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Y. M. Karpenko, Candidate of Economic Sciences,
Associate Professor**DEVELOPMENT OF THE SALES PROMOTION UNDER MODERN MARKET CONDITIONS**

Abstract. *In the article the features of application various tools to sales promotions on the Ukrainian market, summarizes current trends and were suggested sequential steps for enhancement of sales promotions process.*

Keywords: *sales promotion; BTL-tools; incentives; management of sales promotion.*

Ю. М. Карпенко, к. е. н., доцент**РОЗВИТОК ЗАСОБІВ СТИМУЛЮВАННЯ ЗБУТУ В УМОВАХ СУЧАСНОГО РИНКУ**

Анотація. *Визначено особливості застосування різних засобів стимулювання збуту на українському ринку, узагальнено існуючі тенденції розвитку та сформовані послідовні етапи для поліпшення процесу управління стимулюванням збуту.*

Ключові слова: *засоби стимулювання збуту; BTL-заходи; методи стимулювання; управління стимулюванням збуту*

Ю. М. Карпенко, к. э. н., доцент**РАЗВИТИЕ СРЕДСТВ СТИМУЛИРОВАНИЯ СБЫТА
В УСЛОВИЯХ СОВРЕМЕННОГО РЫНКА**

Аннотация. *Определены особенности применения различных средств стимулирования сбыта на украинском рынке, обобщены существующие тенденции развития и сформированы последовательные этапы для улучшения процесса управления стимулированием сбыта.*

Ключевые слова: *средства стимулирования сбыта; BTL-мероприятия; методы стимулирования; управление стимулированием сбыта*

Y. M. Karpenko, Candidate of Economic Sciences,
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Abstract. *In the article the features of application various tools to sales promotions on the Ukrainian market, summarizes current trends and were suggested sequential steps for enhancement of sales promotions process.*

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Urgency of the research. Nowadays entrepreneurs are interested in those means of communication with the consumers that will allow them to improve efficiency of product sale in a competitive environment. This task can be partially solved by means of sales promotion that is relevant due to its ability to attract customers and influence their behavior.

Taking into consideration fierce competition, Ukrainian enterprises have thoroughly plan and organize sales promotion activities. It is of a particular importance for mass consumption production (fast-moving consumer goods) where business is based on fast capital turnover.

Target setting. According to nowadays situation in marketing activity, it is not enough to just offer a customer to buy a product required. The client has to understand what the advantages of this exact product are that makes it better comparing to the similar products.

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Traditional branding-oriented advertising doesn't have necessary impact on a customer anymore. An urgent matter for enterprises is development of mixed product promotion strategy where the components support and complement each other. Effective sales promotion management can encourage purchasing, even in case a customer was initially interested in another brand. Therefore, starting with a consistent quality to the product availability at the sales outlets, complex sales promotion is efficient.

Actual scientific researches and issues analysis. There is a number of works by Ukrainian and foreign authors on the issue of sales promotion. Particularly, sales promotion is the subject of a research in studies by Ph. Kotler, D. Jobber, J. T. Cummings, A. Dayan, A. and L. Troadec. Ukrainian authors such as Y. V. Romat, T. I. Luk'ianets, O. M. Azarian, T. O. Prymak and others, also studied the issue.

Uninvestigated parts of general matters defining. Today there is no agreement between the scholars and practitioners of marketing concerning a unified approach to define types of sales promotion. At the same time, various types and methods of sales promotion are widely used in practical marketing activity.

It should be pointed out that there is a confusion concerning the definition of tools, methods and types of sales promotion in lots of sources [1]. For instance, it has not been defined whether a price discounting is a tool or type of sales promotion. Even sales promotion classification in "Wikipedia" that has to display up-to-date state, does not reflect actual practical aspects of sales promotion implementation [2].

The research objective. Proper sales promotion has to ensure successful brand promotion, increase of buyer's awareness, growth of the number of clients in general and a long term, and form positive impression after a purchase.

The article aims to define particularities of sales promotion implementation in Ukrainian market and to specify their classification groups for the improvement of the process of sales promotion management.

The statement of basic materials. Category of "sales promotion" can be defined as a set of different approaches applied during whole life cycle of the product towards customers, and salespeople in order to maximize the amount of new customers [3].

Sales promotion is an efficient component of marketing communications as they allow accelerating and enhancing reverse consumer's reaction, to create consumers demand in a certain place and at a certain time. It is considered as a kind of marketing activity increases initial price of a product or service for a certain period and directly stimulates consumers' purchasing ability, work of distributors and salespeople [2]. Thereby it is also can be seen as an instrument to incentive and enhance motivation [4].

Traditionally, tools of sales promotion (in literature is often used a term BTL-tools) include sampling which is a free offer (or tasting) of a product sample; competitions, games, lotteries, contests for customers, purchasing with a gift, purchasing with a coupon discount (discount card); promotional pack, merchandizing, brand souvenirs [2; 5].

Choice of any particular sales promotion tool depends on the aims of the entrepreneurs. Modern information sources divide them into 3 categories: 1) price quotations (selling with decreased prices, discount ticket, discount coupons, cumulative discounts etc.); 2) in-kind offers (premium, free product samples etc.); 3) special active offers (contests for customers, games, lotteries etc.)

Some authors differentiate three generalized types of sales promotion: general promotion (at the point of sale); selective stimulation (presupposes products placement in certain areas); individual stimulation [1].

Also in the literature and publications, one can find such tools that are hardly used in practice, for example: deferred reimbursing, cross sectional coupons, premiums in product samples [6].

For trade boosting there are used discounts, warrants, special seminars, meetings, certification programs for sales personnel development, results-based contests among agents [5], commodity loan, assortment replacing, cooperative advertising, and co-branding [7].

General tendencies of Ukrainian market show that the entrepreneurs and distributors prefer simple incentives at the sales outlets. For instance, additional item (package) in case of purchase of two

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products, promotional pack offers (20% of the product for free), active use of promoters in the selling area.

Let us consider sales promotion tools used on the market according to the groups. The analysis was carried out by assessment of the web-sources content of entrepreneurs and distributors, and by monitoring at the sales points. Price incentives policy is implemented by means of discounts, usage of promo codes and coupons at the sites of entrepreneurs and distributors. The actual tool is a discount on brands, shipment sales (collections, models) and the "Black Friday".

Among in-kind types of sales promotion prevail tasting (sampling), giving consumers additional items, promotion packs, and presents (following "buy-get" special offer scheme).

Active promotion traditionally includes prize drawing among customers, but in recent years entertaining programs for customers, master classes and other types of sales promotion started to develop.

Table 1 represents ways of implementation of the main sales promotion groups under Ukrainian market conditions.

Table 1

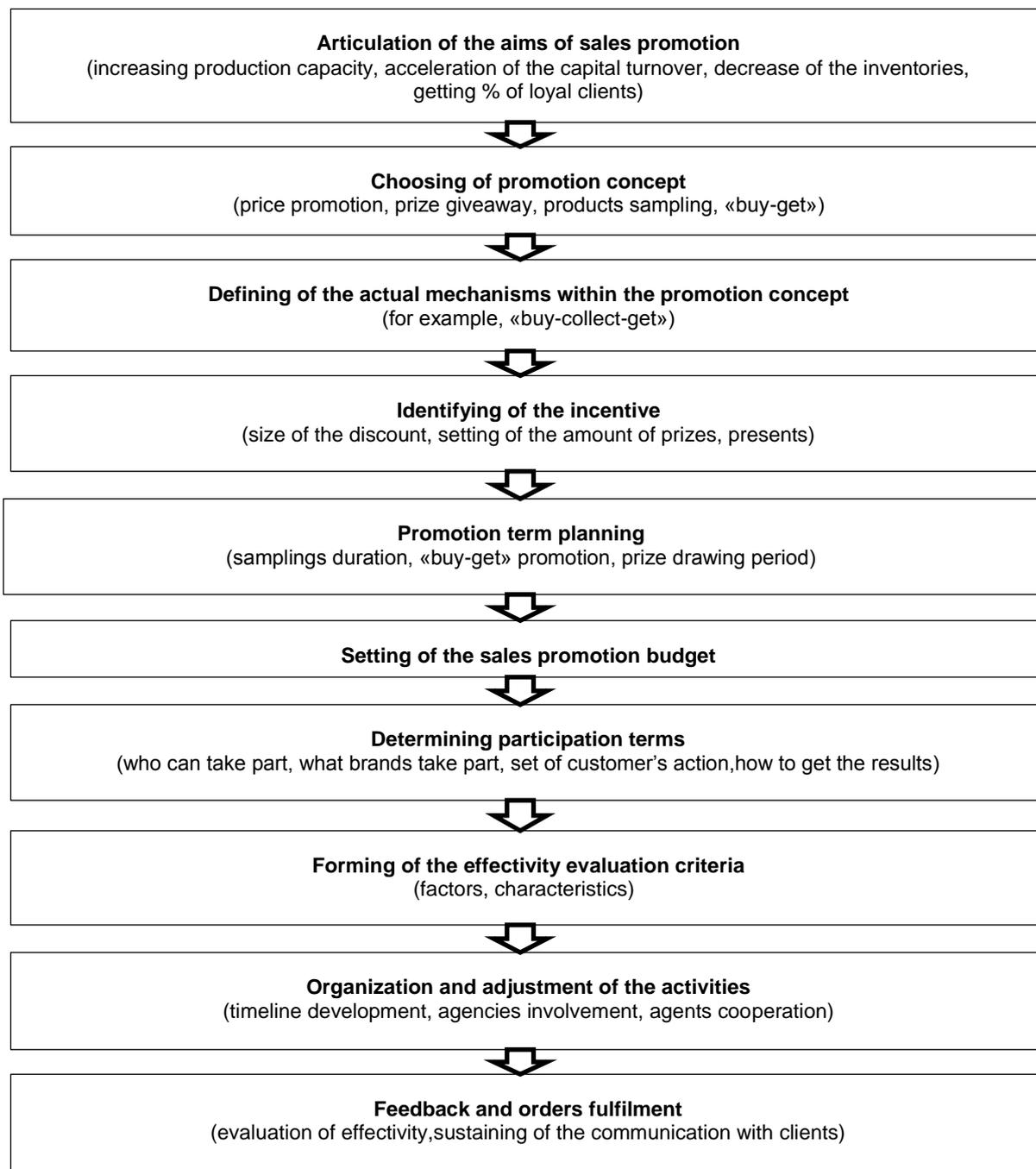
Particularities of the main sales promotion implementation*

Types of sales promotion	Used by	Particularities
Price promotion		
"Black Friday" sale	Shopping malls ("Karavan", "DreamTown"). Clothes, shoe and makeup store ("Modnak-asta.ua", "Lamoda.ua", "Leboutique.com"). Appliances and electronics store ("Eldorado", "Rozetka.com.ua", "Allo.ua").	Doesn't require special funding as presupposes simple sales promotion tools that are held for 1-3 days (on certain brands, assortment groups), and can reach 70%
Discount cards + bonus	Retail chains, gas stations, service sector	Presupposes various approaches starting with a discount to a complex points calculation with the further exchange for a present (product) or an ability to pay using earned points
Promo codes	On-line store ("Rozetka"), certain brands ("UBER", "Busfor.ua"), service sector (ticket selling, on-line cinema)	Web-source discounts
Active sales promotion		
Prize giveaway	Mass consumer goods, financial service, retail distribution	Requires planned mechanism "Offer – win" that would encourage more people to get involved
Entertaining programs, contests for customers	Certain brands, shopping malls	Requires thorough planning, scheduling. Preferably to make the event viral
Master class	Retail chains, food outlets, service sector	High percentage of aiming its targeted audience
In-kind sales promotion		
Product tasting	B2C products that can be divided	Allows bringing the product as much close as possible to the customer
Additional item	Packed B2C products	Increases a product value in the eyes of a customer. Should not overload the budget and create feverish demand
Buy - get	Retail chains, food, home care, cosmetics and hygiene products manufacturers	

*formed by the author

According to "TNS Ukraine" [8] 21,5% of the respondents interviewed take part in various sales promotions. We think that given percentage concerns active sales promotion and in-kind stimulation as price promotion is used more frequently and therefore it influences 2/3 of customers that is 64% of customers nowadays, are looking for special price offers and discounts [8]. Let us define following steps of the sales promotion management to improvement of the process. (Pic. 1).

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Pic. 1 Steps in sales promotion management

Nowadays implementation of traditional sales promotion techniques continues to bear positive results. Although in the meanwhile usage of the advanced techniques enables to increase sales promotion tools effectivity. Modern sales promotion trends (BTL-activities) presuppose personalization of the offer for a consumer, educational and entertaining orientation of the activities for customers.

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European tendencies in the field of sales promotion have their reflection in Ukraine as well. They imply specialized brands (sometimes distributors) have to take charge of the whole sales promotion cycle starting with the development to realization, and offer it to entrepreneurs as a separate marketing service.

Conclusion. Modern sales promotion tools have to be individualized, technological. At the same time, they have to be simple mechanism of implementation, and have positive impact to the process of purchasing.

Such promotion can boost sales within the shortest possible time by 300-500%, but if the product itself is of the poor quality, then sales promotion can undermine the sales and decrease credibility of the brand.

Concerning the classification, we think that here should be used hierarchy concept: stimulating category - incentive method – specific tool.

During the crisis consumers normally seek offers that allow them to get more for the money they pay, and agents are more likely to work with those who offer lower prices. According to the data, among all the sales promotion tools price promotion is the most popular on the Ukrainian market. Despite its simplicity and flexibility, active use of sales promotion tools can result in dilution of the brand's value. The latter will not facilitate the loyalty notwithstanding even temporary growth in sales.

Ukrainian enterprises should create sales promotion tools of a long-term effectivity, which is those, that enhance customers' loyalty, help to create databases, and contribute to public relations activities and viral marketing.

Successful sales promotion presupposes adherence to the following conditions:

- to adapt promotion process on-line – consumers can purchase a lot using smartphones or on-line stores;
- to create proper communication concerning the announcement of the sales promotion events;
- to ensure obligatory availability of the product (present) in the distribution network;
- to let a consumer know the main advantages of the product;
- to use strategic approach – when one sales promotion can be based on the previous one;
- to hold primary research before implementation of the sales promotion tools.

It is worth noticing that sales promotion tools cannot be seen as an instrument for the long-term communicative influence (forming of the stable demand). These tools of communicative activity are useful for the short-term influence on the market, creating a customer flow, and highlighting one specific brand.

An enterprise has to form systematical approach to the communication and marketing of the company as it is. Complex of communications, namely sales promotion, has to be connected with unique features of the product or particularities of business.

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