the elements that go into the marketing mix. It emphasizes the relative importance of the various elements and the mix between them. In contrast, the vertical auditing singles out selected elements of the marketing operation for study and evaluation.

The horizontal auditing is a system in which the focus is more on the relationship among marketing activities. Certain activities may be isolated for more detailed investigation through the horizontal auditing, but that is not its main purpose; that is the purpose of the vertical auditing. The vertical auditing is complete, objective, systematic analysis of one part of the total marketing effort – for example, the personal selling effort.

The most thorough evaluation mechanism is a marketing auditing, which is a complete, systematic, objective evaluation of the total marketing effort of the firm. The sales management auditing is an example of a vertical auditing because it is the detailed analysis of one part of the total marketing effort. The sales management auditing should examine objectives; policies, organization, methods, and procedures used in managing the personal selling function, as well as assess how individual personnel are performing.

A sales analysis can be one of the most revealing inputs in a performance appraisal. A sales analysis involves gathering, classifying, comparing, and studying company sales data. The study may simply involve the comparison of total company sales in two time periods, or it may subject thousands of component sales figures to a variety of comparisons. One real benefit of a sales analysis is in highlighting the concentration ratio, or the 80/20 principle, for products, customers, and the like.

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CHOICE OF AIRCRAFT SIZE

For many years investigation of air transportation industry has shown that the demand for this type of transportation has a tendency to increase. Furthermore, the demand is predicted to grow incredibly in the future, so airlines and airports will face many problems, one of which is congestion. The other industrial phenomenon is the small aircraft chosen for operation which also makes contribution to current market imperfection.

When traffic volume increases, transportation is expected to be provided by larger capacity vehicles. This can be referred to services held by all transport modes except aircraft. Boeing and Airbus do not predict high growth in the number of wide-body airplanes. The reason is that operators seek balance between satisfying increased demand for air transportation and costs of the transportation. To meet growing demand airlines can decide whether to increase service frequency, load factor or size of the aircraft. Usually load factor can be increased only to a certain point. Here airline operators are left with two variants. As practice shows service frequency is preferred to be increased. Now the question arises: “What are the reasons of airlines refusal to operate bigger airplanes?”

The choice of aircraft size, though, is relevant only at short distances, because long distance can be served by long-range aircraft.

Runway capacity is a key determinant of airport capacity and is measured by the number of air transport movements. Terminal capacity is measured by the number of passengers handled. When the airport is limited by runway capacity it can still meet the needs of all passengers presupposed by terminal capacity. This goal can be achieved by the use of larger aircraft. Due to such operation more people could be transported while reducing the number of aircraft waiting in a queue for take-off.

Runway utilization is very useful indicator in assessing the performance of the airport. It is measured by number of passengers per runway. Capacity of runway can be affected by weather conditions as well, but as research shows this impact is too minor to take it into consideration. The only thing that influences runway utilization is the type of aircraft used.

The choice of aircraft size depends not only on airport and runway capacity but on the market conditions as well. In a competitive market airlines tend to keep their market share. Market share can be increased by increasing the frequency of flights, which is called S-curve phenomenon. When an airline increases frequency of flights, the other companies can do the same. As a result the situation remains the same. Airlines have the same proportion of market share and higher frequencies. This leads to the reduction of load factor of aircraft operated, which is not efficient. So, to reach this efficiency air companies decided to refuse from big airplanes.

One more factor leading to increased frequency is schedule. Each air operator strives to attract as many passengers as possible. If two companies have flights in the morning and in the evening and no one in the afternoon, one of them sooner or later will provide flight in the middle of the day. Automatically another one loses its market share, so it also provides flight in the middle of the day as close to the competitor's one as it can.

Landing charges influence the choice of aircraft directly. Most of the charges depend on the weight of the aircraft. Charges for landing heavier aircraft will be higher. Paying charges for big aircraft, landing several times per day, though, could be more efficient than for small ones, which have higher frequency and thus operate more flights per day.

Some airlines prefer to use small aircraft by reason of smaller pilots' remuneration. Pilots operating larger airplanes earn more than their colleagues operating small aircrafts.

Although it is difficult to estimate, environmental pollution remains to be direct contributor to the choice of aircraft size. Larger aircrafts produce more emission and cause more noise than their smaller counterparts.

Very strong effect on the aircraft choice has the ability of runway to accept wide-body airplanes. Some airports have runways limited to the size of aircraft. Construction of new ones deals with financial expenditures. Additional runway could decrease congestion in the conditions of high traffic demand and flight frequency. This fact seems to be very obvious, but it isn't as simple as it seems to be: if congestion on the ground is reduced, it doesn't mean that it is reduced in the air. The solution is the introduction of larger aircraft.

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