocharova N.A. [10], Ajanovic A., Haas R. [11], Antonacci A., Del Pero F., Baldanzini N., Delogu M. [12] in their works form the foundations of the importance of the concept of sustainable development for the successful transition of the transport system to a new level of functioning, laying the foundations for a further increase in the importance of this concept in the marketing activity of automotive

companies. In the works of Arefieva O.V. [1], Vergun A.M., Tarasenko I.O. [3], Ivanchenko V.O. [5], Polous O.V., Hrebelnyk O.A. [6], Semenenko I.M. [9], Springer [13], Higgins Karen L. [14], Khoshnava S.M., Rostami R., Zin R.M., Štreimikiene D., Yousefpour A., Strielkowski W., & Mardani A. [15], Loiseau E., Saikku L., Antikainen R., Droste N., Hansjürgens B., Pitkänen K., Leskinen P., Kuikman P., & Thomsen M. [16], Merino-Saum A., Clement J., Wyss R., & Baldi M.G. [17] we can find research on the elements of the concept of sustainable development and their results, which can be adapted for use in the system of transformation of the company's international marketing strategy in the automotive sector, taking into account the factors of sustainable development.

Objectives of the article. The purpose of the paper is to develop theoretical and practical recommendations for the transformation of the company's international marketing strategy in the automotive sector, taking into account the factors of sustainable development based on the use of value marketing.

Summary of the main research material. The automotive market plays a significant role in the global economy and has a substantial impact on its development. The production and sale of passenger cars and light commercial vehicles contribute to the overall economic output of many countries and have a ripple effect on related industries such as manufacturing, technology, and transportation.

But automotive market is highly cyclical. It experiences fluctuations in demand and sales over time, leading to periodic sales crises. These cycles are influenced by various factors, including economic conditions, consumer preferences, fuel prices, regulatory changes, and technological advancements (Figure 1).

Over the past 15 years, the automotive industry has indeed faced several sales crises. For instance, the global financial crisis in 2008–2009 had a severe impact on the industry, causing a significant decline in sales and production volumes. This crisis was followed by a period of recovery, with sales gradually increasing.

In recent years, the industry has faced other challenges, including trade tensions, changes in emission regulations, and shifts in consumer preferences towards electric vehicles and alternative mobility solutions. These factors have contributed to fluctuations in the automotive market, with periods of growth followed by periods of contraction.

The COVID-19 pandemic has had a profound impact on the automotive industry worldwide. The pandemic disrupted global supply chains, caused temporary factory closures, and significantly affected consumer demand. Many countries experienced sharp declines in vehicle sales during the initial stages of the pandemic, leading to a major crisis for the industry. However, as the situation gradually improved and economies reopened, the automotive market started to recover.

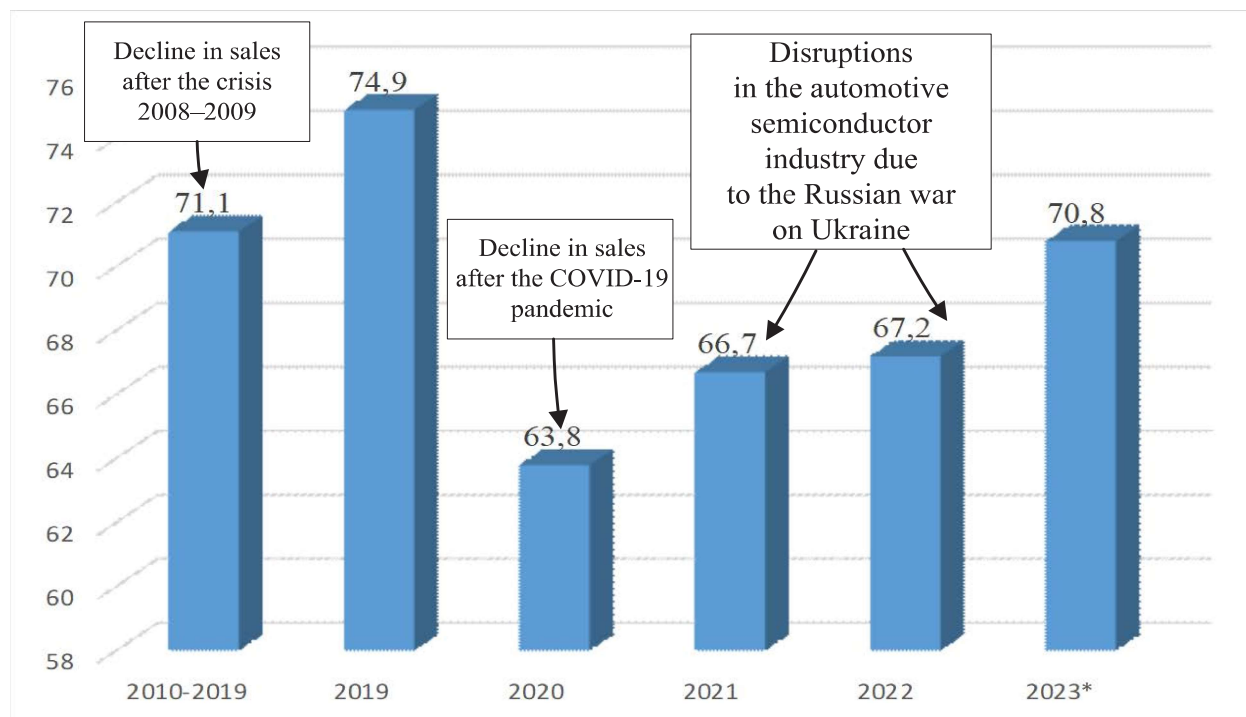


Figure 1. Number of cars sold worldwide from 2010 to 2022, with a 2023 forecast (in million units)

Source: built on Statista data [18]

Worldwide car sales experienced a modest growth from around 66.7 million units in 2021 to approximately 67.2 million automobiles in 2022. This growth suggests a potential recovery from the downward trend witnessed in the previous years. The automotive industry faced significant challenges during 2020 and 2021, including the impact of the COVID-19 pandemic and disruptions in the automotive semiconductor industry due to the Russian war on Ukraine. These factors contributed to a slowing global economy, supply chain disruptions, and shortages in critical components. However, despite these obstacles, the forecast suggests that car sales will continue to rise in 2023.

Overall, the cyclical nature of the automotive market underscores the importance of adaptation and resilience for companies operating in this industry. Manufacturers and other stakeholders need to navigate through these cycles, anticipate changing market dynamics, and invest in innovation to stay competitive in an evolving automotive landscape.

The priority of sustainability in the hierarchy of values of car buyers in the 21st century is steadily increasing. Growing awareness of the need to preserve the environment for future generations and social responsibility is influencing how people make car buying decisions. It is important for automotive companies to adapt their marketing activities to this trend and offer relevant products and services. For example, they can develop and market low-emission vehicles, electric or hybrid models that help reduce environmental impact. Companies can also focus on their sustainable manufacturing processes, recycling and waste management, and social initiatives such as community involvement and support for charities.

However, it is important to take into account that the value priorities of people differ in different countries, so car companies need to conduct market research and analyze consumer preferences in different regions. This will help them tailor their marketing strategy and offer products and services that align with the value priorities of specific markets. In general, taking into account differences in value priorities between countries is a key aspect of successfully adapting the international marketing strategy of automotive companies to the sustainable development trend.

Marketing activities in the field of product, price, distribution and communication policies can help people overcome barriers and shape their buying behavior in accordance with declared values, including sustainable development. At the same time, the system of values for different stakeholders will be somewhat different, which is reflected in the model proposed by the authors for

the transformation of the international marketing strategy of a company in the automotive sector, taking into account sustainable development factors (Figure 2).

If systematize the core values that various stakeholders want to receive from participating in the activities of any enterprise, including an automobile company, then we can summarize that:

- participation of owners (shareholders) in the company is associated with financial investments that they make in the hope of increasing the value of their investments and generating income;

- employees are company members who receive payment for their work, as well as various additional benefits and bonuses (for example, health insurance, pension contributions, paid vacation, sick leave, and others), which constitute a significant part of their compensation package;

- consumers who expect certain benefits from the goods or services they purchase may be loyal to the company as long as their needs are met at a reasonable price;

- suppliers, who are an important part of the production chain and carry out deliveries, make a significant contribution to the successful development of the company. They have an interest in continuing their business and cooperation with the company;

- society (local communities) seeks tax revenue, job creation, charitable donations and other benefits. In addition, they also show interest in the company's activities in terms of environmental safety, development of regional infrastructure and other aspects.

Conclusions from the study. Thus, automotive companies can achieve the sustainability of their products through increased durability, recyclability and disposal. At the same time, it is important to actively communicate these benefits and product values so that consumers understand them and can make an informed choice. Companies can offer incentives and benefits to shoppers who choose sustainable products, which can encourage shoppers to make more sustainable choices and influence their purchasing behavior. Also critical is the intensification of the promotion of sustainable products through various marketing channels and the establishment of strategic partnerships with organizations that share such values. Automotive companies that have set themselves the goal of using sustainability as one of the vectors of their international marketing strategy should actively communicate their sustainable initiatives and achievements in order to attract the attention of consumers and create an image of a responsible and socially oriented company, which will build trust and strengthen relationships with stakeholders.

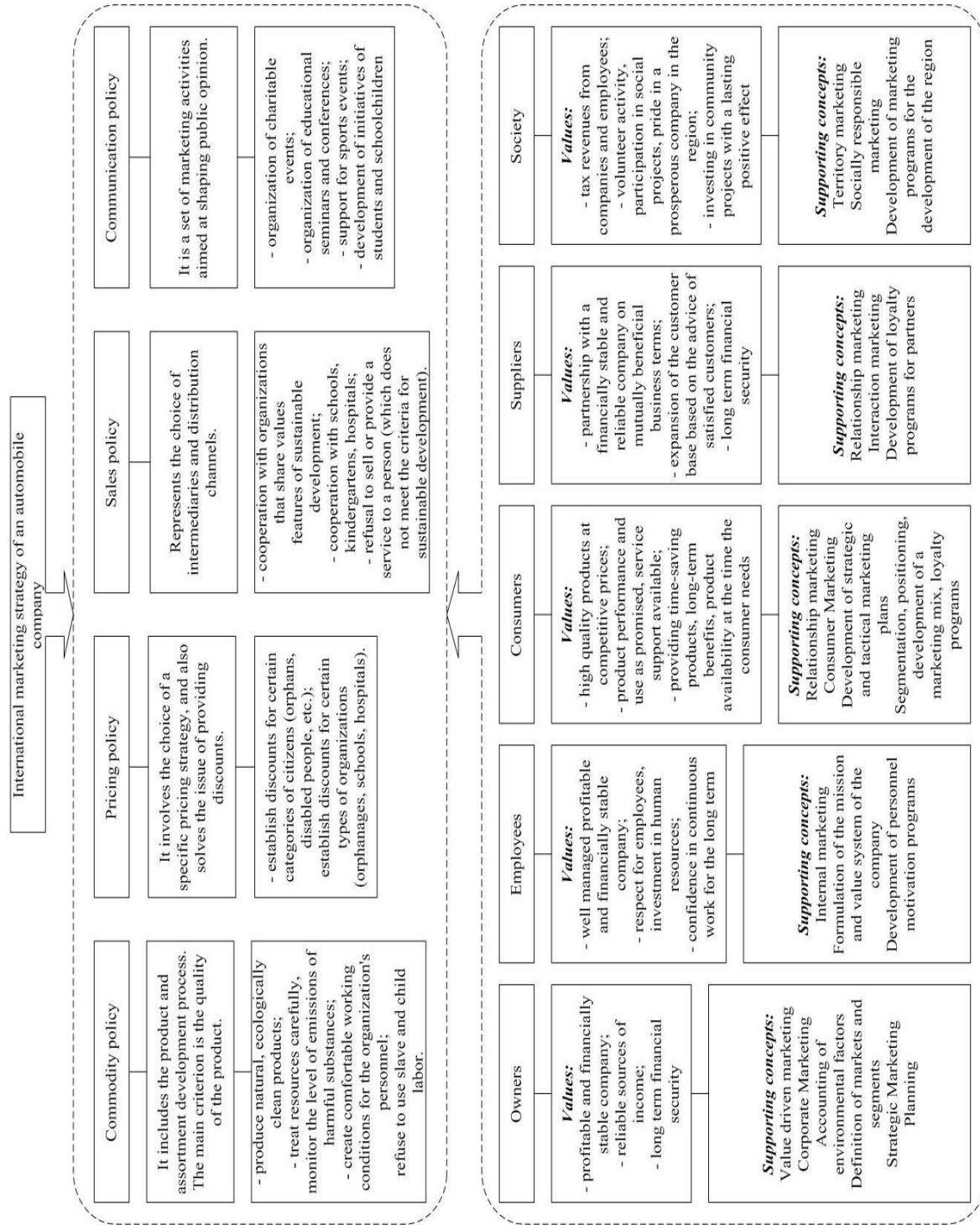


Figure. 2. Model for transforming of the company`s international marketing strategy in the automotive sector, taking into account sustainable development factors

It should be noted that the identification of priority market segments related to sustainable development is an important step for automotive companies that are aimed at actively transforming their international strategies along this vector. Their marketing strategy can focus on attracting and retaining customers who value and actively support sustainable development, which will help build a positive brand image and strengthen

relationships with governments and civil society organizations that also make sustainability a top priority. In general, sustainable marketing activities in different areas of the international marketing strategy will allow automotive companies not only to develop promising markets and create a positive brand image, but also to influence consumer behavior and contribute to the sustainable development of society as a whole.

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