

The Influence Of Promotion On Demand Of Dairy Products In Kosovo

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Abstract: Our society is an information society, in which everyone has some kind of information about the quality and other characteristics of products and services. The information is obtained from different sources, but it affects customer's buying behavior and consequently, the demand of products and services. Companies use different tools to send an adequate information to consumers and to promote their new and current products. Some use traditional media and others focus on new media such as the Internet. Promotion is very important and necessary in all sectors but especially in the milk industry that has a lot of competition.

This paper provides an analysis of the milk industry in Kosovo, encompassing the position of home companies as compared to foreign companies that export milk products in Kosovo. In addition this paper analyzes the types of promotion used by dairy companies in Kosovo and the effect that the promotion tools have had on consumer's buying behavior. The promotion tools that exhibit the biggest effect will be determined through a research carried out with a structured survey on a sample of consumers in Kosovo and different types of statistical analysis will be carried out to make proper conclusions. The results are expected to give contribution to the marketing decisions of companies in Kosovo and provide guidelines for future activities.

Keywords: dairy industry, promotion effectiveness, company performance, Kosovo

Introduction

Communication plays an important role in marketing. Communication perform the function of informing the target customer about the nature and type of the firm's product and services, their unique benefits, uses and features as well as the price and place at which these products can be purchased. The nature of marketing communication is persuasive since it aims at influencing the consumer behaviour in favour of the firm's offering. These persuasive communications are commonly called "Promotion". In the context of marketing promotion refers to the applied communication used by marketers to exchange persuasive messages and information between the firm and its various prospective customers and general public.

Marketing communication is the essential element of the promotion function of marketing. Effective marketing depends on effective management of its promotion function. Effective promotion comes through effective communication. There are products which are failed due to the lack of effective promotion. With the growing competition in the market place as well as the customers becoming better informed and more choosy, it is important now that marketing communications of the right kind only are made to the right group of target buyers. The job of marketing is to identify consumer wants and then satisfy these wants with

the right kind of products, at the right place and at the right price. The purpose of promotion in the marketing function is to convey to customers about the features of the product and how it will satisfy consumer wants or any other relevant information needed by consumers to affect sales.

Marketing is important for all industries but the focus of this paper is placed on the dairy industry because most of the products have limited life and each company must find a way to sell them quickly before the expiration date. As it is discussed above promotion is crucial to companies to gain new customers and retain the old customers. This paper discusses the various types of promotion available to companies and their application by the dairy companies in Kosovo.

1. Anlysis Of The Types Of Promotion Tools Availabile To Dairy Companies In Kosovo

Several tools are used by companies worldwide to aid the delivery of both paid and unpaid promotional methods. Each tool contributes a different way to reach customers and achieve communication objectives.

Traditional Media

Traditional mass-media advertising remains a prominent promotional tool for marketing. This includes paid messages designed and presented through television networks, radio stations, newspapers and magazines. Additionally,

companies use support media in ongoing campaigns, such as billboards, directories, buses, aerial and point-of-purchase displays. Local radio and newspapers tend to be most affordable for smaller companies.

Digital Technology

The Internet and mobile technology have enabled use of a host of digital and interactive promotional tools. Online and e-mail marketing are common elements of promotional campaigns. Social media and blogs offer additional interactive tools that companies can use to reach consumers directly. Mobile devices with applications for electronic communication and social media allow companies virtually 24/7 access to consumers on the move.

Public Relations Tools

Several promotional tools tie specifically to public relations, which is unpaid communication often presented through media exposure. Press releases, newsletters, press conferences and news reports are common PR techniques. Some are used to proactively promote brands or products. Others are used to address negative publicity or events. Small companies can often build relationships with local newspapers and TV stations for coverage of noteworthy business activities.

Events

Sponsoring major events and community activities serve as promotional opportunities for companies as well. Small businesses often gain public favor by active involvement in local events. A presence at local fairs, non-profit events and school functions can all improve your rapport and goodwill with the communities in which you operate your business.

Salespeople and Influencers

Among the more direct promotional tools are salespeople and influencers. Salespeople are employees who contact or engage customers using assertive selling techniques. This often includes asking questions, listening to customer needs and using persuasive efforts to sell product or service benefits. Peer or professional influencers are prominent people in the public who favor your product. Companies often ask consumers or professionals to share company news, information and experiences with others.

2. Analysis Of The Dairy Industry In Kosovo

The dairy industry in Kosovo is growing although it is mostly based on small farms that sell their milk to processing facilities. But lately they have increased their promotional activity and more often we can see events and activities in the media and in the markets but there is a need to determine their effectiveness. It is noticeable that the range of products of domestic companies is very limited and is mostly milk and yogurt products that have a short shelf life and require a great acceptance and promotion to be sold very fast.

Consumers are the ones who have the final say, through with research we can get information on how they see the promotional activity of the company and how it affects their behavior. That will be explored in this research paper.

Studying the behavior of consumers when buying dairy products is of great importance, and there are a number of reasons. It is important to consider the needs - which product is purchased, why and how. For marketing experts is important to understand and predict why and how individuals make decisions to purchase specified dairy product.

Data on consumers help marketing experts define the market and identify risks and opportunities in their own country and other countries. When experts study the perception and behavior of consumers when buying dairy products, questions such as the following are used:

1. Why did you choose that brand of dairy product?
2. Where do you buy the selected dairy product?
3. Why do you buy it from there?
4. If you have a choice of meals to choose between yogurt, cheedar, cheese product which one would you choose?
5. Do you choose a branded product or you buy it from a person who produced it at home?
6. From the ads for dairy products which ads you like and which one you don't? Do they affect your decision to buy?

3. Goals and Methodology Of Research

The main objective of this research paper refers to determining the effectiveness of the promotional

efforts of companies in the dairy industry in the Republic of Kosovo.

Also with the help of research we will determine which element of the promotional mix is mostly applied and gets the attention of consumers.

With the help of this research we will determine the media commonly used by consumers so that companies can continue to build their marketing strategy based on that media.

Additionally, the aim will be to obtain information whether messages given through the media have the biggest influence on buying a product or other significant factors such as the recommendation of friends, personal experience and so on influence the final decision. Also this research will give information which product has the highest

demand and the most important influencing factor quality, price or brand.

In order to achieve the goals a survey research was conducted on a sample of 100 respondents. The surveys were conducted in supermarkets in Kosovo in the interval November-December 2014. In the following part the results will be presented and adequate conclusions will be drawn based on the data.

4. Analysis Of The Results Of The Research

4.1. Of The Effectiveness Of Promotion In The Dairy Industry In Kosovo

Descriptive analysis of the results obtained from the survey research

Table 1: Gender of respondents

Total number of respondents	Male		Female	
	N	%	N	%
100	34	34	66	66

From the total number of 100 respondents, 34 were male and the rest 66 were female.

Table 2: Age of respondents

Age	Male		Female		Total
	N	%	N	%	
18-29	2	5.9	7	10.6	9
30-39	14	41.2	28	42.4	42
40-49	8	23.5	17	25.7	25
50-59	7	20.6	5	7.6	12
Over 60	3	8.8	9	13.7	12
Total	34	100%	66	100%	100

As for the age groups, the majority of respondents are aged 30-39 years, and it is also the largest group that consumed dairy products. Also, consumers in this group buy dairy products for themselves and their families, given the fact that their children are small and consume more dairy products.

The following question refers to the income of the family of the respondent. 58% of respondents have a monthly income of 201 to 400 euros, 34% belong to the first group and have a monthly income of up to 200 euros, and only 8% have monthly incomes

above 401 euros. This means that the purchasing power of the respondents is very small and it affects the products that they can afford.

The main question of the following group of questions referred to the acquisition and consumption of dairy products and all the respondents said that they buy dairy products and 92 responded that they consume them, and the rest 8 buy them for the family but they don't consume them.

From the wide range of products most of the respondents said that they buy yogurt and cheese,

Graph 1: Dairy products consumed by respondents

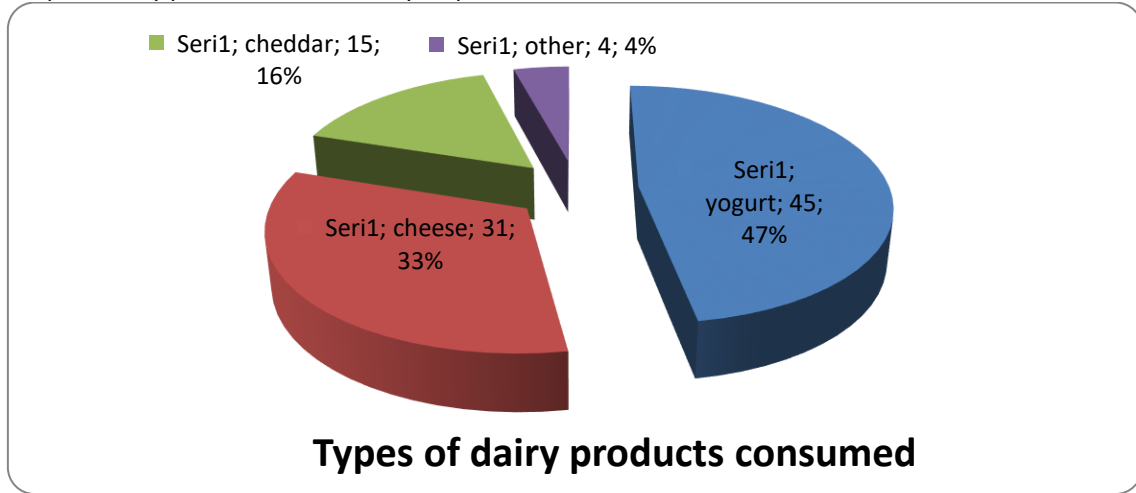


Table 3: Influence of specific factors on buying behavior of dairy products

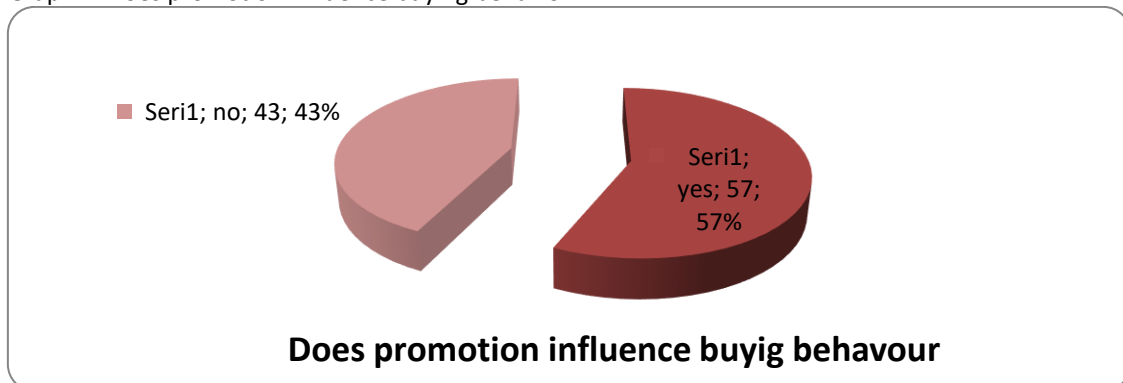
Grade Characteristic	Very small	Small	Medium	Big	Very big
Brand	11	17	12	20	35
Price	17	35	20	12	11
Quality	12	11	20	35	17

From the total number of respondents, 35 answered that the brand has the biggest influence on their buying behavior of dairy products, the price has small and the quality has big influence. For 11 respondents the brand has very small influence, the price very big and the quality very small influence. They are the respondents with very low income that buy only the necessary products that allow them to satisfy the basic needs. For 17 respondents the brand and the price have small influence, but the quality has big influence. For 20 respondents the brand has very big influence while the price and the quality have medium influence. For the last 12 respondents the

brand has medium influence, the price big and the quality small influence on their buying behavior.

The following part of questions refers to the influence of promotion on buying behavior. According to the data obtained with the research the effectiveness of the promotional effort was shown by its effect on purchase and by the results, the promotional efforts of domestic companies influenced the purchase of their products. However there is a large proportion of consumers who have not changed their opinion as a result of promotion and companies need to find ways to improve results.

Graph 2: Does promotion influence buying behavior



Companies have many available media to promote and present their products to consumers and according to the data obtained with this research the most effective ones are reward games and offers of bonus products. Very big influence have promotions of new products on the point of sale, and it is very interesting that this tool has the same

effectiveness as the promotion through commercials on TV and they cost much less than them. Very small effect has the online promotion and the companies must work on developing of this media, since it is very popular between the younger generations who will very soon be the most important consumers of the companies.

Table 4: Most influential promotional tools in the dairy industry in Kosovo

Most influential promotional tools in the dairy industry in Kosovo	
Commercial in TV	15
Commercial in radio	5
Commercial in a newspaper	6
Commercial on the internet/social networks and web portals	5
Poster on the point of sales	5
Rewards	25
Bonus product	20
Promotion of new products at the point of sale	19

Conclusion

According to the results it can be concluded that the dairy industry in Kosovo has great prospects for growth, due to its high acceptance and utilization in the food list of consumers. But the problem is the tough competition from imported products, but it is most pronounced in those products in which domestic companies have little or no own offer.

The most important products offered by domestic companies are well accepted, the consumers also notice the promotional efforts of companies, but primarily those of sales promotion. Companies must work more on their online promotion, which is the most popular medium today and has the greatest impact especially among younger generations.

Promotion has influence on buying decisions but its influence should be increased through the application of improved marketing strategies of

domestic companies. Kosovo companies are in the process of establishing their brands and better promotion can greatly help in this. Our companies have a lot to learn from foreign companies that sell on our market and based on their efforts and through research our companies can develop their own strategy of growth based on carefully selected promotion tools.

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