

PROMOTION FORMS IN CONTEMPORARY BUSINESS

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Abstract: *One of the most important factors in achieving a company's strategy i.e. marketing of its goods or services is definitely marketing. Marketing activities are now the crucial component of the daily operations of the company. There are different approaches, media, and the ideas regarding realization, because with the development of the new technologies, marketing also develops. With all the changes taking place in the business environment, changes in this field are inevitable. The artists and the winners are those who know how to use and adapt to their operations. Promotion of products and services are just one element of the marketing mix. In this paper, we are going to separate examples of interesting, successful and innovative ways that companies use to promote their products with the help of new technologies.*

Keywords: *marketing, marketing mix, promotion*

1. INTRODUCTION

The definition of the American Marketing Association states, "Marketing is the activity, set of institutions and processes for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners, and society at large."¹ Jack Trout compared marketing and film by saying "that the marketing is as a movie in which the product plays a major role. Everyone and everything in the film is the part of the simple story about why our product is good and why you should buy it, rather than competitive product². "This is the basic idea, and the starting point of marketing activities should be consumer analysis." By studying current and future needs and desires of consumers, it becomes clear how to create marketing activities and implement the promotion and development of customer satisfaction.³ Everything starts from them; they are the ones who pay a sum of money for your specific product." "The customer is a king" is an axiom, that means the needs, desires and reactions before and after the purchase of the main determinant of the success of any company.⁴ However, as each individual is a separate being, due to the diversity of the people their analysis is required. Their needs, desires and perceptions are analyzed. The goal of the company is to satisfy them, and they are trying to achieve that through all marketing activities. However, "the traditional understanding of the concept of marketing is necessary, but it is not a sufficient condition for the successful

¹ <http://www.marketingpower.com/aboutama/pages/definitionofmarketing.aspx>

² Jack Trout: *Marketing ekspert*, Adizes, Novi Sad, 2006. ISBN 86-7668-037-X

³ Dragan Rajević „Managinig relationships with consumers in sport“, *International journal of law & economics*, Vol.1 (2011), No. 1 (1-170), p. 135

⁴ Dragan Rajević, Tripko Draganović „Customer relationship management“, *International journal of law & economics*, Vol.1 (2011), No. 2 (148 -153), p.148

application of modern business. Marketing oriented companies must go beyond merely customer satisfaction. They need to do better than the competition."⁵

The fact is that not only for-profit organizations are involved in marketing, but non-profit too. "If the concept of marketing expands to include non-profit organizations, then prime importance in the marketing has a process of exchange, which means that two or more parties exchange or barter something that has real value."⁶ It is interesting that even the churches began its promotion, and this phenomenon is included further in this paper, relating to the Scientology church. All marketing activities are interdependent and interrelated, and are intended to exchange offers, goods, services or delivery of the final product from the producer to the consumer." The term "marketing mix" describes the results of management efforts to creatively combine these activities."⁷

It is believed that Borden⁸ was first to use the term "marketing mix" in his article entitled "The concept of the marketing mix," and that he came up to it based on the Culliton's⁹ description of business executives as a "mixer of ingredients."

Borden's original marketing mix contained 12 elements: product planning, pricing, branding, distribution channels, personal selling, advertising, promotions, packaging, display, servicing, physical handling, and finding fact and analysis.

Today, the elements of the marketing mix are down to a so-called 4P i.e. product, distribution, promotion and price (product, place, promotion and price).

The product is an article that meets the needs and desires of customers. It can be either a tangible product or intangible service. However, it is essential that companies not only offer products, services or ideas as such, but the total product. It involves a number of elements and activities along with the underlying product. Each of them has its own life cycle, i.e. the phase of introduction, growth, maturity and declining the sales.

Distribution involves the delivery of final products from producers to consumers. The distributors themselves are very important link in the chain of product placement. It is necessary to operate smoothly and quickly so customers' needs are met on time. The importance of a well-developed distribution network increases, especially when the product is to be delivered from one end of the globe to another.

"Price plays a major role in the marketing mix. A lower price may mean entering the market or obtain market advantage. Price may be the cause of loss or degradation of some companies. It is probably the most flexible element of the marketing mix, so it can rapidly change according to the situation on the market and the expectations of the environment."¹⁰

The goal of the promotion is to inform customers about the company's products, emphasis on quality, improving the sales. Organizations, either for-profit or non-profit are trying to influence the awareness of customers by promoting. Promotion can be through personal sales or sales without personal contact.

⁵ Božidar S.Milenković, Milijanka C.Ratković: *Marketing*, Sremski Karlovci: Cekom, 2012. ISBN 978-86-6185-020-2

⁶ Života Radosavljević: *Marketing*, Privredna akademija, Novi Sad, 2006. ISBN 86-84613-46-5

⁷ Života Radosavljević: *Marketing*, Privredna akademija, Novi Sad, 2006. ISBN 86-84613-46-5

⁸ Neil H. Borden is the professor emeritus of marketing and advertising at the Harvard Business School.

⁹ James Culliton was Neil Borden's professor.

¹⁰ Života Radosavljević: *Marketing*, Privredna akademija, Novi Sad, 2006. ISBN 86-84613-46-5

Personal selling is the sale made directly between the seller and the buyer. Vendors are trying to complete the six main tasks:

1. To find customers,
2. To keep the records about customers and feedback
3. To provide services,
4. To resolve complaints,
5. Self-management,
6. Relationship management¹¹

A special type of personal selling is telemarketing. Telemarketing is selling by phone, and many companies are opting for this method of selling in order to reduce the cost of paying personal sellers.

Selling without personal contact is done through advertising, promotion and through public relations.

Advertising is certainly a major form of indirect promotion. It can be productive and institutional depending on whether the message is placed to sell a product or to promote a new idea, a concept, and a philosophy. Advertising can also vary depending on the product life cycle, and will certainly distinguish between the period of introduction of new products into the market than that compares with competitor products. Advertising is different and depending on the used media. Certainly, the biggest advertising medium is newspaper with 23% of the advertising share. Television follows with 22%, followed by direct mail with a 19% share, radio with 6%, and magazines with 5% share¹². Outdoor advertising is advertising through large billboards and accounts for 1% of share, while development of advertising and teleshopping is obvious. Many companies put their advertisements on buses, trams, taxis, in cinemas. All these methods have their advantages and disadvantages.

Companies use them depending on the type and use of their products, depending on the target group of consumers to whom they want to reach. What is inevitable is the fact that with the development of technology, the forms of advertising constantly evolve and grow. Advertising is increasingly done through internet technology, and companies constantly create new ways to garner more customers.

Sales promotion is done through advertising at the point of sale, i.e. the product is displayed, could be tasted, demonstration of its benefits is taking place, etc. Special advertising involves one of the most common promotions while selling is done by printing logos and company names on various objects such as pens, notebooks, calendars, shirts, etc. In order to promote its business, companies also sponsor certain types of events, share free samples of their products, provide coupons, and organize lottery and raffles.

¹¹ Božidar S.Milenković, Milijanka C.Ratković: *Marketing*, Sremski Karlovci: Cekom, 2012. ISBN 978-86-185-020-2

¹² Života Radosavljević: *Marketing*, Privredna akademija, Novi Sad, 2006. ISBN 86-84613-46-5

"Public relations can be defined as management of communications and relationships in order to build goodwill and mutual understanding between the company and its public.¹³" Public relations are much broader than marketing, and the main goal of its activities is to build a reputation, prestige, reputation of employees, distributors, customers, suppliers, promotion of the product, and struggle with unwanted publicity.

2. TV COMMERCIAL

In the field of product promotion, one of the most popular and the most applicable aspects of advertising is television advertising. The term television commercials, typically refers to a miniature advertising film, short video-audio form in which, according to the rules of the film industry, a particular product is presented to public, service, or some kind of an idea that is necessary to affirm, announce, introduce it to interested individuals, i.e. target social group. The first television advertisement was broadcast in the United States 1st July 1941 at 8AM, when the WNBT television station officially announced in its program advertisement sign for a company that make watches.

From that time until now, advertising on TV advertising advanced. Today, this type of marketing is the most popular, and the best paid. In addition, it is worth noting that the final professional American football league (NFL), known as the Super Bowl, which this year was held on 3 February, has become a holiday for all lovers of commercials. In fact, year after year, many companies are willing to pay a record amounts in order to advertise during this event. To creation of this phenomenon has contributed the fact that 111.3 million people watched last year's Super Bowl via NBC channel, while 2,105,441 of them watched the same event via live streaming" and thus the Super Bowl, has become the most watched TV show in the U.S. history.

According to data from "Media Life", 1.85 billion dollars was spent on advertising in the Super Bowl over the past ten years, and only last year was spent 262.5 million. During these ten years, 130 brands advertised, and five them spent at least 10% of their one-year advertising budget to promote during this event. In 1967, the price of a commercial on the Super Bowl has cost \$ 40,000, while in the coming years the price has increased by 35%. Specifically, each following year recorded growth only in 2010 it was decreased by 2.4%. Last year, the price rose by 16.7%, so the price of the 30-second ad was \$3.5 million. For this year, CBS, which is the media partner of the Super Bowl, won the individual advertising of an average of 3.7 up to 3.8 million dollars. Companies that have invested the most in this type of advertising are Anheuser-Busch Cos., Inc. that spent 246.2 million dollars in the period from 2002. to 2011., then Pepsi, which in the same period spent, 209.7 million and General Motors, which spent 135.2 million to advertising.

All figures show this is a very popular sporting event, so it is no wonder why companies pay these exorbitant sums of dollars. That such separation is justified, proves the case of one of the world's best Web hosting company GoDaddy, that after its advertising was displayed on the Super Bowl, had the biggest sale day in company history. During this year's Super Bowl, GoDaddy broadcast the advertisement called "The Perfect Match", which shows Bar Refaeli, a

¹³ Božidar S.Milenković, Milijanka C.Ratković: *Marketing*, Sremski Karlovci: Cekom, 2012. ISBN 978-86-6185-020-2

super model kissing a guy who is interest only in computers. At the end of the ad, "When sexy meets smart, your small business scores" slogan appears.

After this, the business compared to the same day of the 2012, has prospered. Namely, the hosting sales jumped by 45%, sales of the dot-com domain increased by 40% and the number of so-called mobile customers increased by 35%. The advertisement achieved huge commercial success but become one of the most discussed after the Super Bowl, because many people did not like it.

When we look at the sales increase percentage of this company, and the effect caused by the audience and consumers, it is no wonder why this one, but other organizations also are willing to pay such high prices for advertising during the Super Bowl. This event, year after year, is one of the most famous and most important events in the world, not just in the sports world but also in the sphere of marketing.

Opportunity to advertise during the finals, Scientology church did not miss. They broadcast a minute long commercial, and shocked all Super Bowl viewers. "For the curious, inquisitive, seeker of knowledge", the narrator says in the ad, while attractive and seemingly intelligent people look directly at the camera." For those who want to know about life, the universe, about ourselves." For ad like this, a scientology church set aside eight million dollars. Although their PR would not comment on what the budget is for, said they were pleased that the commercial caused much interest. However, the question is what the scientology church has made with this promotion, because it provoked strong reactions on social networks, as well as comment and discussion about whether scientology church, because it is having enough money to fund advertising during the Super Bowl, should be exempt from paying taxes. One thing is clear, they have caused strong reactions of people and made people to think about them, which is, we have to admit, one of the main objectives of promoting any company, even if it was the scientology church.

3. JOB COMPETITION

Another interesting way of promoting products and services that companies use is definitely a promotion through advertisements for new positions. Recent example of this is "The best job in the world" campaign, which won numerous awards at worldwide marketing festivals and, more importantly, created an incredible publicity at global level worth over 70 million dollars.

It was a campaign for filling a vacancy, searching for the person who will take care of Hamilton Island in Queensland, Australia in period of six months for a salary of \$100,000. The person who gets the job should be every week throwing shots at the island site, and thus promote that part of Australia. The Australian Government has released the story over Reuters, and then continued to promote it through online networks such as YouTube, Ning, Twitter and Facebook. Site that promoted the campaign had over a million visits a day after the ad was released, although the aim was that at least 400,000 people visit the site in a period of one year. Although the marketing budget for this promotion was only \$1.7 million, the campaign has experienced unprecedented success. Over 34,000 videos from 200 countries were received, from the people who are applying for this position. In addition, due to the great success of this advertising and increased the number of those interested in Queensland, airline Virgin Blue has introduced direct flights between Sydney and Hamilton Island.

This type of promotion is primarily based on an interesting story, which commonly spread through social networks and various websites, so that people continue to spread the story. It must be credible and customized for the specific target group of consumers and their views, so that is heard and accepted. The product or services that are the subject of promotion should support this, of course.

An example of such a promotion at the local market is the San Marina chocolatier, founded in 2005. It is a small family shop, which makes more than 80 types of sweets. However, due to high competition, the owners were forced to hire a person to manage promotional activities. Merima Krstic take that responsibility, whose first action was to launch the competition at Infostud website, searching for a chocolate taster. A prove that she did the right thing, was the fact that this beautifully designed advertising launched an avalanche of media reports on the topic "The sweetest job in the world". Nedeljni Telegraf, Kurir, Blic Zena, Hello, Frankfurt news, Ekonometar wrote about this article, while TV stations such as RTS, TV Avala, B92, TV Pink and others broadcast stories about that. More than 1,500 people from around the world applied for this job, which, after completion of the competition continued to send their applications "just in case".

4. VIRAL MARKETING

Viral marketing is actually an idea that is spreading. For this type of marketing, the Internet, social networks and other technologies are necessary, because they actually comprise what is called viral marketing, i.e. without them it would not exist. Starting from 2009, two-thirds of the world's Internet population visits social networking or blogs at least once a week. Facebook has over 1 billion active users. In addition, in 2009, the time people spend on these social networks have overcome the time that people use to send emails. The study from 2010 showed that 52% of people who read the news online, forward them via e-mail, social network or blog posts. Viral marketing is a way to exploit this potential.

It was named for its very dramatic and exponential speed action. Certain news spreads quickly, often through forums, chats, e-mail, video clips, internet games, and viral way of spreading on the Internet is not allowed to influence when and to whom the news is going to arrive.

In addition, you cannot predict with certainty whether the news will have a positive or negative impact. The main goal is to create viral message that will be of interest to people with high potential in social networks or the Internet, because that would create an opportunity for these individuals to forward this message to other individuals in their communication and for a short period of time. In this way, messages or news is coming from famous people, rather than an unknown. The sender should motivate the recipient to forward the message. Therefore, it must be interesting, unique, sensational, and useful, it must be worth enough that people want to share it with friends and family.

An early advocate of viral marketing was a game Moorhunhn", which allegedly was present in two-thirds of all computers and Schnappi Das Kleine Krokodil song, which became a hit.

Another example of the good use of viral marketing is Hotmail, which between 1996. and 1997. became one of the first companies to become extremely successful just by using this form of marketing. The people in this company inserted "Get your free e-mail at Hotmail" at the bottom of every e-mail they sent to users. As a result, Hotmail has received over 12 million subscribers in 18 months. At that time, this was the largest increase in the history of the business of any

media company. While Hotmail has reached 66 million users, the company was opening up to 270,000 new accounts each day. Finally, Hotmail was sold to Microsoft for 400 million dollars. An example of viral marketing is the video of Nike Company from 2006, in which Ronaldinho, the famous Brazilian footballer gets new shoes and then two minutes demonstrates its superior football skills. Thanks to forwarding, more than 30 million people saw this video at YouTube service.

The Blair Witch project was released in July 1999. The film cost about \$350,000 and grossed nearly \$250 million. The movie record amazing success thanks to its unique site, whose task was to exceed the bounds between reality and fiction. This site, which still exists, was providing information about the "Blair Witch" mythology, contained the photographs of three people who appear in the film, stating that the photos are taken a week before the men disappeared and was offering other photos and explanations that convinced many that everything is real and that the site is authentic.

The people in charge of transport in London, in 2008 launched a campaign called "Do the Test", with the aim to increase the awareness of car drivers on the existence of cyclists on the roads. People who have made the video want movie to be seen by at least 150,000 people who live in London. However, after a month of campaign over 5.5 million people saw video. According to Viral Video Chart, the clip has become the fourth most popular video in the world and the second most popular video on blogs. At the end, over 6.7 million people saw the video, far more than its creators had hoped.

All these examples had an interesting story that is told and presented in an interesting way. Thus, the authors provide its propagating and spreading the message through various forms of media and communications, backed by modern technology.

5. RESUME

Today, in a turbulent environment characterized by constant and dynamic changes, companies more than ever need to make the effort to find a way to be better than the competition. The goal of any organization is to win the confidence and loyalty of a large number of consumers. To achieve this, they must use marketing; they need to carry out marketing and promotion of their products and services.

Everyday rapid progress in the field of technology and their application in this field of business, creates more opportunities than it was before, let's say 50 years ago. However, on the other hand, these conditions have created an environment in which it is difficult to be innovative, original and unique.

The use of the Internet, social networks, blogs, Android applications to promote business and enterprise has become almost necessary because companies cannot deny the huge impact that these have on people and everyday life. They must be used in the best possible way in order to promote themselves, and create awareness among consumers about the company. The use of modern technology in business is inevitable, because they are one of the most important determinants of today's market for goods and services, but also because it can provide a new and an unprecedented successful method of promotion. One example of this is the viral marketing.

However, the most important thing today is that creativity and innovation are highly esteemed. They are essential for the company to stand out from the competition. Regardless they are using modern technologies or not, companies have to find ways to distinguish themselves from the others. A good step in that direction is certainly genuine promotion of products and services.

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