

THE IMPACT OF PROMOTION CAMPAIGNS OVER THE COMPANIES IN THE CURRENT ECONOMIC CONTEXT

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Abstract

In an increasingly competitive business environment, promotion campaigns have a great significance in terms of market positioning of companies. The promotion campaigns are having a key role, sometimes even vital, because the companies depend on their results. An remarkable promotion campaign will lead to an increase in company sales and a better market positioning. The brand awareness will increase and the customers will become more loyal and may even be attracted new customers. This paper aims to analyze the impact of promotion campaigns over the courier companies from Romania. Thus, will be analysed the courier companies market and the competitive advantage in this market when it is used an efficient strategy of promotion campaigns.

Keywords: promotion campaigns; competitiveness; brand; courier companies market; promotion strategy

JEL Classification: M00; M21; M3

1. Introduction

In the current economic context more companies are trying to obtain a competitive advantage on the market. The promotion phenomenon has become increasingly important nowadays, which is due to the increasingly competitive business environment. A promotion campaign is vital for any company that wants to promote services or products, especially if there are alternative products on the market. A promotion campaign should be original and should have the power to impress and attract consumer attention. That is why it should be used all communication channels that the company is having: TV, radio, internet, outdoor, flyers, etc.

Nowadays the companies are using different strategies to promote their products or services through many communication channels. Therefore most of the companies are using ATL (above the line) and BTL (below the line) campaigns as communication strategies with the customers. These two terms are often used in advertising today (ATL and BTL). The ATL communication is addressed to a wide audience. Customers are the target of a belief without direct pressure. The ATL campaigns raise awareness of a brand or product. The ATL technique is the most common method of promotion. Costs are reduced, the approach is essentially free of aggressiveness and the efficiency is often low. Through this approach, the public (customers) receives no direct feedback and you can not control the time of reception of the message. In conclusion ATL means advertising via digital offset prints, indoor and outdoor; audio advertising - radio spots; advertisements and TV spots; websites and online campaigns. BTL is the direct communication and face to face interaction with specific target segments. BTL means direct mailing; promotions; promotional materials; events; trade fairs and trade shows. A BTL campaign requires a lot of commitment, creativity and have immediate results. Customer loyalty through direct and constant interaction provides a guaranteed success on investment in promotion campaigns. The BTL techniques ensures brand awareness while accentuating product and service quality. In conclusion ATL technique is used for branding effect, and BTL technique to generate loyalty and increase sales.[14] Therefore, for a company to gain an important advantage on the market it is necessary to use both promotion techniques. Today is very important to know how to combine those two techniques of communication.

The role of campaigns realized by the companies aims to raise awareness of the product, service or company. Also among the goals of this campaigns are: brand awareness, the increase of sales, attract new customers, improving market position and fidelity of current customers. In the current economic context is very important to gain an advantage on the market through brand awareness. That is why the brand is a important asset to the company. If you have a good image as a company and you are visible on the market the company can have a competitive advantage.

The promotion play a very important role, being a key component in developing a company and putting it on a particular market segment. By the way is evolving the promotion campaign depend gross revenue, losses, revenues of the company that may have an upward trend, if the campaign has achieved its objectives, or can be less if the campaign has not achieved its objectives.

The concept of promotion in the literature review it is used in the sense of communicational mix, which is also called integrated marketing communication or integrated brand promotion. Integrated brand promotion is the process of using a wide range of promotional tools that work together to create a widespread brand exposure.[4]

The company's communications mix implies the existence of four communication means: advertising; sales promotion; public relations; direct sale. Advertising is any paid form of presentation and promotion of ideas, products or services of the company. Sales promotion is any short-term stimulus to drive forward the purchase of a product or service. Public relations is developing programs aimed at improving the image of a product, service or company based on information transmitted by the media. Through public relations you can also develop the image of a product, service or company by organising different events or by being the sponsor of different events. Direct selling is any verbal presentation made about a product or service during a discussion with one or more potential customers in order to close a business.[2]

Promotion may be a marketing mix that through communication is willing to convince consumers about the products and services offered. A promotion campaign aims to increase awareness of a product/service or a company by listing values that the product/service or the company owns, so that the consumer's attention is captured and also attracted to use the product/service that the company is promoting.[1]

Also, the promotion campaigns are important in building the company identity (logo, slogan, colors and attitude). Every company have a specific logo, a unique slogan, one or two (or even more) specific colors to identify their attitude from the market. Nowadays is very important to have a very strong organizational identity. This will create a competitive advantage on the market and can attract more incomes.

Building an organizational identity, of success, is achieved in time, having as main coordinated the product quality and the consumer confidence, in conjunction with a strong communication strategy.[5] The communication strategy must be well elaborated in the current economic context because every detail counts.

Also, in creating a positive company identity is important to take into account the internal communication. To have and maintain a good relationship with the clients, through it's employees, a strong company, first and foremost, needs to keep a close relationship with the employees. A strong company keeps in touch with it's client base through it's employees, thus the internal communication in the company itself must be as good as possible.[6] Thus, the company must develop a efficient horizontal and vertical communication. In this sense must exist an efficient communication between the departments of the company and between the management and the employees of the company. Also the horizontal communication must be made in both ways (from lower levels to upper levels and from upper levels to lower levels). A good internal communication reflect a positive image of the company.

Nowadays the business environment is evolving more and more and it is important to keep up with the new technologies and techniques used in the promotion campaigns. For businesses in the field of courier, social media is a very good opportunity to promote and you only need an active account on a social media platform. A very large number of users and traffic on social media platforms is a beneficial criterion for the promotion of the companies through such platforms. Thus in the courier domain businesses through social media, companies can increase their brand awareness, can increase communication sites, or even improve their market position if there promotion campaigns are done correctly and well targeted.[7]

Currently courier market in Romania is facing a strong competition and that is why well implemented promotion strategies can create major competitive advantages. In this case is important to use all available communication channels to promote the company.

2. The courier market from Romania

The number of express courier companies had increase a lot in Romania in recent years, because of the development in the online sales segment, but especially because the customers want a safely delivery and without delays.

Courier services is one of the areas with a dynamic and remarkable growth in recent years. Online commerce, the need to quickly send documents or packages of any kind, made this segment to be successful and so the number of courier companies also increased. The market in this domain is in a continuous expansion. The companies in this domain have many opportunities to develop themselves but they have to obtain a competitive advantage. This competitive advantage can be obtained with the help of promotion campaigns.

Among the major courier companies from Romania are: DHL International Romania, FAN Courier, Dynamic Parcel Distribution SA, UPS Romania, NEMO Express, TNT Romania, Urgent Curier, Sprint Curier, Cargus, DPD Romania, Sameday Courier, Fastius Curier. We can observe that there is a strong competition on the courier market from Romania. All the companies want to strengthen their position on the market or even obtain a better position. In this case every detail counts.

In top of the most profitable medium-sized enterprises dealing with courier and postal activities, based on a ranking conducted by the National Council for IMM (CNIPMMR) in 2013, are: Dynamic Parcel Distribution SA (1st place), UPS Romania (2nd place) și FAN Courier (3rd place).

Dynamic Distribution from Buftea was founded in 2010 and reported in 2012 a gross profit of over 2 million RON (463.000 euros). The company had in 2011 a number of 153 employees.[8]

UPS Romania was founded in 2000 and reported in 2012 a gross profit of 1,59 million RON (358.000 euros). The company had in 2011 a number of 117 employees. UPS Romania delivery fleet contains about 60 cars, including 24 vehicles serving the courier UPS in Bucharest. There are also two dedicated aircraft, operating exclusively for UPS: one at the airport in Bucharest and the other on Timisoara, that bring in import volume and take the volume of export from the country.[8]

SC FAN Courier SRL Cluj Napoca is a subsidiary of market leader FAN Courier. SC FAN Courier SRL Cluj Napoca has reported a gross profit of 170.000 RON (38.000 euros). FAN Courier had in 2012 a number of 2.600 employees. This is available for the main company.[8]

We can observe that the develop of the courier market help the labour market with new job opportunities in the courier domain. This can lead to an increase in living standards. Also, because of the increase of competition in the courier sector the companies that are in the field of marketing, advertising and PR can be hire by the courier companies to promote them. And this can also lead to an increase of the job demand from the companies in the field of marketing, advertising and PR.

Romanian courier market will grow in 2016 by 10-15%, to 370 million euros from 325 million euros last year, supported by online commerce sales by teleshopping. The GDP growth in Romania is solid compared to other European countries, which should lead to an increased demand for international express courier services in 2016 and even thereafter. Moreover, 2016 will accentuate a trend already visible in the retail market: reducing inventories to reduce storage costs, but also to have flexibility in terms of commercial offer. The phenomenon will lead to a series of commands and smaller and more frequent shipments and a greater need for efficient shipments. The speed responsiveness to customer orders will be much higher, as well as flexibility in providing customized solutions for their needs. Also 2016 will be the year when online retailers in the areas of fashion and home & deco will run volumes large enough to afford the import directly from manufacturers in Asia. Many of them turned up in 2015 to import from the European Union resellers.[13] Developments at international level should be analised with caution, however, that is why the courier industry will have to provide diverse and quality solutions to this international developments.

Because courier market is one with an important potential, the competitiveness in this sector is increasing day by day. Therefore, it is important for the courier companies to use different strategies to maintain market position or try to increase market share. Thus, a strategy to promote courier companies services can increase competitive advantage and attract new customers. Now promotion campaigns in the courier domain can play an important role.

3. Promotion campaigns in courier domain

In the courier market sector is very important to gain a competitive advantage against other courier companies. That is why is necessary for every new company to be very cautious with their promotion campaigns. Nowadays every detail counts. If you dont take into account every detail regarding the promotion campaigns the company is not going to lose only its image or prestige, it will lose lots of money as well.

It is important for courier companies that are just starting out to use the following strategies to promote themselves:

- Publication of a press release. This is an opportunity to showcase the company services, especially those that are different from other courier companies (quality of services, faster services, innovative services, good prices). The publication of the succes story of the company. It may be published through a social network. Through a social network the chances for someone to read the company publication is higher.
- Building a company site is mandatory in the current market economy. Companies that do not have a site do not exist. Through the site can be a lot easier to communicate with customers. Also through the company site can be published press releases that can help the company to increase the communication with mass media. The communication with mass media is very important for the companies because through them the companies can promote themselves. Mass media is an image multiplier for companies.
- Providing clients with customized calendars, notebooks, pens with the logo and contact details of the company. It is very important for courier companies to provide their customers, and others with whom they interact, promotional materials. They help to strengthen the company's image. Thus, the company will increase the brand awareness.
- Permanent involvement in communicating with potential customers (networking). Talking with friends and close people about the company services. It is very important for courier companies that are just starting out to create a network of loyal customers. This network of loyal customers can represent an important portfolio for the company.
- Customising the means of transport used for delivery. Customising the clothes of employees that are interacting with customers. This is important because the employees are in many cases the company image in the eyes of the customers. Also this is a very cheap and efficient way to promote a courier company.[10]

To become more and more visible on the market the courier companies must have some important promotion campaigns. These campaigns are meant to develop the visibility of the company on the market and to gain the loyalty of the customers or to attract new ones. Today the visibility of the company is very important because of the intense competitiveness on the courier market. Every courier company is trying to become more visible than others.

In the current economic context the courier companies are using different strategies to promote themselves. One example is the campaign realised by DHL Romania. This company is making a favourable image in front of their customers by starting some campaigns with the mission to raise funds for charity. DHL Romania organized "Maratonul DHL Ștafeta Carpaților" to raise funds for charity. Through mass-media this event organised by DHL Romania benefited from so-called free advertising. By organising this event they become more visible on the courier market and they will gain a competitive advantage. The corporate social responsibility (CSR) as a paradigm of modern business is more necessary in the current global economy.[3] Therefore, more and more companies are using CSR campaigns to increase their brand awareness.

Another example is the campaign "fashionFANatic" launched by FAN Courier. Through this campaign FAN Courier supports young Romanian fashion designers by promoting their fashion creations via online platform. This is a new initiative to support entrepreneurship and promote the next generation of designers. Therefore, FAN Courier launched a contest for beginner designers that can win a complete shooting (photo session), a launch event and the distribution throughout the country, to partners and collaborators of FAN Courier of the shooting calendar of the winner creations. [11] Through this campaign FAN Courier became more visible in the social media area. Nowadays is very important for the companies to promote their campaigns through social media because these companies can develop a competitive advantage.

Another campaign made by FAN Courier was in 2011 and it was used as promoting channels: TV, radio and internet. The cost of this promotion campaign was somewhere over 100.000 euros. Also on the company's website ran a contest. The prizes awarded to contest exceeds 8.000 euros. [12]

In a market with many changes in recent years, Fastius Curier managed to maintain a 100% Romanian investment. Fastius Curier provides premium quality courier services for companies from Bucharest and Ilfov. Over time, Fastius Curier changed several offices, each time choosing larger spaces that could support the company's growth. Also, the company's fleet has evolved constantly, so the number of employees and their labour ability. Even if the company's focus is in the Bucharest - Ilfov, Fastius Curier customers can send envelopes and packages with or without cash and other special options anywhere in Romania and even outside the country. In recent years, the company focused on attracting companies of e-commerce as the retail sector has expanded in Romania. Currently, an increasing proportion of the volume of shipments made by Fastius Curier is generated by e-commerce. Fastius Curier collaborates with major IT & C stores, cosmetics, toys and fashion, but also with small stores in various sectors. For any field, not just services Fastius Curier proposes flexible and adapted to the market price. In this case the promotion campaign of this courier company is based on the visibility that it can gain on the internet via different web pages or through social networks. Fastius Curier makes available to its customers its own application: SoftCurier.ro.[9] Through this application the company is providing its customers with the possibility to use the company services with the new technologies of smart phones. Even if it's not a common promotion campaign, the implementation of the smart applications for the smart phones represent a very important method to adapt to the new communication techniques. In this case having an application for the smart phones is the new modern technique of promotion. In conclusion Fastius Curier implements special projects including multi messenger and relies on flexibility, seeking to provide solutions to any needs of its customers.

Nowadays many courier companies are using the social networks to promote themselves and their services. All the courier companies have a site with important details about them and some campaigns that they are promoting over the year. Through the social networks the courier companies can interact in real time with the customers and therefore they can gain a bigger competitive advantage on the market.

From the examples above we can see that the courier companies are involved in many promotion campaigns and there are trying to use different promotion strategies in order to gain a better market position.

4. Conclusions

In conclusion, courier companies must adapt their message to the client (to be clear, concise, compelling, attractive) and to keep their promise regarding the services quality. To be efficient, the promotion should be continuous and on long-term and also flexible. The most important promotion strategies that the courier companies must use are: online promotion campaigns, classic advertising (models, advertising posters), PR activities, sponsorship of events, CSR campaigns, contests, discounts etc.

Without the promotion campaigns it is very difficult for the courier companies to gain a competitive advantage on the market and to win the trust of the customers. The trust of the customers is very important nowadays because one satisfied customer can attract other customers. This is why is very important for the companies to be careful at all the details if they want to become more competitive on the market.

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