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Sales Promotion in the Marketing Communications

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ABSTRACT

The importance of communication in the modern conditions of internationalization of economy has been steadily increasing. The use of the organizations of the Russian business market communications is implemented in complex administrative decisions, by which is achieved the maximum commercial results with a goal to not only promote products, sales promotion, and the creation of corporate identity, improving the quality of customer service. The concept of marketing communication pervades all stages of the market reproduction from the idea of creating a product or service before their final implementation. The timely use of elements of marketing communications directly affect the business results and efficiency of marketing as an integrated system of production and distribution of products, built on the basis of preliminary market research of customers' needs. Marketing communications are a key mechanism for overcoming the problems on the difficult path of promotion of goods or services from the producer to the final consumer. To encourage, as indicated in the dictionaries, means "to move". Such problem was put before the sales promotion at all times. In the USA sales promotion as an integral part of the production and commercial structure has existed for over 50 years.

JEL Classification: M11, M31, M37.

Keywords: Marketing, sales management, marketing communications, sales promotion.

1. INTRODUCTION

Under marketing communications is understood as a complex system of market interactions with the public related to the movement of goods, exchange of information, knowledge, experience (Bagiev, 2015).

Communication work is an integral part of the commercial and marketing activities of any organization. In the conditions of development of market relations and increase the saturation of consumer market with goods and services communication, the work takes on a new meaning, has a number of specific means, the knowledge of which allows to intensify the process of sale, to encourage the implementation of individual goods and services, to streamline the process of customer service due to the “information support” of all its components. Research methods are based on applying logic and systematic approach (Kobersy, Karyagina, Karyagina, & Shkurkin, 2015). The paper used General scientific methods and techniques: scientific abstraction, grouping, qualitative expert assessment and synthesis.

Sources of information: the study realized in this material is mainly based on the study of analytical, informational and statistical materials of the Russian and international authors.

2. DISCUSSION

Marketing communications are actively used as an effective marketing tool, including the practice of bringing to the consumers the necessary information on the company by means of.

With the help of marketing communications in a broad sense, components: advertising, personal selling (online promotion), public relations and sales promotion. Sometimes referred to as a means of listed instruments, genres or marketing communications.

Through marketing communications in the narrow sense of the word is a variation of the above components, the choice of which depends on comes someone (e.g., the manufacturer or the seller) and who is affected (e.g. other companies or end consumers).

DGSP System

Take a closer look at the tools of marketing communications demand generation (DG) and sales promotion (SP), which together form a system DGSP. To buy the product, you must have information about its consumer properties. The buyer is not the need for the products or services about which few know, as there are usually many kinds of products, satisfying the same need, the buyer has to make a choice between them. A product with unknown or little known properties in this situation will not be purchased, as the buyer has for it “barrier of distrust”. Therefore, the elimination of such barriers is the main goal of DGSP (Barkan, 2004; Oleinikova et. al., 2016).

The DG is direction communication (informing), which promotes awareness of the product. The impact of DG is manifested in the active work of making the buyer of a random constant, and the expansion of the sale of goods.

The purpose of service of the SP is a purely commercial: obtain the greatest possible profit. Giving a simplified definition, we can say that sales promotion (SP) is a set of activities designed to promote the sale of goods.

Holding events in the framework of DGSP, you need to know and to keep in mind the following conditions of efficiency of its use: excellent to know your product in all detail; know your competition; know your customers; make unique proposals, i.e. to offer that are not offered by competitors; in contact with consumers to advertise their firm and affordable and fun.

Event Demand Generation

All DGSP aimed at promotion of goods to the consumer, thus suitable for virtually any form of influence used by the firm: a belief or just a reminder to buyers about their products, samples, ideas, and social activities. In the program of communications of the manufacturer uses primarily a combination of marketing channels whose purpose is to stimulate demand and improve the image of the company. No service DGSP difficult to organize commercial activities on the market. Therefore, some firms spend up to 15% of its revenue. According to foreign sources the cost of DGSP be distributed approximately as follows:

- advertising in print media - 30%;
- print advertising (brochures, catalogues, posters, booklets) - 15%;
- exhibitions and fairs - 15%;
- direct mail of printed advertising materials and samples of goods to potential buyers - 10%;
- souvenirs, excursions - 7,0%;
- familiarization trips sales agents (dealers) in countries where the exported goods are supplied by 8.0%;
- publicity, public relations - 7,0%;
- unexpected expenses to 8.0% (Winkelmann, 2006).

All activities of the system DGSP aimed to promote the product. It is necessary to consider the legal aspects of the promotion as ways to protect consumers and competing firms from the unsatisfactory methods of promotion. These include advertising, press, direct mail, personal contacts (Belyaev, 2014).

3. NATURE AND ROLE OF SALES PROMOTION

Stimulating effect on consumer behavior, transforming it from a potential real buyer. There are operations on sales promotions, which are hard to type – a significant decline in prices, the sale of an additional quantity of goods at constant prices. It is effective, if it is a short period of time, but are costly to the manufacturer (Klimin, 2007).

Sales promotion includes a wide range of means of promotion - coupons, games, competitions, discounts, bonuses. Each of these tools has its own characteristics. Sales promotion is addressed to the target audience and aims to ensure the sale of goods, create a stream of customers directly at the point where the goods are for sale. This is different from the stimulation of direct marketing techniques that are addressed directly to each potential buyer in order to induce him to order the goods outside the place of trade.

Encouraging consumers perceived as a “free gift” or entertainment. The consumer has the opportunity to choose among the options offered him incentives and indifferent to the fact of who is encouraging – from the manufacturer or a trading network.

Surveys show that consumers prefer these types of incentives like free samples accompanying the purchase, the additional quantity provided for free, sales at discounted prices, for which a certain margin should be at a discount to re-purchase.

To stimulate consumer in gaining operations when they provide immediate (or with some delay) and gain cost savings.

The consumer is very susceptible to selling at a discount. He is attracted to the goods for which the price is temporarily reduced, and two similar products of equal marks, he will buy cheaper. However, the consumer is suspicious of the goods that are offered too frequently on “special price”.

Currently, these operations are sales promotion are milder (games, contests buyers). They are more efficient in the creation of a positive image of the goods (Bogoviz, Ragulina & Kutukova, 2016). The combination of “hard” and “soft” sales promotion techniques encourages the buyer to commit immediate purchase and if stimulation is responsible buyer expectations and consistent with the specifics of the goods, it inspires consumer sympathy, interest and dedication to the smaller, compared with advertising expenditure (Kotler, 2007).

4. OBJECTIVES AND TOOLS OF SALES PROMOTION

Sales promotion can pursue many goals. The choice depends on who directed stimulation (target audiences).

The consumer undoubtedly has the greatest significance. The whole policy of marketing comes down to the impact on the consumer. A wide range of techniques of sales promotion was created with the sole purpose in the most effective manner to attract customers to the product and to satisfy his queries. The purpose of incentives to consumers are as follows:

- to increase the number of customers;
- to increase the number of products purchased by the same buyer.

The seller should not be overlooked by the manufacturer, as from his abilities and ability to sell goods depends on the success of the enterprise. The purpose of the incentive of the seller to turn inert and indifferent to the goods of the seller in enthusiast. Reseller, being a link between manufacturer and consumer, is a specific object of incentives, regulatory functions. [9]

In this case the target stimulus can be different:

- to give the product a certain image, to make it easily recognizable;
- to increase the number of incoming goods to the trading network;
- to increase the willingness of the facilitator in the active marketing of a particular brand of product.

To sum up the above, we come to the scheme of strategic, specific and single purpose of sales promotion.

Strategic - to increase the number of consumers; to increase the quantity of the item by the user; to increase the turnover to indicators outlined in the marketing plan; complete performance of sales plan (Shkurkin, Ryazantsev, Gusakov, Andronova, & Bolgova, 2016).

Specific to accelerate the sale of the most profitable product; to increase the turnover of any product; to get rid of excessive inventory to make regular sales of seasonal merchandise; to oppose any competitors; to revive the sale of goods, sale of which is stagnant.

One-time benefit from annual events (Christmas, New year); to take advantage of some favorable opportunity (anniversary of the establishment of the company, opening of new branch); to support an advertising company.

The choice of incentives depends on the goals. All funds can be classified into three large groups:

- price promotions (selling at reduced prices, discount coupons, entitling them to a discount);
- offers in-kind (prizes, product samples);
- active offer (buyers' contests, games, lotteries).

The main means of stimulation can be combined in accordance with the object of influence. The incentive objects:

- supply apparatus and target bonus, contests, games;
- broker – ticket for sale discount, discounts, sale, at reduced prices, contests, games;
- consumer – coupons on sale with discount; selling at reduced prices; product samples; additional quantity of the goods; the packaging for future use; testing of the product, sampling, premiums, contests, sweepstakes (Kotler, 2007).

With respect to the point different kinds of incentives can be classified according to their origin and impact on customers:

- General promotion. It is applied at the point of sale. It is the instrument of the General revival of trade. This kind of stimulating at the same time combines the sale at discounted prices, demonstration of goods, tastings, games, the use of clowns, festive decoration of halls, billboards, signs with explanations, the catchy ads and promotional campaign (distributing leaflets with coupons entitling them to purchase discounted gifts in case you purchase a certain quantity of goods, contests, games);
- Electoral incentives - the placement of goods outside the places total calculations in an advantageous position. The product can also be concentrated in an area of a trading hall, for example, exhibition and sale of products for primary school pupils. This incentive also includes product placement on portable trays or in the carts located in the aisles or at the intersection of trade lines. While advertising is used less. Only used clipboards and pointers;
- Individual incentives - is in the field of total exposure of products and usually comes from the manufacturer.

5. PROMOTE RESELLERS

The incentives of the firms of intermediaries and their employees. The target stimulus to convince a wholesaler to purchase a certain amount of goods and give him the means of persuasion the following broker:

- to convince a major mediator catalog item (include it in its permanent range);
- encourage retailer advantageous to place the goods in a trading floor.

The manufacturer is forced to resort systematically to stimulate reseller:

- at the time of release of the goods into circulation, when stimulation has only one purpose: to make goods in the catalogs.
- during the period of growth of sales of goods: for goods of the period sales growth was characterized by the depletion of stocks at points of sale, as the orders do not come in based on forecasted demand, and depending on the achieved level of sales. Therefore, there is a need to encourage intermediaries to purchase goods in quantities proportional to the expected demand, while trying to avoid overstocking.

The purpose of stimulation in this case is to provide conditions for the purchase of a large number of goods and obtaining more space in the sales area for product placement of the brand or their placement in the most advantageous points of the trading floor.

In the period of maturity item sales to reach the optimal level, and the competition becomes a threat (Brown, 2003).

Trading network and brokers try to avoid efforts to increase sales of the product. In this case, the stimulation should help to counteract the actions of competitors (generated inventory to the market launch of competing products).

Operations to stimulate also have the goal of streamlining the receipt of orders. In addition, in order to combat seasonality in sales and distribution (Liu & Lopez, 2014), encouraging purchase at an unfavorable time, or in engaging the trade network in the preservation of goods in the sales area throughout the year.

In the downturn of popularity of the product, timely operation of the stimulation reseller will help to eliminate inventory, and prepare the ground for the arrival on the market of a new product (Epstein, Flores, Goodstein, & Milberg, 2016).

Ways to incentivize Resellers are divided into two groups: financial benefits and benefits in kind.

6. PLANNING, CONTROL AND EVALUATION OF SALES PROMOTION

Objectives of sales promotion are almost always focused on demand. They can be associated with the participants of the distribution channels or consumers. Goals associated with the participants of distribution channels include distribution and marketing, obtaining sufficient shelf space, increase the enthusiasm of dealers, sales increase and achievement of cooperation in the costs of sales promotion. Objectives related to consumers include increased recognition of the brand, the increasing number of attempts to try a product or service, emphasizing the novelty and the addition of other incentives.

When goals are identified, a marketing plan for each product included measures of sales promotion and advertising activities.

The main objective of the plan of sales promotion is to increase the turnover of goods at the place of sale. It shall be executed responsible for stimulating, working with managers on product and marketing Director (Kotler, 2007).

Planning of Results of Sales Promotion

Plan of sales promotion includes the following items:

- (a) Place product on the market. Summarizes the key baseline data relating to the product, market, consumer and competitive products;
- (b) Broke for the coming year. Specified is made during the previous year to stimulate sales of goods and study competing products, analyzed the results, outlines the challenges and opportunities, which you should use:
 - 1. quality objectives (improvement of the product image in the eyes of the trade network by accelerating its turnover);
 - 2. quantitative objectives (increase sales by 20% by the end of the period of stimulation).
- (c) Program of action:
 - 1. purpose: increase sales in stores;
 - 2. means: to study the situation in stores, offering discount rates for the period of the “approval” of the goods;
 - 3. rationale: the sale of goods is stagnant while the volume of sales in this distribution channel is growing.
- (d) Monitoring of planned activities. Check the profitability of the planned activities is carried out by conducting tests before and after the promotion, you select a few outlets and selling is analyzed before and after stimulation;
- (e) Budget for each activity to stimulate sales set a well-defined budget. This budget is included in the total annual budget;
- (f) Schedule. Scheduled for year events are presented in graphical form.

Plan of sales promotion has advantages compared with the plan of advertising: measures to stimulate give immediate positive effect on the place of sale of goods, prompting consumers to postpone purchases (Srebnik, 2014; Alexandrescu, Butincu, & Craus, 2016).

Monitoring and Evaluation of the Results of Sales Promotion in the Marketing System

Monitoring and evaluation of the stimulation results:

- (a) Laboratory tests:
 - 1. Test plan. Check the ideas, which could be the basis of incentives. You need to find out what people think, formed the sample, on the packaging, enabling its recycling, on the theme of the contest, to know the opinion on a particular type of stimulation;
 - 2. Testing method of stimulation. After approval of the plan to encourage you can refer to the survey participants, please specify the method of its realization, for example, to choose the prizes for the winners of the competition;

- (b) Market tests. Market testing is carried out directly in stores or at home, i.e., among real buyers, when there is stimulation. Test incentive program is carried out in a geographically limited area or only a few stores in this area.
1. Testing in a control store. These tests are effective when they are applied to such incentives as lower prices, and in a broader plan - the special offer products (grouped sales, the purchase of two goods free of charge third item).

The consumer is consistently and alternately presented with various options of stimulation in two groups of stores that have comparable characteristics (range, shipments, volumes, areas);
 2. Zonal testing. We are talking about large-scale testing in a representative region of the national market. This allows to test the incentive plan distribution in its entirety and its available options.

Performance measurement is a difficult task. Many companies simply compare the sales before and after stimulation. But you need to compare the factors that differentiate stability and constancy (Andrews, 2016). Ideal would be a comparison with a group of control stores situated in the zone free from stimulus.

Getting to the sales promotion, you should remember:

- (a) Stimulation is only effective when its use is linked to the product life cycle and consistent with clearly defined objectives;
- (b) More effective is relatively short sales promotion. The short duration of the event encourages consumers to quickly benefit. With regard to stationery, the stimulation can be performed within one to two months. Goods purchased once a year, in need of short-term stimulation (4-6 weeks) at the time when the purchase is most likely;
- (c) Measures to promote and merchandise must be closely linked. Stimulation is required to make part of either the product itself or its immediate environment (the store or group of products the same brand).

In order, not to prejudice the image of the product rash stimulation, you should always remember about the according of measures to stimulate sales of goods.

In recent years, the growth rate of expenses on sales promotion exceeds the rate of growth of advertising costs.

Activities of sales promotion involves the formulation of objectives, selection of incentives, development, pre-testing and implementing relevant programs, and assess results.

When developing a program of sales promotion there are two main issues - who should be stimulated and how to do it.

7. CONCLUSION

Thus, efforts to encourage more sales are divided into promotion consumer, trade and sales staff and aims to motivate the target group for the acquisition of goods. If the advertising and direct marketing provide

customers a rational or emotional justification for purchase, activities for promotion of goods – an economic stimulus in the form of discounts, giving away free samples or a chance to win a prize.

A number of factors contributes to the growth of sales promotion. Different forms of promotion are now more accessible to firms and consumers. Leaders have the best qualifications to manage a sales promotion. Possible fast results. With the increasing competition intensified promotion. During economic downturns, consumers are looking for incentives, and participants in the supply chain exert pressure on the manufacturers to gain promotion.

Sales promotion for the company has a number of advantages. It helps to attract buyers and to maintain the commitment to the product or store. For example, buyers are attracted to the samples or trial offers. The manufacturer can maintain commitment to their brand with the help of gifts to regular customers or coupons on their branded products. Retailers can maintain the loyalty to the store, giving the brand or store coupons. You can achieve quick results. Some forms of sales promotion have a value to consumers and saved them. They serve as reminders. This includes calendars, matchbooks, shirts, pens and posters with the name of the company.

Using the internal Windows can increase impulsive purchases. For example, an attractive showcase for the batteries in the store can significantly increase sales. In addition, a good showcase could lead to more purchases than originally anticipated consumer excitement is created through certain regular activities, including gifts, competitions or lotteries. Especially stimulating consumers of expensive goods or large payments. Directly associated with sales such forms of sales promotion like coupons, special stamps (granting the right to receive certain amounts of certain premium goods for free) and gifts.

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