

PROMOTIONAL MARKETING AS A METHOD OF INCREASING SALES

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Abstract. This article examines the importance of promotional marketing in modern business. An analysis of scientific research and publications on the subject of promotions and their impact on business success has been carried out. The main types of promotions and their characteristics of use in business are considered. The key elements of the promotional marketing strategy and their influence on the effectiveness of the promotional campaign were studied. The research methodology consisted of the analysis of scientific literature and publications on the topic of promotional marketing in business, as well as the use of such methods as analytical (analysis of statistical data and reports of Flagman Seafood LLC on the use of promotions and their impact on product sales) and case study research (use of promotions by the company, their results and impact on consumers). The scientific novelty of promotional marketing research lies in the study of various aspects and effectiveness of promotional strategies in modern conditions. Specifically: analysis of the impact of various factors on the success of promotions, including pricing strategy, distribution channels and consumer behaviour; study of different types of promotions, such as discounts, gifts, loyalty programmes and promotions, in order to determine the most effective strategies for increasing sales and attracting new customers; study of the impact of promotions in different markets, in particular, study of the influence of cultural and social factors on the reaction of consumers to different promotional strategies. *The study* showed that the effectiveness of promotions depends on their correct selection and calculation. Insufficient attention to target group analysis and the development of an effective promotion strategy can lead to unsuccessful results and a loss of consumer confidence in the brand. *The practical value* of the research lies in the fact that the article provides practical advice and recommendations on the use of promotional marketing in business. In addition, the article can be useful for marketing managers and entrepreneurs who plan to develop their business with the help of promotions. *The results* of the study allow us to understand the importance of promotional marketing for increasing the competitiveness of the company and attracting more customers. The scientific novelty lies in deepening the understanding of promotional marketing and determining its importance for business. The article offers an original classification of promotions and analyses their role in the formation of consumer behaviour. In general, the article helps to increase the effectiveness of marketing strategies and ensure the successful operation of enterprises in the conditions of the modern market.

Key words: promotions, promotional marketing, strategy, business, advertising campaign.

JEL Classification: M31, D22, L10

1. Introduction

Modern business is a highly competitive and saturated market where the success of companies depends not only on the quality of their products and services, but also on the effectiveness of their marketing strategies. One of the most important components of a marketing strategy is promotional marketing,

which helps to attract consumers' attention to a product or service, increase their loyalty and ensure a competitive advantage in the market.

Despite the importance of promotional marketing to business, not all companies use it correctly and do not always understand how to use it effectively. This can lead to a loss of competitive advantage and reduced business

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profitability. There is also a risk of over-saturating the market with promotions and reducing their effectiveness through poor planning and execution.

The purpose of the article. Considering that promotional marketing is an important tool for increasing sales, the article aims to reveal the following aspects: understanding the essence of promotional marketing and its role in effective marketing strategy planning; analysing the types of promotions, their impact on different categories of consumers and the effectiveness of their use depending on the characteristics of the product/service; studying the effectiveness of the use of promotional marketing; determining the key factors influencing the success of promotional marketing, such as pricing policy, content of promotions, cooperation with partners and others.

Therefore, for a business to be successful, it is necessary to understand the importance of promotional marketing and to be able to apply it correctly to achieve maximum results. This article is devoted to the study of the role of promotional marketing in business and the identification of effective strategies for using this method.

2. Analysing and Researching Publications

Studies conducted in different countries around the world show that promotional marketing is an important tool for attracting new customers and increasing sales. For example, a Nielsen study found that 72% of consumers look for promotions and discounts before making a purchase. In addition, 62% of consumers said that promotions and discounts are the main factor when choosing a product or service (A Look at the 21st Century CMO, Brett House, VP Product Marketing and Strategy, 2018).

In the article "The Ultimate Guide to Product Marketing in 2023", the authors state that promotions can increase sales from 10% to 50%. In addition, promotions can help companies increase market share and attract new customers. For example, a study by Experian found that a loyalty programme using promotions helped a company increase its market share by 20% (The share of promotional sales in Ukraine is growing; The Ultimate Guide to Product Marketing in 2023).

In addition, promotions can increase awareness of the brand and its products. In the article "Effect of Promotional Mix on the Marketing of Insurance Services", the authors note that promotions can help the brand attract consumer attention and make it more accessible to a wide range of customers (Anyadighibe, Etuk, Edim Eka James, Stephen, 2021).

Promotions are one of the most effective marketing strategies for attracting customers and increasing sales. In the article "The Influence of Product, Price, Promotion and Distribution on the Marketing Strategy of Small and Medium Enterprises in Lhokseumawe City", the authors state that promotions can be used to attract new customers, increase the average check and increase customer loyalty (Saharuddin Saharuddin, Khairil Anwar, Azhar Azha, 2022).

Promotions are also one of the most popular marketing strategies among small and medium-sized enterprises. In the article "Promotion as a form of communication of the marketing strategy", the authors note that promotions can help small and medium-sized businesses attract new customers and increase sales without significant advertising costs (Alexandrescu, Mihai-Bogdan and Milandru, Marius, 2018).

Promotions can also be used to draw attention to new products and services, helping companies to draw consumers' attention to new products and services, thereby increasing sales and brand awareness. In addition, promotions can be used to attract customers to other products and services of the company. In the article "Issues impacting Sales Promotion in International Marketing. International Journal of Multi-disciplinary: Applied Business and Education Research", the authors note that promotions can be used to attract customers to other products and services of the company, which allows to increase the average check and increase customer loyalty (Jadhav S., Kumar A., Brar V. 2022).

Ukrainian researchers have also conducted research on promotional marketing. For example, one of these studies is the article "Marketing research of agricultural enterprises: theoretical and practical aspects", the authors examine the role of promotions in the marketing strategy of the enterprise, and also analyse different types of promotions and their impact on sales and customer loyalty (Mazur K., Babyna O.,

Babyn I., Germaniuk N., Harbar Z., Hontaruk Y., Bondarenko V., Lohosha R. 2022).

In addition, there are scientific centres and institutes in Ukraine that conduct research in the field of marketing, including promotional marketing. For example, the KNEU Institute of Marketing and the Marketing Research Centre "ARMA Marketing" conduct market research and marketing strategies for companies.

The article "Position and Role of Promotion in the Marketing Communication System at the Company Level" examines the features of the use of promotions in the marketing strategy of a company and their impact on sales (Pitinova T.B., Khyzhnyak K.B., 2017).

The peculiarities of the use of promotions in the promotion of goods on the market and their impact on consumers are disclosed in the article "Sales promotion: measures and means that help in the formation of the marketing activity of the enterprise in the implementation of FEA" (Sheremetynska O.V., Nevmerzhytska Yu. 2016).

The article "Brand Loyalty Importance: How to Build Brand Loyalty" examines the impact of promotions on the formation of consumer loyalty. The authors conducted a survey of consumers and found that promotions have a significant impact on consumer brand loyalty. They also find that the effectiveness of promotions depends on how well they are organised and targeted (Brand Loyalty Importance: How to Build Brand Loyalty).

3. Presentation of the Main Material

One of the key strategies for successful marketing is to understand the target audience. Defining the target audience and analysing their needs, preferences and behaviours can help companies create more effective marketing messages and campaigns. Conducting a qualitative analysis of the target audience can also help a company plan sales and advertising campaigns more effectively. By understanding their target audience, businesses can tailor their advertising efforts to better meet their needs and increase their chances of success (Bondarenko V., Martynova L., Chorna N., Sukhorebra T., Sehed S. 2019).

Creating a clear and compelling message is one of the most important aspects of successful promotional marketing. The message should

be simple, memorable and easy to understand. It should also be tailored to the target audience and communicate the benefits of the product or service being promoted. A clear and compelling message can help capture the attention of potential customers and increase the likelihood of conversion.

Choosing the right advertising channels is also critical to successful promotional marketing. Different channels, such as social media, digital marketing or print advertising, can be effective depending on the target audience and campaign objectives. It is important not to focus on just one channel, but to diversify and use multiple channels to reach a wider audience. By choosing the right promotional channels, companies can maximise reach and engagement, leading to increased brand awareness and sales (Abuselidze G., Talavyria M., Vyshnivska B., Bondarenko V., Makedon H., Kniazieva T., Salkova I. 2023).

Promotional marketing is an important aspect of any successful business as it plays a crucial role in building brand awareness and recognition. By creating powerful visual, audio and text messages that resonate with their target audience, businesses can increase their online presence and capture the attention of potential customers. Video marketing, for example, is one of the most important communication tools a company can use to promote its brand and achieve different audience responses. By using different channels to increase brand awareness and reach target audiences, businesses can ultimately increase sales and revenue.

Promotional marketing is a type of marketing strategy that aims to increase sales and brand awareness through the use of promotional materials and events. The goal of promotional marketing is to get customers to make a purchase or take an action, such as signing up for a newsletter or attending an event. Promotional marketing can include a variety of tactics such as discounts, sweepstakes, contests and loyalty programmes. It is an effective way for businesses to attract new customers and retain existing ones (What Is Promotional Marketing? Your Guide to Getting Started).

According to the authors, promotional marketing is a marketing technique and strategy used to increase sales, promote a brand and attract new customers through special

promotions, offers, discounts and other sales promotion methods.

One of the main benefits of promotional marketing is its ability to build customer loyalty and grow business. By offering promotions, discounts and other incentives, companies can encourage customers to return and make new purchases. In addition, placing information about the company on resources through content marketing can help create a positive opinion about the product and increase customer loyalty. As a result, companies can build a loyal customer base that will continue to generate revenue over time.

This type of marketing is also an effective way to stimulate sales and increase profits. By investing in sales promotion, companies can reap a number of benefits, including generating additional revenue, increasing market share, expanding the target market and creating a positive perception of the product. There are different methods of sales promotion that businesses can use, such as price cutting, which involves reducing the price of a product to increase sales and attract new customers. By implementing effective sales promotion strategies, companies can ultimately increase sales and revenue, leading to long-term market success.

Promotional marketing uses various types of promotion, including advertising, public relations, personal selling and sales promotion. Advertising is a powerful communication tool that can influence people's behaviour and is used to promote goods and services in the marketplace. Public relations involves managing a company's reputation through media coverage and other forms of communication. Personal selling involves face-to-face interaction between the salesperson and the customer, while sales promotion includes tactics such as discounts, coupons and competitions. By using a combination of these tactics, companies can create a comprehensive promotional marketing campaign. Promotional marketing is an extremely important component of any business, as it allows to attract new customers and increase sales of products or services.

Promotional marketing enables companies to:

- Attract new customers. Advertising helps to attract the attention of potential customers and provide information about products or services. This allows to attract new customers

who may be interested in purchasing a product or service;

- Increase sales. Promotion helps increase awareness of a product or service, which can lead to increased sales. Advertising can also help retain existing customers and encourage repeat purchases;

- Develop the brand. Advertising helps to build brand awareness and recognition – branding. This can increase customer confidence in the brand and lead to increased sales;

- Gain a competitive advantage. Advertising contributes to differentiation from the competition and provides additional benefits that can be a decisive factor in the customer's choice of a particular product.

In general, promotional marketing is an important part of any business, as it allows to attract new customers, increase sales, develop one's brand and gain a competitive advantage. This type of marketing includes various activities such as competitions, promotions, discounts, gifts with purchase, loyalty programmes, special offers, etc. These activities can be aimed at both increasing sales and increasing brand awareness among potential customers. Promotional marketing can be an effective tool for attracting new customers and increasing the loyalty of existing customers. However, it is important to remember that such events must be well planned and aligned with the company's marketing strategy in order to get the most out of them.

There are many different types of promotions that companies can use to attract customers and increase sales. Some of the most popular types of promotions include:

- Discounts. This is one of the most common forms of promotion when companies offer discounts on goods or services;

- Sweepstakes. This is an effective method of building brand awareness when companies offer customers the chance to win valuable prizes such as cash rewards or merchandise;

- Giveaways. This is a form of promotion where customers can receive free gifts for purchasing goods or services;

- Loyalty programmes. This is a long-term promotion strategy where companies give customers the opportunity to accumulate bonus points or receive additional discounts for repeat purchases;

- Buy one, get one free (BOGO). This is a form of promotion where companies offer customers to get one product for free with the purchase of another product;
- Games and contests. This is a method of increasing brand awareness when companies run various games and contests in which customers can win valuable prizes;
- Special offers. This is a form of promotion where companies provide special offers for certain products or services, such as free shipping or discounts on bulk purchases.

These types of promotions can be used individually or combined for maximum impact.

"Flagman Seafood" LLC is a domestic company established on 12 June 2017. The company transports and delivers the following products to its customers: chilled and frozen fish and seafood; red caviar; salmon roe; mussels in butter (sealed); a bit of the Baltic Sea; cod liver; frozen crab; salted, hot and cold smoked. A leading company in the field of fish snacks and seafood trade, offering its partners the widest range of fish and seafood in Ukraine. The company imports more than 300 types of fish and seafood from various countries of the world: Norway, Iceland, Spain, Denmark, Sweden, Greece, France, Netherlands, Scotland, Ireland, Lithuania, Latvia, Estonia, Chile, USA, etc. There is a wide range of these seafoods, and Flagman Seafood will deliver them to where they are needed (The official website of Flagman Seafood LLC, its structure and the available catalogue of products they sell).

The production level of the enterprise is a large volume of finished products, the enterprise makes profits by selling goods on the domestic and foreign markets, a production line and a large number of vehicles, which are necessary to pay all employees and maintain them in good condition. The weakness is that the production link has not been fully developed, resulting in a lack of production sites (Table 1).

The Flagman Seafood company uses only Western production technologies, which are integrated into the production of a wide range of products, in order to avoid potential problems and unexpected breakdowns during production. The company is constantly tracking global equipment manufacturers to acquire and integrate them into the existing process chain as quickly as possible. This saves time in the production and packaging of goods, which is particularly important for large orders where production and shipping of goods is carried out around the clock.

However, the use of such high-tech equipment has its drawbacks – the rapid ageing of components and aggregates, which can lead to long production stoppages in the event of an accident. Therefore, the company must have an adequate stock of spare parts to be able to quickly replace non-functioning units and resume production in the event of a breakdown.

The company's financial position remains at a high level due to the stable profit resulting from the increase in the volume of products sold and the entry into new product sales markets.

Table 1

Grouping of internal factors and their impact on the enterprise

Groups of internal factors	Strengths	Weaknesses
Production level	A large number of goods produced and sold in the country and abroad	The production line is not yet fully operational, and there is still room for investment to increase product turnover
Technologies	Advanced European technologies are used in the production of the entire product line	Technologies are rapidly becoming obsolete, and it is necessary to constantly monitor market updates
Financial factors	Thanks to stable orders and an expanding product range, the company is highly profitable	Businesses need to be more pragmatic and flexible to have a good excess profit
Organizational and managerial factors	The created hierarchy of the enterprise is as correct as possible for the optimal and uninterrupted work of managers	Management should be optimised to reduce the cost of this staff
Personnel	The company has a large number of employees across the country, providing people with jobs and decent wages	The pandemic and all the restrictions have shown that the company does not have enough manpower to ensure the smooth operation of all production processes

Flagman Seafood is a dominant player in its market and has a large number of orders both in Ukraine and abroad.

Flagman Sea Food makes extensive use of Western equipment in its production to ensure reliability and efficiency of processes. It constantly monitors global equipment manufacturers to keep abreast of new developments and ways of integrating them. This enables them to increase production volumes.

The financial situation of the company has always been stable, thanks to the increase in sales and the expansion of the sales geography. This is explained by the fact that the company is a leader in its market and has a large number of orders not only in Ukraine but also abroad. During the pandemic, however, the company faced significant difficulties as it was not prepared for new challenges, including

quarantine restrictions and lockdowns in European and Asian countries. This led to a 35-40% reduction in sales markets and the closure of some production facilities due to their inability to supply.

The company is vertically integrated, which means that all issues in the organisational structure must be resolved to ensure the smooth running of the company and the generation of profits. Each manager is responsible only for his or her area, which allows other colleagues to work without hindrance. The weakness, however, is the large number of redundant staff, so it is necessary to optimise and reduce the number of departments that are no longer competent or necessary. This will reduce labour costs and allow funds to be invested in modernising existing equipment and launching new products in new markets.

An equally important component of the company's marketing activities to sell products quickly is promotion (a product promotion tool). A promotion is an opportunity to inform potential and existing customers about goods, services, special offers and to encourage them to make a purchase. As a result, it is possible to create loyalty to the seller, promote new products, increase demand for products, gain a foothold in a new niche among competitors and thus gain a significant place in the market. Flagman Sea Food often uses this method to introduce new products to potential consumers. Various promotional options are used to initiate the process of selling existing goods or services.

Among the popular types of promotions used by the company are the following (Figure 1).

A benefit as a tool should show good results when used and justify the resources that will be spent on this event. In fact, many large companies use promotions not only to focus on large sales and market coverage, but also to work for high loyalty to themselves as a responsible seller. In general, a promotional event is quite expensive, but if a new product or service is successfully sold, the company will make a good profit, so this option can be considered quite cost-effective and rational. The bonus of such a promotional event is also an increase in the company's reputation, which plays a crucial role for the buyer, since when choosing a product, he is guided not only by consumer

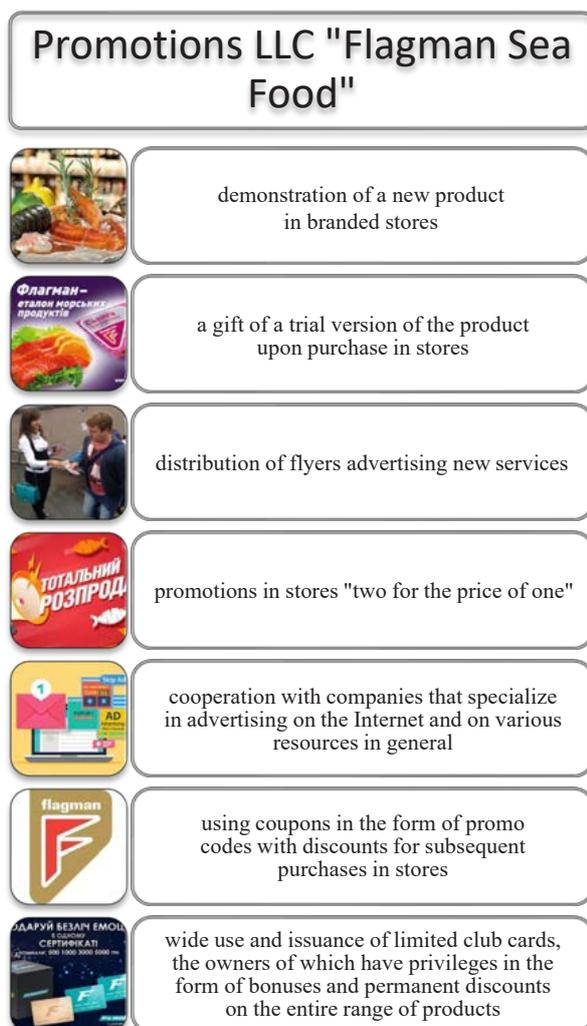


Figure 1. Promotions of Flagman Sea Food LLC

Source: systematized by the authors

qualities, but also by the seller's reputation in this niche and in the market as a whole.

Therefore, it is appropriate and effective to improve the company's reputation, attract more customers and increase market share by running a promotion.

4. Conclusions

Thus, from research and analysis of publications, it can be concluded that promotional marketing is an important strategy for attracting new customers, increasing sales and improving customer loyalty. Promotions can be used for both small and medium sized businesses and large corporations, as well as for new products and services.

On the basis of the research conducted, it can be concluded that expanding the possibilities of understanding and using promotional marketing as a key business tool for attracting and retaining customers provides an opportunity to ensure sustainable growth of profits and competitiveness of the company, the interaction of various types of promotions with each other to achieve a synergistic effect, and also a significant contribution to the development of scientific knowledge about promotional marketing in the context of modern business.

In addition, promotions can be used to attract customers to other products and services of the company, which can increase the average check and increase customer loyalty. Hence, promotional marketing can be a useful tool for companies in any industry.

Promotional marketing is a key tool in business because it allows companies to effectively attract and retain customers, increase sales and profits, and become more competitive in the marketplace. The importance of promotional marketing in business lies in the following aspects:

- Attracting customers. Promotions allow to attract new customers who can become regular buyers of the company. This helps to increase sales and profits;
- Customer retention. Campaigns also help to retain regular customers, increase their loyalty and engagement with the company. This reduces the risk of losing customers and ensures stable sales;
- Increase brand awareness. Promotions can increase the visibility of a brand and its products or services. This helps to increase brand awareness and competitiveness in the market;
- Increase in sales. Promotional activities help to increase sales and profits. This can be achieved through discounts, gifts, loyalty programmes, and other tools;
- Increase in competitiveness. Special promotions can improve a company's competitiveness in the market, as they help to attract and retain customers, increase brand awareness, and boost sales and profits.

Consequently, the importance of promotional marketing in business lies in its ability to help businesses achieve their goals of attracting and retaining customers, increasing sales and profits, and enhancing competitiveness and brand awareness in the market.

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