Chapter 15

Controlling Instruments for the Sustainability of a Business: Research regarding the Application of Marketing Controlling Instruments in Business

Corina Pelau  
Bucharest University of Economic Studies, Romania

Vlad Rosca  
Bucharest University of Economic Studies, Romania

ABSTRACT

The controlling activity has developed in the past years because of the need of companies to permanently monitor their performance and because of the need to adapt to the changes of the environment. In comparison to some decades ago, the present dynamic changes in the technological and social environment determine companies to be more agile regarding their strategies. In this article there are presented the main instruments used in marketing-controlling and an overview of the use of controlling instruments in companies, based on secondary data. The results of these researches show that companies use more and more frequent controlling instruments than in the past.

INTRODUCTION

Experts say that in business similar to nature, only those companies can survive which have the ability to adapt to the circumstances of the environment. The controlling department of a company tries to develop the companies’ capacity of adaptation by developing a system of indicators and methods which permanently monitor and measure its efficiency and efficacy. Especially in times, when there is an increased dynamic of changes in the environment or in time of crisis, it is important for companies to develop through the controlling system, a capacity of adaptation to the environment in order to assure its long term success.

Especially in turbulent times, it is important for a business to have a well-developed controlling system. One of the main roles of controlling is to guide a company towards its performance, by avoiding the risks and by diminishing its weaknesses. The role of controlling is even bigger in turbulent times, when the risks are higher, more frequent and unexpected, by providing the management the necessary information, data or indicators in order to be able to take the right decisions. Actually the controlling system of a company has a double role. On one hand it should contribute to a companies’ success by strengthening it, throughout unturbulent times. Stronger companies will be able to face more easily turbulent periods of crisis. On the other hand, in difficult periods, it will also contribute in keeping the right direction of a company towards its success. In this article there are provided several models and instruments for the implementation of marketing-controlling and a research based on secondary sources about the implementation of controlling.

In the first part of this chapter, there are presented several models, indicators and methods of measuring the efficiency and efficacy of several activities of a company. There are presented methods of measuring the performance of the communication, the efficiency of the cost structure, of the products, price sensitivity, efficiency of distribution channels as well as other indicators for the overall performance of a business. This part of the chapter will give an overview of possible controlling methods for companies in order to maintain their performance. As more authors affirm, it is important to know several methods and instruments of controlling, in order to be able to adapt an adequate controlling system for each company. The controlling system for each company depends on the type of company, on the type of customers (companies or individuals), size, and field of activity.

In the second part of the article there are presented, based on secondary sources, the results of several researches about the usage and application of controlling instruments. There are presented the instruments of the most preferred and most applied instruments over time. It is interesting to observe the change of interest for several controlling methods over time, depending on the conditions in the business environment. There are very simple methods which have a high significance for the decision process in a company and methods which are more complicated to be applied. For this reason, it is interesting to observe the opinion of several managers on these methods.

DEFINITION AND IMPORTANCE OF THE CONTROLLING ACTIVITY

The dynamic development of the worldwide economic environment faces the management of companies with the problem of the permanent adaptation to these changes in order to assure their viability and the economic success. In order for companies to be able to face changes such as the evolution in the structure of branches, intensification of competition, technological progress and changes in the norms, values and cultural background of the society, the need for having a department analyzing all these changes aroused. In this context, the need for a controlling department gained more and more importance (Pelau, 2009, p. 21).

The concept of “controlling” was at the beginning a very controversial one, because of the multitude of translations and interpretations that it had. The main reason for misinterpretation of the term “controlling” was the fact that it was often translated with “control” or “to control” (Ehrmann, 2016; Weber & Schäffer, 2001). Experts agree that controlling is more than the control function of the enterprise. Controlling developed because of the increased need of businesses to sustain their decision-making processes with complex and well developed information system. The continuous development and the
Related Content

Traffic and Climate Change Impacts on Water Quality: Measuring Build-Up and Wash-Off of Heavy Metals and Petroleum Hydrocarbons
www.igi-global.com/chapter/traffic-climate-change-impacts-water/43797?camid=4v1a

Development of Mono and Multihull Resistance Sustainable Marine Technology Development and Green Innovation
www.igi-global.com/chapter/development-of-mono-and-multihull-resistance-sustainable-marine-technology-development-and-green-innovation/84512?camid=4v1a

Teaching Basic Calculus Using SAGE
www.igi-global.com/chapter/teaching-basic-calculus-using-sage/78446?camid=4v1a

www.igi-global.com/chapter/a-new-barrier-for-the-future-of-energy-market-in-turkey/189960?camid=4v1a