

Promotion Influence in Sales Advance and in Increasing the Image to the SMEs in Kosova

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ABSTRACT:

The promotion as an important element of marketing mix plays a key role in marketing management regard, in every enterprise, and also for SMEs. The SMEs in Kosova are giving more and more importance to the promotion, and this factor, beside the sales advance for their products, is important to increase their image. What is the impact of the promotion in SMEs longevity; respectively what are the advantages and disadvantages of promotion application compared with the other traditional advertisement forms? What are the promotion models used by the advance companies to increase their sales level and improve the service level? These are some of the research questions that follow this paper. On the other side the increasing promotion application in front of traditional forms of Marketing have made SMEs to save from their budget dedicated to Marketing, always taking into consideration the advanced models that today provides this communication form. The research on hand will reflect the new advanced promotion models which are practiced by some SMEs in Kosova, these case studies will argue the company's sustainability achieved by the promotion. The budgeting as an integral part of promotion realization, in this research will prove the possibility to save from the budget by avoiding the classical – traditional forms of advertisement. This aspect also will be argued by case studies of SMEs in Kosova. The mass media, in this case, the communication with the public, in way to transmit the promotion message, request a profound analyze when it comes to select the mediums, rating and audience measurement, etc. The research will contribute not only to SMEs but also to consumers and public in general. The research will have its conclusions and recommendations which will enforce each of elements that require a different treatment from the one that is applied in reality.

Key Words: SME, Promotion, Product, Marketing, Consumer.

1. Introduction

The advertising and especially the promotion have identify different schools and arguments relating to the relation between the promotion and the

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target audience according to Ogilvy, before it is art, advertising should be useful and interesting to ... “When I write advertising I don’t want you to say you find something special. I want to find it so fascinating that you buy the product”.¹

The promotion as one of the marketing mix elements has a multiple function both in social, economical and confrontational in the market (consumers, competition), and company. Some of the elements identified as basic for the company are the affirmation and company’s image consolidation, product information, familiarity with the new products, promotion by the canal members, information about marketing mix elements, convincing consumers about in choosing the brand; clarify the consumer’s questions during the purchase process, preparing the conditions and completing the purchase, post-purchasing and the relations with the consumers and company, consolidation of internal coherence, relations between the staff, etc.

Promotion efficiency is visible when the other activities of marketing mix perform their duties. If the introduced product do not respond to the demand or criteria of the market (high price, not efficiency distribution), then the promotion obviously can not perform its business function within the enterprise.

The promotion can not cover the weaknesses, in efficacy aspect, of other Marketing Mix elements. The Promotion can not be effective because is directly connected to the other instruments of Marketing mix.

If we analyze the promotion aims in communication aspect then we can see that these aims change from the aim of marketing, although very often for the companies these are treated as synonyms.

The Marketing purposes are placed in the Marketing Plan that the company has designed and the same purposes represents statements of what needs to be achieved through the general program of Marketing in a given period of time.

The promotion aims are developed in general plans of Marketing made previously by the company and the same are integrated in Marketing’s aims. In this case the managers must be able and competent to carry the general aims of Marketing for concrete aims of promotion. For many managers the principal aim of promotion is selling. They state that the reason why the company spend money for advertising and promotion is to sell its product or service².

2. Advertising planning in SMEs in Kosovo

Advertising for the companies results to be successful when are achieved the planning objectives, and these objectives must be in advance

¹ V, Panajoti, A, Abazi, Xh, Duka, M, Axhami, 2012, Bazat e Marketingut, fq, 225, Tiranë

² Belch, George, Belch, Michael, , 2011, Reklamimi dhe Promovimi, Perspektiva e integrimi të komunikimit të Marketingut, fq.196.

considered genuine. The planning represents the activities' process disaggregated in phases, including the methods, mediums, approaches, and expenses, selling effects, profit effects and market penetration.³ These documents must be elaborated and defined in planning document.

Promotion planning which for the company is an objective for specific purposes in relation to consumers whether to know the consumers with the new product, enhancing the sales or enhancing the image of the company. This promotional planning obviously has to be part of the marketing plan. During the promotion types planning, the company must analyze a considerable number of factors that influence in the creation of the promotional mix.

The manners how the companies (SMEs) in Kosovo organize their promotion activities depends by these factors: activity size, number of products in sale, the role of the promotion in the marketing mix, the budget designed by the company for the promotion and implementation. The implementation in this case means if the company will arrange any specialized company to implement all the promotion process or the company through the Marketing department within the company implement all the promotion process.

The function of the Marketing departments in SMEs in Kosovo is wide, the employees in these departments always have a direct relation with the promotion process, they participate in different ways in the decision making as in providing information for promotional campaign plan, choosing the agency and evaluate the programs.

In a wide number of the companies (SMEs) in Kosovo the marketing departments are guided by the advertising or communication managers and which acts in complete coordination with the director of Marketing.

In the major part of SMEs in Kosovo, the Marketing departments function under a centralized system and for this reason the advertising manager is responsible for all marketing functions: selling, marketing research, promotional campaign, etc. In the fig. 1.0 is noted that in a advertising centralized system the manager for advertising controls all the promotional operations, the budgeting, coordination, the production where will be realized and executed the advertising – promotion for the company's products.

³ Veseli, Nexhbi, 2010, Promocioni, fq.92, Tetovë

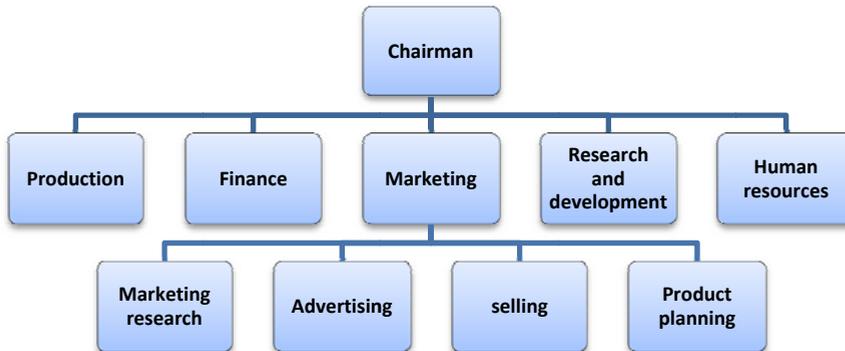


Figure 1. Organigram for Kosovo SMEs - according the Centralized System of Advertising

3. SMEs in Kosovo and purposes oriented toward selling

The principal and the most important moment of SMEs managers in Kosovo to promote their product is selling. One of the reasons why they decide to spend in promotion of a product is the possibility to sale that product. In cases where we are dealing with rational managers usually they implement investing options in common financial base, in this case investments returns. The expenses of advertising managers in SMEs in Kosovo made in promotion, according to them these expenses create measurable results both in sales and increasing brand commercial participation. Said differently, the expectation of managers from the investments in promotion of a product (success or failure of the campaign) should be based in selling results achievement.

From the other side some managers of advertising – marketing in SMEs in specific cases recommend the selling possibility as the best with the aim to push the individuals included in promotion to think in précis way about the best promotion program that will influence in selling. From the other side they can mix the marketing purposes with promotion and advertising purposes.

In the business world, the weak selling results can happen for many unknown reasons related to marketing mix, including the design or the product quality, packaging, distribution or price.⁴ Making a statement about this, the promotion if designed according to foreseen criteria may inform the consumers for the product, may increase their interest but can not push the consumers to buy the product because of the fact that the approach with the product is not immediate, even in cases when the product is more expensive than the product of the competition.

⁴ Belch, George, Belch, Michael, , 2011, Reklamimi dhe Promovimi, Perspektiva e integrimi të komunikimit të Marketingut, fq.197

The other problem of purposes in selling oriented is that the effect of promotion in most of cases happens for long terms periods. By different Marketing experts in Kosovo has been confirmed that the advertising – promotion has a late effect of transition; the money invested in promotion not always give an immediate result in increasing the sales.

The other problems related with the SMEs sale oriented, is that the same offer less responsible subjective help in planning and promotional programs development. The employees in advertising sector (Marketing department, creative sector and media) that work with a specific case need direction according the nature of promotion message that the company want to transmit to the target group.

The problems in promotion planning with the purpose the sale exist even when the selling purposes are indispensable. One of the main purposes when the promotion is oriented toward the sale is creating of short term increasing sales.

4. SMs in Kosovo and the purposes oriented toward the communication

The advertising and other promotion activities are communication instruments necessary for the consumers to know the brand, with the favorising advantages of the product and with the image of the product of the company.⁵ But not always the consumers react quickly! The Marketing Managers in this case the advertisers must give spacious information and elaborate favorable attitudes of the brand before the concrete buying by the consumers.

Not always the Marketing Managers (advertising) orient their purposes and company's purposes toward the sale. A considerable part of SMEs in Kosovo are of the opinion that the primary role of Integrated Marketing Communication is exactly the communication and the planning should be based on communication goals.

On the other side not all the Marketing Managers (advertising) accept the communication goals, some of them are of the opinion that it is very difficult to carry sales goals on specific communication purposes. But there are some cases when selling goals should be transformed in communication goals. *Example:* If the marketing plan for an assigned brand provides a sales growth of 10 percent, the Marketing – advertising Manager should consider at the same time what message it should transmit to the audience in order to achieve this objective. The target goals include:

- Increasing the percentage of the consumers in the market that have concrete characteristics, advantages or benefits associated with our brand;

⁵ V Panajoti, A Abazi, Xh Duka, M Axhami, 2012, Bazat e Marketingut, fq 256.

- Increasing the number of consumers in the market which think that our product is better than the competition's product;
- Encouraging of current production users to use more often and in more situations;
- Encouraging the consumers who never test our product to test it.⁶

In the above mentioned items is noted that the marketers and marketing departments of their agencies of advertising should pay importance to the goals for promotion campaign. They should put their intentions towards specific goals that need to be measurable and will not only lead the promotion plan, but must use the standard for evaluating the results. Unfortunately, many companies in Kosovo are not tend to put their relevant goals in their programs for IMK. A number of SMEs in Kosovo are not tend establish relevant goals because the higher management has a pale image about the IKM function in the company.

5. Promotion application in SMEs in Kosovo

5.1. Case study: Bibita Company

Bibita is a juice production and selling company in Kosovo. This company is part of SMEs in Kosovo. Actually is operating with 35 employees. The incomes if Bibita company are achieved through the production, selling and promotion forms that the company is undertaking in continuity, depending in several cases as launching of new product or different situations created in the market. The Marketing Department within the company has developed different promotion activities designing creative ideas, unique forms of promotion, direct communication with the consumers.

Each product of the company is associated with a promotion on the ground being in this way close to the consumer. For Bibita Company the promotion is a precondition for a successful and long term launching of new products in market. From many years of practice of Bibita Company (founded on 1993), has been confirmed that the product quality has the first place and this is a precondition to enter in the market and after to have the road open for the advertising – promotion campaign.

In launching new product Bibita Company organizes the promotion campaign. In certain cases the promotion has been requested even in critical cases that are created very often in Kosovo market. The competition is the one which obligates to undertake a promotion campaign, in case when the direct competition starts with a powerful campaign then the Bibita Company do not sit

⁶ Belch, George, Belch, Michael, , 2011, Reklamimi dhe Promovimi, Perspektiva e integrimi të komunikimit të Marketingut, fq.202.

back. The answer of the advertising and selling managers in such situations are the alternative promotion form, more creative for the only fact to put the product in first line. Bibita Company has encountered very often with such situations and always has managed the pressure of the competitions.

The need to promote its products for Bibita Company is necessary when the statistics show sales decline, depending in the above mentioned situations, Bibita Company plans and organize intensive promotions in big and medium markets (hypermarkets, supermarkets), in forms like tasting the product, action campaigns, giving gifts if they buy the product but also big promotions in the centers of cities or discounts.

Promotion types applied by Bibita Company have been divided in two parts by the managers of the company: Indoor Sampling and Outdoor Sampling that means the applying in internal and external spaces (public):

- Tasting the juices
- Extra positioning of the products in principal location of the markets.
- Distribution of information brochures.
- Promotion in open spaces (cities of Kosovo), giving juices gratis.
- Promotional actions of juices like 4+2 gratis and 3+1 (bottle).
- Promotion of juices by E-Marketing.⁷

6. SMEs in Kosovo and the application of Marketing means

Now is well known that the tested forms that are helping the growth and SMEs development both in sales and image growth is the advertising – promotion. The supporting SMEs agency which operates under the Ministry of Trade and Industry of Kosovo where the has conducted several surveys and various research, a survey of 700 SMEs (2011), considering the importance of Marketing, in our case advertising – promotion the agency identified the importance that companies are giving to marketing application especially the promotion the survey has identify the importance of Marketing in the promotion of their product.

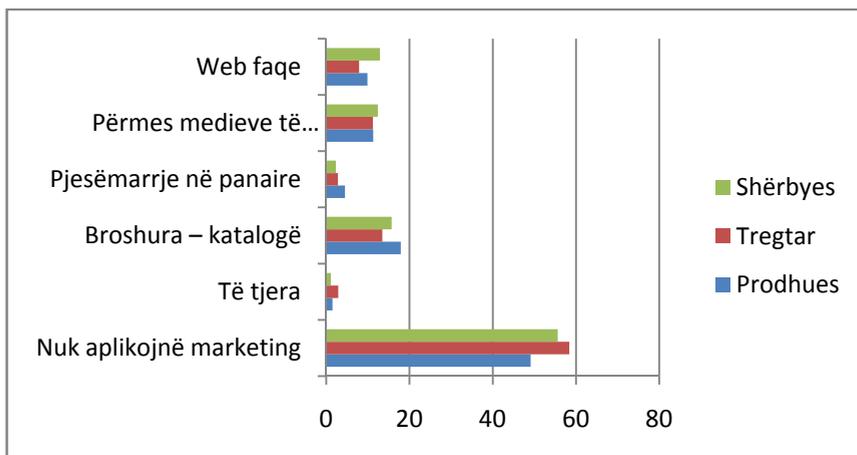
However, more then half of respondents have declared that do not apply the marketing in their activities development. These results are discouraging when is well know the importance of marketing to penetrate to the consumer and to raise the image of the product and of the company

⁷ Bibita Group, 2012, Plani promociional, Pejë

Table 1.0. Means to realize Marketing⁸

Means to realize the marketing	Producing %	Commercial %	Service %
Web page	9.90	7.90	12.90
Through printed and electronic media	11.30	11.20	12.40
Fair participation	10.30	6.10	2.30
Brochures – catalogs	17.90	13.50	15.70
Others	1.50	2.90	1.10
Do not apply marketing	49.10	58.40	55.60
Total	100	100	100

The following graphic reflects this situation: in production companies only 9.9% of them have declared to use the webpages, 11.3% use the printed and electronic media, 10.3% participate in fairs, 17.9% prepare brochures and catalogs and 1.5% apply other methods, 49.1% have declare that do not apply any of marketing forms. In the commercial businesses the situation is almost the same: 7.9% of them use webpages for marketing, 11.2% printed media, 6.1% participate in fairs, 13.5% through brochures and catalogs, 2.9% other forms and 58.4% of them do not apply marketing.

**Figure 2.** Means to realize marketing⁹

⁸ Ministry of Trade and Industry , 2011, Report - Research of 800 SMEs ,pg 52, Prishtinë

⁹ Ministry of Trade and Industry , 2011, Report - Research of 800 SMEs ,pg.53, Prishtinë

7. Findings and Recommendations

The fact that more than 50% of producing businesses do not apply any form of advertising-promotion, the commercial businesses as well, present a disturbing fact. The failure to apply the advertising form by more than 50% of these businesses do not help the product position in the market and do not help in increasing the sales and the brand image. This is a negative indicator that Kosova companies are facing with serious problems of financial resources, human resources and other difficulties with imported products.

By the other side the use of advertising and promotion by SMEs in Kosovo in most cases only to raise the sales and not to communicate and increase the image of the product and of the company also is not a good indicator. Raising brand's image is directly related with company's image that in this case it would be very favored, "good will", in front of consumers and competitors that in this case is considered to be aggressive and Kosova's market.

The functionality of marketing departments (advertising) in SMEs in Kosovo according the centralized form is considered to be primitive is a lack of creativity of advertising managers and the other staff working in the company. Such remark is because the principal ideas, the approvals to realize the promotional campaign and budget allocations are coming from the top level.

The local products in Kosovo are threatened by imported brands that are well know by the consumers. The decentralized system will able to managers a research and deep development of special products. The brand's managers in this case are functional in the decentralized system of advertising will be responsible to plan, budget allocation and the profit. The brand manager in this case shall be accompanied by some (one or two) assistants managers that will be responsible for the marketing program. In this case the brand manager have the cooperation of advertising companies and of experts for communication and marketing during all the development of promoting program.

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