

## Promotion and Marketing in the Enterprise

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**Abstract:** *Promotion in general and advertising in particular are the first things that come to peoples' mind when they are asked what they understand by marketing. As an expression of communication, promotion originates from the early human and as such will exist as long as people are going to inform, persuade or remind each other for many different things.*

*Promotion includes: advertising, public relations, personal sales and sales promotion, within marketing, promotion represents a very interesting dimension as the strategic element and rational thinking naturally combine with composition elements and fantasy thus it can be said that promotion is more art than science.*

*The paper focuses primarily on promotion in general and its place in the interior of marketing problems, followed by a detailed analysis of advertising, public relations, sales promotion and sales of own products in an enterprise.*

**Keyword:** *Marketing, promotion, marketing research, pricing, product*

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### 1. DIRECTION OF MARKETING AND MIXED MARKETING IN ENTERPRISE

“Marketing is a process of management which is responsible to identify, predict and fulfill the client needs with benefit.” However “Marketing is a general approach in business which puts the client in center .It is also considered that “Marketing is selling goods, which do not return to the people which do that”.

Enterprises do not produce goods, hoping that clients will buy then in considerable amounts to make to job profitable; furthermore they try to identify the needs of the clients to produce and fulfill those needs. Orientation of the production is putting the product in the first place, and orientation of the market is putting the client on the first place.

Fulfilling the needs and desires of the client requires different approaches in the problem. The client's need might be identified from market research, during which can be verified if the predictions of the client for the products and actual services have been reached. Perception of the clients depends on the image that clients have created for an organization or its products. Do they feel that they are taking the value for money, good quality products, loyalty and do they feel valuable as persons? Latest research of marketing suggests that “perception” is the most important of the marketing “P’s”.

Enterprises have moved towards conscious social communication, environmental awareness and approval of value by interest parties. Third approach should be carefully examined during the prediction of the future needs of the clients. This vital activity may be realized with market research.

Enterprise demand will be increasing of income and desirable growth in markets. This will be best achieved through good coordinated marketing policies that take in consideration ethical and environmental issues involved and legislation.

#### 1.1. Marketing Research

Is the way through which an enterprise has knowledge about its clients, competitors, product, price and promoting activities .This is an exclusive approach that requires answers in a wide range of questions, ex.: who are they, where are they from, which is the potential size of market, how much will a person with medium income spend on a good article, which are the needs and thought of clients, what is their lifestyle and the lifestyle of potential clients.

Place that the enterprise wants to have in market, will depend on the desire for:

- Realizing profit and have sufficient financial incomes for the future investments
- Planning the politics and pricing to keep the competition outside of the market
- Forming the prices for maximal growth of sale and achieving a leadership position in the market.

These long term goals will be accompanied with short term politics, which will include:

- ‘Whip-cream’ pricing – the most ordinary pricing in new technology, where the enterprise is the only one in the market, and the high prices makes it possible to cover the expenses of research and development.
- Piercing prices – low price to enter the existing market,
- Destructive pricing – the war of prices,
- Promoting prices – ‘special offers’”,
- Loss prices – designed to attract people in the shops,
- Psychological prices – clients have their own perception for value. Price too low – goods not so desirable and insinuation that they are of a bad quality. Fashion may be taken as an example.<sup>1</sup>

Mixed marketing is a traditional approach for planning the marketing based on four P’s.

*P - Product*, in fact this might be much more than a product that it is produced by the enterprise, which means that a decision should be taken regarding quality, time changes of the product, customer care, style and packaging.

*P- Pricing* is also an important and vital decision, even though is a ‘promoting tool’ is also an important source of enterprise incomes. It happens that enterprise decides for long term policies on pricing or on the first stage of short term pricing. These decisions also may be tactical and a reaction of the competitors towards changes in the policies of pricing.

*P- Promotion*, the way by which the new products are presented to the public such as: publicity, brand, package, commercial, sales promotion and commercialism. Sale is also a part of promoting activity.

*P- Place*, this refers to the way, on which an enterprise should plan and distribute the product. Which part of the field should beginning marketing cover? Should the actual markets be in that?<sup>2</sup>

## 1.2. Mixed Marketing

Is a complex fields and specialized that also needs to be presented. Mixed marketing is based on the traditional four P’s: product, promotion, pricing and place but lately, there has been developing a more actualized approach such as ‘7 P’ that include:

1.2.1. *People* that are seen as an important part of the sale and if they are pleased, they will continue to use the product or the service. That is why it is essential that the whole personnel to be aware or the necessary role on offering good service to make ‘people’ happy.

1.2.2. *Process* which is a process of delivery. Lot of clients wait to get informed on what is happening, so that they can make plans based on that information. For example: during the delays in airplane flights, it is very important to notify the passengers about the delays so that they contact people that might be waiting for them.

1.2.3. *Physical evidence*, design and quality of the building should be clear to all those who use that building. More specialized buildings need signs that are carefully worked so that people without experience find their path easily.

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<sup>1</sup> S.Xhepa.and A. Mancellari.,Marketing and advertising,. 2005.

<sup>2</sup> A. Xh. Duka and A.Niko A. Pano .,Promotion,1999 .

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This change is submitted because in the developed market economy,  $\frac{3}{4}$  of the national gross products are made by services. The development of the internet and electronic trading (e-market), also, means that there is a need to keep the work under constant surveillance.

Mixed Promotion (combination of the commercial, public relations, media relations and other forms of sale), consist on the most suitable combination of personal sale and non personal one. Strategies will include:

- Connection of the service with concrete images, for example hotels that include the information about swimming pools, gym objects, buffet, restaurants, tv in all rooms etc.
- Creation of the favorable image, which reflects goodwill, good service and efficiency.
- Personal sale aims more the individual, where organizations offer personal services of high quality, ex. security.
- Publicity campaigns often are realized through announcements in tv and radio, newspaper articles, magazines etc. such as Olympic games.
- Internal marketing has motivated personnel and well trained, to ensure that the spreading is efficient and reflects high quality standards in client services.

## 2. RESEARCH, MARKETING AND ADVERTISING

Research constitutes the establishment of marketing in general and advertising in particular. Professionals in charge on planning the strategy of advertising and those who take part in creating of advertising, use a series of research techniques to guarantee success in their work. Research includes all stages from the definition of strategy until the realization of the commercial and its effectiveness.

Research has two aspects: **qualitative** and **quantitative**. On the first case, the aim is to answer 'Why's' and on the second case the audience in quantitative terms such as size, frequency of the contact with the message etc. Most of the advertising planners use them at the same time because its importance of knowing the behavior and measuring it.

### 2.1. Types of Research in Marketing

There are some types of research: search marketing that focuses general elements of the mixed marketing in gathering the information about a market, request – buyer, research of enterprise, research for product etc.<sup>3</sup>

### 2.2. Advanced Marketing

Marketing is understanding need of the clients and their conversion in a way for products to be perceived, developed and attract clients.

Philosophy of the marketing concept is based on passing from a sale market that pretended to be characterized with decrease of goods, production and services in a market of buyers, into a market of buyers, where fruitful production with goods and services exists. Nowadays, social concept of marketing demands from enterprises to identify the needs and desires of the clients and to offer them, efficiently and enough, in a way, that preserves or increases the well being of clients and society.

Companies/organizations will struggle to achieve their goal for a unique place in the market, executing a full systematic analysis of the situation, and often, using PEST analysis (Political, Economic, Social and Technology), which will include all the environmental and legal obligations. The company will realize SWOT analysis (advantages, disadvantages, possibilities and risks) in analyzing the market ambience.

Relationship in marketing who tries to build relationship with the client overtime, inevitably costs money, but the incomes are from repetitive business. We should remember that the world is a place that changes constantly and all the different accesses in marketing should be under assay in a way we can calculate for innovative or evolution in situations.

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<sup>3</sup> S. Xhepa and Ahmet Mancellari.,Marketing and advertising., 2005.

Wide considerations that are a part of macro-marketing pretend to be generic. Macro-marketing treats the factors that influence directly in organization and its activity. In a macro context, groups of organizations with the same range of products and services can be joined for activities of their competitors, during the market scrutiny and also during the analysis of expenses and resource origin.<sup>4</sup>

### 2.3. Promotion

*Definition of promotion* – marketing is the science that studies coordination of all the action and formulation of the product and ends behind customer's back. In this definition practically are included elements of four P's which as an entirely integrates in the above designation. Promotion is one of the four elements of mixed marketing that has to do with communication or exchanging the information in between *buyers, beneficiaries, and public* in general on one side and on the other side *sellers or providers* in general. Obviously, the most popular and identifying aspect, while the advertisement is the most perceivable element of it, often identified by public like marketing itself. Communication is which aims to realize it is not just a knowledge transfer but a dynamic and active process of their exchange, as in rational and emotive aspect, especially for such forms as personal sale or public relations. By definition promotion includes *every form of communication used to inform*.

We can also define promotion as 'coordination of all actions that start from perception of a signal, its communication in evidencing the influence that has in the customer''. In this last definition of promotion we have to explain two base elements: signal and communication.

Crucial values of promotion are: a) creation, consolidation, modification and position of the enterprise image, b) communication of products attributes, c) establishment of consciousness on new products, d) reposition of the image or products in downward, e) encouragement of cooperation from other operators in marketing channels, f) information on location of the products, g) persuasion of the customer to choose from a wide variety of products that we are interested in, h) justification of the product price, i) increase of liability of the products in a hesitating market, j) explanation to the customers, k) preparation of condition and closing the sale, l) offering the post-selling services, m) establishment, maintenance and improvement of enterprise connections with the wide public, local community, shareholders, n) harmonization of internal relationships etc.<sup>5</sup>

## 3. LET'S SEE CLOSER THE CONNECTIONS OF THE PRODUCT WITH PROMOTION

### 3.1. Promotion and Benefit of its Use

This relationship is often determined by the economic nature of the product who in itself may be in function of the various factors. The character of the product in promotional aspect can be substitutive, complementary or independent. „ **substitution products**” on their aspect of usage are those products who's selection proceed from the same motive, desire and possibility.

Meanwhile, „ **independent products**” we will call the products that function inside their market and often get promoted by different purpose from the others. Such can be, „ computer like computer”, „beer like beer”, etc.

### 3.2. Promotion and Package

First contact with the product is the perception through its packaging. All the authors think that first contact of production with the customer has a critical importance. This is for the fact that the image of a product depends a lot also by packaging.

### 3.3. Promotion and Brand

One of the most popular forms of promotion is promotion through image. Brand is one of the key elements of its conceptual construction. Brand and promotion are on the same side of the medal.

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<sup>4</sup> „Making democratic institutions work” <http://www.coe.int/democracy>

<sup>5</sup> A. Duka and N. A. Pano . „Promotion, . 1999 .

### 3.4. Promotion and Complementation - Diversification

In product politics a special importance takes the development of the mixed product in length and depth. This fact is closely linked not only by the variety of product but also with its promotional politics.<sup>6</sup>

*Advertisement* – represents successfully when at the same time appeals a sale message and entertains. Successful advertising campaign gets remembered long when they are characterized by entertainment as they rise curiosity of the audience about what will come afterwards. Humor, emotion, character, drama and background are the elements around which spins the circle of advertisement success.

Characteristics of a big commercial – are three dimensions that make a commercial “big”:

*Strategy* – commercial should be directed to the right audience, leaded by right objectives and its message should, “speak” for the right concern and that should be conducted by the right media.

*Creativity*- creation is a synonym of a commercial. The idea of it, “catch” attention and inculcates in the mind of audience. Being creative characterizes the whole aspects of commercial from the planning of the message until the method, time and place of its appearance.

*Realization*- everything should be attractive until the last tiny detail. Advertisement people know ‘*what you what to say?*’ that determines from strategy, is half, so ‘*how do you want to say it?*’, that comes from creativity and realization.

## 4. ROLE OF THE ADVERTISEMENT

Role of the advertisement can be looked in the place that she gets in the world of business and in general social life.

### 4.1. The Role of the Marketing

Refers to the fact that advertisement, together with other promoting mixed elements, constitutes maybe the most visible element of realization of communication that enterprise wants to put on its market. Not incidentally, the wide public, first thing that brings in mind when asked about marketing, is the advertisement as a crucial aspect in communication and sales success.

### 4.2. Economic Role

Two leading aspects of opinion for influence of advertisement in economy are: school of

#### 4.2.1. Market Power

#### 4.2.2. Competitors Market

According to the first one, advertisement is seen as a communication instrument to reduce concerns or sensitivity of the customers about the ‘*price*’ factor, consequently, enabling the enterprise to offer and achieve to sell substantially the same product, with a different price from the competition affirming the power above market.

Through the change of customers, marketers aim to decrease the sensitivity towards price as encouraging loyalty towards brand assuming that buyers will stay loyal to their brand no matter the marketed price.

### 4.3. Social Role

Advertisement plays a sensitive role while informing the public for new products and way of using them, meanwhile helps in comparison of alternatives and taking the proper by decisions. Advertisement becomes spokesperson of fashion and expectations of design while influencing it.

*Advertiser* – is the one that initiates the creation of a commercial. Is the one that determines who will be the audience of the commercial, media that will broadcast it, budget on disposition and length of broadcasting the commercial. Advertisers are many and of different spheres according to the position in marketing channels, functions, objectives they aim etc.

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<sup>6</sup> “Promotion”, .A.Duka / N. A. Pano 1999

*Advertisement and promotion* - take lots of forms and are special activities, but connected and are both part of the marketing. Advertisement is a process of communication during which the message, often designed to convince people to buy the product or service gets conducted to the customers.<sup>7</sup>

Advertisement often takes place through: newspapers, television, radio, posters, cinema, flyers, in parts of cars or buses, sponsorships in the internet etc. and the department of marketing, also, has to take decision, that which one of these will identify during planning of marketing. In both cases maybe they get advices by their marketing counselors, some of whom offer the full line of marketing research, advertisement and promotion, public relationship and training in telephone communication skills.<sup>8</sup>

Advertisement critics claim that advertising is expensive and that is why it increases the price of the product, because offends some people and convince the others to buy when they have the possibility. Our supporters say that it increases the request and as a result the employment, stimulates the competition and results in lower prices.<sup>9</sup>

Marketing plan will identify the costs of advertisement, promotion and available options. In general, costs for the changed marketing are higher than the other methods, because communication the message is an important thing, and essential for organizations to make the proper questions before they begin with the marketing campaign and before they decide which methods – media will be efficient.

- Is this inclusion going to be local, regional, national and sometimes international?
- Does the overall cost exclude a media?
- How many people will be included and how much will be the cost per person?
- Which social group covers the media?
- How many times will the message be put per hour, daily, weekly etc.?
- Which is the image, status and media prestige?
- How important are: voice, moves, colors and the size of the product order?
- Will the result be measurable?

## **5. ADVERTISEMENT AND PUBLIC RELATIONS**

Sponsorship offers in many ways. Even if in technical aspects, sponsorship is an advertising medium, and in the last years always connected more with the public relationships. Most of previous marketing was done by individuals, which signed for a product. Like all other methods for public communication, sponsors identify their objectives, define strategies and observe its implementation only after they conduct a rigorous inspection of the expenses and project benefits. Development of sponsorship is where community activity is accompanied with sponsorship, often by individual members of community, which arrange the sponsorship.<sup>10</sup>

Public relations (PR) are a way by which an organization communicates with everybody, that have connection with it. PR is an important part of promotion and becomes a strategic factor in mixed marketing, where can be a good help in changing the opinion inside targeted market and increase understanding between interest parties. Public relations, more and more are becoming an important part of communication tools that become used by organizations, enterprises, non-profit organizations and governments. Research, also has shown that as popular an enterprise becomes as much it gets respected.

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<sup>7</sup> Press ownership and its impact , Albanian Institute

<sup>8</sup> B. Snowdon. Howard R. Vane, “Modern Macroeconomics” ,2005

<sup>9</sup> www.ear.eu.int Vocational education and training project - Business Administration

<sup>10</sup> Howard R. Vane, 2005

Exhibits (fairs) are fine, but an expensive way to bring an organization and a product on customer's attention. Exhibits, commonly are those who deal with special trading for only one field of activity, ex.: an exhibit for motorcycles, electronics etc. Their priority is seducing the visitors that are just interested on that field. Exhibit is also a good place to distribute shirts, pens and other things for free in order to bring the enterprise image to the public. The secrecy of success in an exhibit is to be prepared in full way, but be ready to get flexible in reaction to different needs.<sup>11</sup>

### 6. ADVERTISING, PROMOTING AND PROMOTING BUDGET

There are five principal ways to establish budgets for promoting advertisement:

- Advertisement on the rate of sale, that is a fix percentage of the income from sale, based on last execution. This is simple but does not take into account the life cycle of the product and market changes.
- Target and duty – this aspect requires defining how the advertisement reached its aim. This is not a simple and easy research because it does not give data for expenses that must be done if the aim has not been reached.
- Comparison of competitors – this is not reliable because it does not exist a certain way to know exactly how much the competitor has spent and how efficient was the strategy, or how did they achieve the reduction of expenses. Also ignores changes between companies/ organizations.
- Comparison of the market part with the advertising part – this assumes the existence of a direct relationship between increasing the expenses for advertisement and growth of the market part. Fails in considering the law on reduced production, quality of media for transmitting the message, comparing the competitor and market conditions.
- What we can do – is an approach that is based on previous experience of the market and how much can an organization spend on advertising.

Packaging plays an important role in presenting the product to the market. This is worth also for the services, but it also has another importance.

- Packaging serves for protection and is designed to prevent damage or decay of a product. Protects against breaking, bacteria, chemical changes etc.
- Packaging serves for promotion and it is designed to attract the eye of the client, using color, form and size. Contains brand, signature and information of the product usage.

### 7. APPROACH OF THE SMALL AND MEDIUM ENTERPRISES IN MARKETING

Implementation of the marketing strategy for researching furniture markets, sale markets and products and new services, it has been done necessary for each enterprise, productive, trading or serving.

Forms of marketing that are applied by the small and medium enterprises in Kosovo, from an analysis of 600 surveyed enterprises apply commercials as a form of marketing:

1. *Production Enterprises* have declared that 61.5% of them use mail form marketing as advertising while 26.4% of the enterprises apply participation in exhibits as form of marketing, and 12.2% of the enterprises apply promoting the products and services as a form of marketing.

In the group of **Mercantile enterprises** 64.3% of them apply commercial as a form of marketing, 22.4% apply participation in exhibits as crucial form of marketing and 13.3% of mercantile enterprises apply promotion as the mail form of marketing. Meanwhile, in the group of **service enterprises**, 74.4% use the commercial as a form of marketing, 15.6% apply participation in exhibits as a form of marketing and 10.0% of enterprises use promotion as a form of marketing.

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<sup>11</sup> S. Xhepa., Marketing and advertisement,

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***Forms of marketing which have been applied in small and medium enterprises during year 2005***

Comparing to the year 2004, small and medium enterprises have applied same forms of marketing: commercial, participation in exhibits and promotion. What is impressive during the reading of these data, are that our enterprises even now are not applying other forms of marketing like: publicity, public relations, personal sale and mixed marketing which are giving very good results in developed countries and in countries in progress.

Also according to economic activities tools and channels of realization of advertisements for small and medium enterprises are the same with slight moves between level of their usage.

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