

UDK 338.24

## ELEMENTS OF PROMOTIONAL MIX IN FOREIGN COMPANIES

**Simanavicienė Zaneta**, professor habilitated “Kaunas University of Technology”, Lithuania.

**Kisielius Eimantas**, master of social science “Kaunas University of Technology”, Lithuania.

**Simanaviciene Z., Kisielius E., Elements of promotional mix in foreign companies.**

There is no doubt that marketing communication is one of the parts of business which is considered the key to competitive advantage. But as there is different attitude in definitions in understanding of components that are involved – this paper raise a problem that it is needed to be analyzed, compared in theory and practice. Methodology consists of literature analysis and synthesis and analysis of two companies. Results show that companies usually choose and adapt different elements of marketing communication that are presented in literature and get great results in communication with customers, public and it encourages to do more research and to find out the reason of this success – what are the success factors if it is not the specific set of elements.

**Сіманавічіене З., Кіселюс Є., Елементи рекламної суміші в зарубіжних компаній.**

Дослідження вчених з різних країн показали, що маркетингова комунікація є одним з бізнес-напрямків, що забезпечує конкурентну перевагу. Тим не менше, існують різні наукові підходи, різні визначення і виділення основних елементів в маркетингових комунікаціях, тому ця стаття підготовлена за прикладами порівняння теоретичних і практичних досліджень. Дослідження складається з двох частин - огляд літератури та синтезу, а також проаналізовано дві компанії. Результати показують, що компанії вибирають різні елементи, щоб адаптуватися і добитися відмінних результатів у спілкуванні з клієнтами, громадськістю і, отже, сприяють подальшим дослідженням, щоб виявити - те, що визначає успіх, якщо не деякий набір елементів?

**Сіманавічіене Ж., Киселюс Е., Элементы рекламной смеси в зарубежных компаний.**

Исследования ученых из разных стран показали, что маркетинговая коммуникация является одним из бизнес-направлений, что обеспечивает конкурентное преимущество. Тем не менее, существуют разные научные подходы, различные определения и выделение основных элементов в маркетинговых коммуникациях, поэтому эта статья подготовлена по примерам сравнения теоретических и практических исследований. Исследование состоит из двух частей - обзор литературы и синтеза, а также проанализированы две компании. Результаты показывают, что компании выбирают различные элементы, чтобы адаптироваться и добиться отличных результатов в общении с клиентами, общественностью и, следовательно, способствуют дальнейшим исследованиям, чтобы выявить - то, что определяет успех, если не некоторый набор элементов?

**Problem.** Integrated Marketing Communications (IMC) is one of the most important nowadays' promotional practices, incorporating various different types of promotional elements, referred as the promotional mixes. Due to the different views of separate authors analyzing and defining these elements, various promotional mixes, including various elements occur.

Despite the differences in definitions, the purposes of all promotional mixes stay the same – provision of a set of tools used for promotion that could be adhered to certain situations in the market. These situations could be defined depending on various factors, such as stages in

company's product's life cycle, company's willingness to communicate with its customers, companies will to maintain long-term relationships with its customers, etc.

Nowadays marketing communications is considered as one of the part of business which is considered the key competitive advantage of marketing and supervised by the companies with the highest level of interest.

As Integrated Marketing Communications is proclaimed to be a key competitive advantage of marketing, there occur discussions about the reasons of the emergence and growth of IMC. Philip J. Kitchen [1] provides the following factors as the reason for:

1. Movement of marketing budget below-the-line – away from mass media advertising.
2. Media explosion and accompanying fragmentation.
3. Market demassification and splintering.
4. Greater segmentation and emergence of niche and unitary markets.
5. A revolution in information technology which is still sweeping the world.
6. More development of, easier access to, and usage of huge consumer databases that effectively underpin marketing communication of all types.
7. The importance of reinforcing consumer loyalty via relationship marketing.
8. The importance of building and increasing a brand's image based equity.
9. Generally, the brand was recognized as the primary driver of corporate success.
10. Development and diffusion of digital technology.
11. The spread of multinatiolization and globalism, supported by economic and political means.

As Integrated Marketing Communications is a set of tools (elements) used in order to reach the customer, there is no doubt that earlier, at the very beginning these tools could had been not combined but used and understood as separate instruments for product or service promotion. But as communication is defined as a transactional process (not processes) between two or more parties, the set of IMC tools was defined as promotional mix and the companies began combining the elements of promotional mix in the promotion process of their product.

Marketing communication mix elements provide information that is important add value to a product or service from both sides – buyer (consumer) and the company (provider) as customers gain information about products or services and the company attracts more customers to buy, influences the demand of the product or service and in that case gets more profits, as the customer gains pleasure by observing that purchase.

According to the studies of the 1990's provided by Kitchen, there were four points defining the benefits of IMC:

- Increased communications impact.
- Higher level of effectiveness of creative ideas.
- Provision of greater communication consistency.
- Improved client return on communication investment.

Because the IMC emerged so successfully and is combined of a set of different marketing tools in order to reach the customer effectively, there are various suggestions for the composition of the promotional mix (as at the beginning they were used separately).

### **The analysis of scientific literature.**

Kotler P. [2] defines five major elements of promotional mix: advertising, personal selling, sales promotion, public relations, direct marketing.

Advertising is defined as “any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor”. Some forms that are understood as forms of advertising: print, broadcast, outdoor and other forms.

The definition of personal selling is provided as follows: “personal presentation by the firm's sales force for the purpose of making sales and building customer relationships”. The forms of presenting personal selling are: sales presentations, trade shows, and incentive programs.

Sales promotion, according to Kotler, is “short time incentives to encourage the purchase or sale of a product or service”. Point-of-purchase displays, premiums, discounts, coupons, specialty advertising and demonstrations are the forms of sales promotion.

Kotler P. [2] provides the definition of public relations as follows: “building good relations with the company’s various publics by obtaining favorable publicity, building up a good corporate image, and handling or heading off unfavorable rumors, stories and events”.

Direct marketing is defined as “direct connections with carefully targeted individual consumers to both obtain an immediate response and cultivate lasting customer relationships”. Forms of this ICM element are: catalogs, telemarketing, fax, kiosks, the Internet and else.

Philip J. Kitchen and Patrick De Pelsmacker [3] presented a promotional mix which consists of “seven main elements of modern promotion”: advertising, sales promotion, direct marketing, marketing public relations, sponsorship, internet or e-communications, relationship marketing.

Kitchen [3] defines three main types of promotion: consumer (and retailer) promotions; trade promotions; sales force promotions, and all these types have a wide variety of tools available. But, because of short-term orientation, sales promotions (especially trade promotions) use an increasingly important part of IMC budget.

Blythe J. [4] at the very beginning of talking about the promotional mix (IMC mix) names four elements of the basic promotional mix: advertising, sales promotion, personal selling, public relations. This author provides an outstanding definition of promotional mix: “the promotional mix is like a recipe, in which the ingredients must be added at the right times and in the right quantities for the promotion to be effective”.

Pike S. [5] there are listed only five elements of IMC, which are as follows: advertising, personal selling, sales promotion, public relations, direct marketing.

**Purpose of the article** is to make an analysis of two different companies.

**Results of the study. United Colors of Benetton (UCB).** UCB is one of the largest Europe’s clothing manufacturers and the world’s largest consumer of wool products in the garment sector [6]. Today this company is present in 120 countries. The stores are managed by independent partners and generate a total turnover of over 2 billion euro. It is a company with high Italian quality, whose style and design are clearly seen in the UCB and more fashion-oriented “Sisley” brand and in sportswear “Playlife” brand.

UCB advertising principle is very simple –“take a powerful image and stamp a logo in a corner“. Person responsible for advertising - Oliviero Toscani established the image of company as one of the most powerful brands in the world. He says that „the advertising industry does not recognize its power to influence culture for the better“, that advertising is a waste of time or communication and very expensive. So the UCB try to have an image that will make people to discuss, help to see the world differently. That is the reason why UCB is using social advertising where people can see AIDS victims or newborn baby with blood. In company’s advertisements labeled clothing never appear, only a logo in the corner of the picture.

“Peace and brotherhood”. It was a message to the world from UCB in 1993. The company was addressing the issue of racism and in the ads people could see a black woman breastfeeding a white child. Later UCB launched AIDS and Safe Sex campaign and these advertisements raised companies brand profile, although it cause problems with customers and retailers. According to Toscani „it was advertisement of reality“. Advertising campaign for Benetton was really cheap; they spend 4 % of the income.

Nowadays this company has Public Relations offices in every country. Furthermore UCB sponsor volleyball team in Italy and Formula 1.

This company is using Philip Kotler strategy. All points are in UCB Company’s marketing message: „Benetton cares about the controversial issues and wants to see a discussion about these topics“. The company is responsible for personal contact, they are available for everyone: „no matter your skin color, living region, social background or sexual preference“.

**Vodafone Group** - is a global telecommunicating company headquartered in United Kingdom [7]. Marketing involves customers’ needs and finding them the right product or service at suitable price. Vodafone seeks to get new customers and aims to keep old ones by emphasizing their unique brand.

Vodafone aim is to improve its profit margin by adding value to its products and services. They try to earn more from products which they sell, like ‘Vodafone live’ service, that lets users to download pictures, music, games or information.

Vodafone advertising: This company advertises its brand with sports icons such as David Beckham; Vodafone ads on TV, in magazines or other media outlets; Stores have special offers; Stores, products with the Vodafone image.

Company is providing plenty of positive press coverage, world-of-mouth and public relations. Vodafone uses planned and continuous public relations (PR) which lets to establishing and maintaining good relationships with public. Vodafone partners with Manchester United football team and Ferrari - Vodafone sends information for clients about sports.

Sponsorship for Vodafone is more than having a logo on a shirt or a racing car. The company tries to act as ambassadors for their brand saying to the world: “This brand is all about being dependable, empathetic, and innovative, can do and full of vitality and life” [8].

Company moved their communication to the Internet, because Vodafone network is used by more than 332 million users in more than 40 countries. They have the main Vodafone website where customers can order new communication plans, buy a telephone or pay for the bills. Vodafone suggest for their customers social networking (chat and dating), entertainment (music, videos or TV). What is more – using it users can order a mobile internet on PC or mobile phone.

Vodafone is using Philip J. Kitchen strategy which was mentioned before and emphasizes seven elements.

The results of four authors analyzed in this paper are summarized in table 1.

Table 1. The results of research

Philip Kotler (2001)	Philip J. Kitchen (2004)	Jim Blythe (2005)	Steven Pike (2008)
Advertising	Advertising	Advertising	Advertising
Sales promotion	Sales promotion	Sales promotion	Sales promotion
Personal selling	Internet or e-communications	Personal selling	Personal selling
Public relations	Marketing public relations	Public relations	Public relations
Direct marketing	Direct marketing	<i>Publicity</i>	Direct marketing
	Sponsorship	<i>Sponsorship</i>	
	Relationship marketing		

**Conclusions:** As it is seen from the table below, there are only three elements of Integrated Marketing Communications (IMC) that were named by all of four authors: advertising, sales promotion and public relations (although P. J. Kitchen called this element marketing public relations). According to this, a conclusion can be made that the most successful result in selling a product or service can be reached by combining these three elements. IMC elements, causing the effective growth of sales are: personal presentation and promotion of good or service, short time incentives to encourage purchase of goods or services and building good relations with publics including building up a good corporate image.

From the two different foreign company analysis it is clear that companies can choose and adapt different elements and get great results in communication with customers, public.

#### References:

1. Kitchen P.J and Pelsmacker P. (2004), "Integrated Marketing communications: A Primer". *Taylor & Francis e-Library*.
2. Kotler, P (2001), „Principles of marketing“. *Financial Times/ Prentice Hall*.
3. Blythe J. (2005), "Essentials of marketing". *Financial Times/ Prentice Hall*.
4. Pike S. (2008), "Destination marketing. An integrated marketing communication approach". Elsevier/Butterworth-Heinemann.
5. Information about UCB company, available at: <http://www.benetton.com>
6. Vodafone Group advertising information, available at: [http://www.adbrands.net/uk/vodafone\\_uk.htm](http://www.adbrands.net/uk/vodafone_uk.htm)
7. Information about Vodafone Group, available at: <http://www.vodafone.co.uk/personal/index.htm>

**Keywords:** integrated marketing, promotional mix, marketing mix, promotion, marketing communication.

**Ключові слова:** інтегрований маркетинг, рекламні суміш, маркетинг-мікс, просування, маркетингові комунікації.

**Ключевые слова:** интегрированный маркетинг, рекламные смесь, маркетинг-микс, продвижение, маркетинговые коммуникации.

UDK 338.24

### SITUATION OF SOCIAL ENTREPRENEURSHIP IN LITHUANIA

**Simanavicienė Zaneta**, professor habilitated "Kaunas University of Technology", Lithuania.

**Jurgita Sekliuckiene**, professor "Kaunas University of Technology", Lithuania.

**Kisielius Eimantas**, master of social science "Kaunas University of Technology", Lithuania.

#### **Simanaviciene Z., Sekliuckiene J., Kisielius E., Situation of social entrepreneurship in Lithuania.**

Problem of the paper - what are possible social entrepreneurship drivers and challenges in Lithuania? As there is a wide global attention to social entrepreneurship from policy makers, academics, practitioners, and the general public, but revealing that the social entrepreneurship theory is still in the stage of conceptualization as different countries have different social entrepreneurship coverage specifics and attitudes to social entrepreneurship initiatives, this work tries to complement the lack of research work relating the social entrepreneurship phenomenon by proposing what is the current situation of social entrepreneurship in Lithuania. Methodology consists of 3 steps - scientific literature analysis, experts interview, social entrepreneurship representatives online survey. Although social entrepreneurship is claimed to be a new phenomenon in Lithuania, there are already some scientific works done and cases to be as claimed as good practises.

#### **Сіманавічіене З., Секліуцкіене Ю., Кіселюс Є. Ситуація соціального підприємництва в Литві.**

У статті зроблено аналіз і висунута проблема - який можливий потенціал чинників розвитку соціального підприємництва і які можливі виклики для Литви? У світі з боку різних зацікавлених багато уваги приділяється соціальному підприємництву - політики, практики і громадянське суспільство. Але теорія соціального підприємництва все ще перебуває в стадії