

УДК 659.1:139.187

ANALYSIS OF THE CONCEPT OF ADVERTISING ACTIVITIES AND SALES PROMOTION

Savas Cagilci

Msc Department of Management and Marketing,

Faculty of Economics and Administrative Science Suleyman Demirel University

Түйін

Бұл мақалада жарнаманың тұжырымдамасы және іс-шаралары, сондай-ақ сату, жылжыту тұжырымдамасы талданылады. Шетелдік жарнаманың теориялық және практикалық тәжірибесі Қазақстанда пайдаланылса, көп пайдасын тигізеді. Бірақ ұлттық сипаттамалардағы айырмашылық-тар, жарнамалық бизнес әдістерінің елеулі айырмашылықтары, отандық жарнама, жарнамалық бюджет тапшылығы жарнамалық қызметін басқару мәселелеріне ерекше көзқарасты талап етеді. Осылайша, бұл мақала, сондай-ақ қазақстандық нарықта қолданылатын жарнамалық іс-шараларын, олардың артықшылықтары мен кемшіліктерін сипаттайды.

Резюме

В данной статье анализируется концепция рекламы и ее деятельности, а также понятие стимулирования сбыта. Теоретический и практический опыт иностранной рекламы содержит много полезных вещей, которые могут быть переработаны и творчески использованы в Казахстане. Но существенные различия в национальных особенностях, методы ведения рекламного бизнеса, дефицит рекламного бюджета у отечественных рекламодателей требуют особого подхода к проблемам управления рекламной деятельностью. Таким образом, эта статья также характеризует рекламные деятельности, которые используются в казахстанском рынке, их преимущества и недостатки.

Кілт сөздер: жарнама, сату ынталандыру, маркетинг.

Ключевые слова: реклама, стимулирование сбыта, маркетинг.

Abstract. The paper analyses the concept of advertising and its activities and the concept of sales promotion, which is very close to advertisement. Certainly theoretical and practical experience in foreign advertising contains a lot of useful things that can be recycled and used creatively in Kazakhstan. But significant differences in national characteristics, methods of conducting business advertising, deficiency of the advertising budget from domestic producers to compete with global brands require a special approach to the problems of management of advertising activities. So, this paper also characterizes advertising activities, which are used in Kazakhstani market, their advantages and weaknesses.

Introduction

In a market economy for the success of its subjects are particularly important in-depth knowledge of the market and the ability to skillfully use modern tools of influence on the evolving situation on it. With proper

organization of advertisement it is very effective and contributes to the smooth implementation of the fast production.

If the firm is developing a strategy to advertising campaign, it avoids a lot of mistakes in its implementation and makes such advertising, which is aimed at consumers more precisely than thoughtless and senseless promotions that are sometimes just harm the company. Foreign experience has shown how important the development of the advertising company is, because it stimulates sales and creates an image of the company.

Concept of Advertising

Rowley [1] defines advertising as “any paid form of promotion of ideas and non-personal presentation, and services or products by any identified sponsor”.

Advertising is also described as a form of marketing communication which is commonly used to persuade an audience (potential customers) to take or continue some action, often with respect to a commercial offering or political or ideological support [2].

Zeiffert had written that “Advertising is a form of the provision of spiritual influence. Advertising seeks to achieve its goals by means of actions aimed at voluntary perception, self-achievement and further cultivation of its proposed goals”. Perception should be voluntary. This is true not only for achieving the goal itself - purchase of any product or selecting a particular party - but also for further recommendations that Zeiffert calls “further culturing” [3].

Krieg-Sigman presents four conditions that all advertising activities must conform to. They are: (1) consistency, (2) honesty, (3) simplicity and (4) the selection of media/methods which fit the project. The tools or channels of advertising have been categorized in different ways, and sometimes within the framework of the promotional mix [4].

Previous studies

De S6ez claims that the advertising activity most likely to fail is that activity, which was developed in confinement from the rest marketing process [5].

MacDougall and Kinnell say that advertising often ends up by subsuming all available resources, thought and action, which have to be distributed throughout the marketing process. Moreover, there is very small consistency in the way in which different organization services gather their aim, while creating another obstacle to the higher level [6].

An advertising must improve the quality of customer service. With advertisement buyers find the goods they need very quickly, get them with the high comfort and least time-spending. At the same time the realization of goods accelerates, the labor efficiency of sales increases, costs are reduced. Thus, the whole advertising process influence on customers has to be built in close

connection with customer's way of life, social, economic and aesthetic problems of present society.

Rowley establishes the objectives of the advertising itself. There are different available models, but Rowley has identified 3 core phases which are common to all of them: (1) cognitive, (2) affective, (3) behavior stages. Cognitive stage involves the raising of the awareness of target audience; affective stage affects the attitudes of the target audience; behavior stage is achieved only if the target has persuaded to take the action. These three stages of communication comprise a great relationship of influence and very close with the objectives of enterprise promotion [7].

Eyre defines advertising as the "gaining of public support for an activity, cause, movement or an institution" [8].

Rowley converts the objectives of promotional strategies into categories, which include (1) increased sales, (2) brand recognition, (3) maintenance or extension of the market share, (4) the creation of a favorable future climate, (5) an informed and educated market, (6) a competitive advantage and (7) improved promotional efficiency. This mixture encompasses the cognitive, affective and behavior stages of the promotional communication process. He stresses that these objectives should be adopted in proportions which are appropriate to the organization [9].

According to Irving, the possible objectives of marketing, which ranges from the direct to the indirect and more enduring outcomes, and contributing to impact, support and improved funding. It is sensible to assume that advertising objectives will correspond with the overall marketing strategy [10].

Eyre stresses that the inadequate provision of evaluative measures is usually symptomatic of the deficit of methodological support for many chosen actions. But why evaluate? Because there is no other way of receiving whether advertising objectives are being met and there is no significant justification for not knowing it. Moreover, we need to know whether those objectives were satisfied or not. Although all proposals for enterprise promotion should be subject to prior evaluation.

Pickton allows that some problems arise from the fact that advertising is not a science, it is nor even scientific in nature, there are no certain laws and very few constants to be relied upon. Pickton sees it as pointing out the need for evaluation, for a case if any pursuit at all is to be made to be effective. Suggested methods rise from those which shall be familiar to most entrepreneurship [11].

Usherwood asserts that, while it may be difficult, evaluation is not impossible, identifying the real problems as the difficulty of measuring the long-term cumulative effects and the expense of evaluation. He estimates that they may be much greater than the cost of the public relations itself.

Usherwood also criticises the deficit of precision in evaluative methods. Usherwood offers that attendance figures should be often recorded at various promotional events and cited as proof of the impact of that promotion. Nevertheless other evidence suggests that “people who participate at such events are already well informed about the topic being promoted” [12].

According to Rowley it is difficult to separate out the effects of advertising from other elements of the marketing mix. Edsall suggests that entrepreneurs keep a portfolio record of past promotional events to inform and perhaps inspire future planning.

Insisting that the key to marketing success is repetition and perseverance, entrepreneurs should not to be afraid of failure, they should view it as a natural part of the process and to learn from it.

To choose the correct advertising tool will depend on various factors. Usherwood tells of varying “reception conditions” of various media. As sample he stated the radio listener, who is unlikely to record radio advertising “for posterity” and shall probably receive a poor recall of the information given. Despite this obstacle, he suggests that radio is somehow useful for reaching non-users of the company which is going to advertise. So perhaps it may be necessary to overcome the limitations of the radio channel by communicating key information repeatedly and simply.

Types of advertising activities used in Kazakhstan

Virtually all mediums may be used for the advertising. The commercial advertising media in Kazakhstan typically includes printed flyers, wall paintings, cinema and television adverts, billboards, radio, mobile telephone screens, web banners, bus stop benches, shopping carts, magazines, newspapers, web popup, sides of buses, taxicab doors, subway platforms and trains, roof mounts, stickers on apples in supermarkets, the opening section of streaming video and audio, musical stage shows, skywriting, posters and the backs of event tickets and supermarket receipts. All media channels have advantages and disadvantages [13].

Let us consider advantages and disadvantages in Table 1.1.

Table 1.1 Advantages and weaknesses of the main vehicles for advertising in an organization.

Advertising	Advantages	Weaknesses
Newspapers	Operational efficiency, large audience, high reliability, relatively low cost per contact.	The short duration of existence; poor quality of playback; a small audience of “secondary readers”; placed close to other senders are advertising.
Journals	High quality of playback; long duration of existence; numerous “secondary readers”; reliability.	Long time gap between the buying and the emergence of advertising space; proximity of competitors advertisements.

TV	Breadth of coverage; a large audience; high degree of attracting attention; the combination of image, sound and movement; high emotional impact.	High cost; cluttered; transience of advertising contact; weak selectivity of audience.
Radio mass audience	The relatively low cost of advertising contact.	The limitations of the audio presentation; low degree of attracting attention; transience of advertising contact.
Print advertising	High quality of playback; a significant duration of contact in some media (posters, wall and pocket calendars); lack of advertising competitors on a specific carrier, and others.	The relatively high cost, the image of "junk".
Outdoor advertising	The high frequency of repeated contacts; low absolute cost; weak competition.	The lack of selectivity of the audience; inability to contact a remote audience; creative character limit.
Advertising on transport	A large audience; opportunity for a long time to keep the attention of the recipient; flexibility; the possibility of expanding the geography of the target audience; wide coverage.	Short-term exposure (outdoor advertising on transport); only achievement of specific audiences (working men and women who use public transport)
Souvenir advertising	Souvenirs are utilitarian objects with an intrinsic value; durable souvenirs; high ability to achieve the favor of the recipient; the presence of a secondary audience.	Too limited space to accommodate the treatment; the high cost of a single contact; limited edition.

Sales Promotion

Sales promotions are another way to advertise, which are used to gather information about what type of customers are there and where they are, they help to increase sales. Sales promotions involves in itself elements like games and contests, sweepstakes, loyalty programs, samples coupons, product giveaways, and discounts. Goal of sales promotions is to stimulate probable customers to action. In today's environment it is very essential for marketing managers to completely utilize the variety of marketing tools for achieving highest result. Sales promotion is one of these marketing tools. Promotional tools such as free samples, coupons and bonus packs are commonly used activities, which are offered by producers to consumers [14].

Advertising has very closed relation with the sales promotional tools. Sales promotion consists of incentives which are short term to encourage sale or

purchase of a service or product, while advertising is offering reasons to purchase a product or service. Sales promotion is offering reasons to purchase immediately. In order to develop a successful sales promotion strategy a clear definition of the targeted market must be included. It is important to understand why the potential customers are not buying the products and develop a specific program to overcome these barriers.

There are different types of sales promotional tools and they affect sales, profitability and value added to the brand in different ways [15].

Objectives of Sales promotional tools

Gift giving

Cause related promotions/Sponsorships

Price discounts

Events

Free trials

Short term and Long term effects

The implementation of an adequate sales promotion may guarantee an increase in the short-term sales figures. This justifies the tendency of corporations to invest large portions of their budget into sales promotion.

A promotion that attracted some new users can have positive after-effect if the new users repeatedly repurchase later. However there is evidence speaking for no long-term favorable effects for established brands. The prime reason is that price promotion most of the times attract infrequent buyers and that the small number of attracted new buyers has a low tendency to repeat the purchase.

According to Alvarec, customers who purchase the promoted brand due to attraction of the promotional activity may later go back to their favorite brand when purchasing a product later.

Intrinsic vs. Extrinsic Promotions

The effects of the sales promotion will vary depending on the attractiveness of the product, but on the other hand there is a possibility that customers who usually not would buy the brand acquire it because of an attraction of the sales promotion.

Promotional activities where the product in question is critical to a prospect's business can be centralized on the product itself. Promotions like this could be free samples, visits to a factory, free value-added training, etc. These different activities are known as intrinsic motivator and are most direct, economical and effective approach, this because a product makes the strongest sales pitch for itself.

Promotional activities where the product or service lacks the power to intrinsically motivate the buyer extrinsic motivators can be used. The most common extrinsic motivator is price cutting. Price cuts or discounts are expensive and have hidden cost that makes them unfavorable in many situations.

Conclusion

Advertising is an essential part of marketing communications which serves as a great instrument to organize an external competitive advantage. Nowadays it is impossible to imagine the work of the present-day enterprise without the advertising. The firm should declare its existence upon the market and attract probable customers, creating a reliable partner image

Sales promotion is a great stimulus, which is offered regularly, and encourages publicity that shall lead to an action for purchasing. Techniques of sales promotion immediately try to affect customers buying behavior. Because the sales promotion is conducted from time to time, this is not something done on impulse, sales promotion activities have to be well prepared, organized and integrated in the company's marketing plan. It is also crucial for the companies to decide what the objectives for the sales promotion are. When the objectives are decided, the choice of promotion technique can be decided. The sales promotion activities chosen will depend on the objectives. However no matter what sales promotional tool will choose it will increase brand awareness and it will also encourage customers to try new goods if they are managed in a strategically and well organized way.

References

1. Mark Tungate. Adland: A Global History of Advertising. JS Typesetting Ltd. – 2007. P.21-30
2. Collins English Dictionary, - 2014.
3. Jen Green, - Adertising, The Rosen Publishing Group. – 2011.p.15.
4. Marla R. Stafford,Ronald J. .Advertising, Promotion, and New Media. M.E. Sharpe, Inc. – 2005, p. 3-18.
5. Kenneth. Concept of international advertising //Marketing abroad.– 2006.–№ 6.
6. Julian Petley. Advertising. Smart Apple Media, 2003. p.21-23.
7. Mark Tungate. Adland: A Global History of Advertising. JS Typesetting Ltd. – 2007. P.30- 33
8. Jen Green, - Adertising, The Rosen Publishing Group. – 2011.p.15-20.
9. Mark Tungate. Adland: A Global History of Advertising. JS Typesetting Ltd. – 2007. p.33-35
10. Shintaro Okazaki. Handbook of Research on International Advertising. Edward Elar Publishing Limited. – 2012. p.4-12.
11. Shintaro Okazaki. Handbook of Research on International Advertising. Edward Elar Publishing Limited. – 2012. p.16-18.
12. Jen Green, - Adertising. The Rosen Publishing Group. – 2011. 2nd edition. p.23.
13. Grigoryeva, Monitoring advertising activities in Kazakhstan, //Vestnik Kazgu, 1998, № 8.
14. Julian Cummins .Sales Promotion: How to Create, Implement and Integrate Campaigns. Kogan Page Limited. 3rd edition. – 2002. P.4-18.
15. Julian Cummins .Sales Promotion: How to Create, Implement and Integrate Campaigns. Kogan Page Limited. 3rd edition. – 2002. P.21-23.