MARKETING MANAGEMENT

PARTICIPATION IN ONLINE MARKETING RESEARCH PANELS: FINDINGS FROM FOCUS GROUP DISCUSSIONS

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Abstract: *Importance of online marketing research has been increasing over the years. According to ESOMAR report (2014) around half of overall research budget in market research agencies globally is spend on online research, and majority of quantitative online research is now conducted via online research panels. Three focus groups with University students were conducted with the purpose of exploring students' experiences with online research panels, motivations to participate in research and their general attitudes about participation in online survey research. Analysis of the qualitative data transcripts of the focus group discussions indicated that although participants took part in number of online surveys, most of them were not familiar with online research panels. Helping friends was identified to be a most frequent motive for survey participation. Aside from helping behavior, personal interest in a research topic, opportunity to share their opinions and opportunity to learn from the survey were also identified as motives for survey participation. Majority of participants considered current form of surveys obsolete and uninteresting and suggested a number of creative approaches to survey research and solutions for panel participant recruitment. Based on analyzed conversations recommendations are made for development of the recruitment strategies for panel research participants with more creative approach to online survey research, utilization of Internet multimedial potentials and social media integration in panel software.*

Keywords*: marketing research, Internet, panel research, focus groups, millenials*

1. INTRODUCTION

Technology development has enabled new ways of conducting research. Online surveys and qualitative research are becoming more common tools for conducting marketing research. New technologies along with a continuous increase in the number of Internet users worldwide, are bringing opportunities for further improvement of methods of online research. The share of online marketing research in overall marketing research activities has been continuosly increasing. According to the Internet Society Report (2015), a global Internet population in 2015 exceeded 3 billion users. It is estimated that by the end of 2016, 45% of the total population of the planet will use Internet. The highest rate of Internet usage is in North America, where Internet users make up to 87.9% of the total population. The incidence of Internet use clearly indicates that today's population is largely focused on Internet-based contents. This is especially true for younger generational cohorts, also called millennials, from educational and informative content, to entertainment, communications and online shopping activities, Internet use has become intertwined with most of their daily activities (Wang et al. 2015). A whole new generation of Internet-savvy customers emerged, and the need for finding out more about their habits and attitudes has became prominent in the past ten years.

Before the era of information technologies and Internet, survey data collection has been conducted in two ways: in person or by telephone. In the mid nineties with the introduction of web-based services as well as with the increase of number of Internet users globally, Internet was recognized as a suitable medium for carrying out quantitative research (Hoonakker & Carayon, 2009; Groves, 2011; Göritz, 2004). Hoonakker and Carayon (2009) suggested four possible methods to perform online quantitative research: (1) via e-mail attachment (Word document), (2) in the body of email messages, (3) .exe file within the email message, (4) a web-based questionnaire. In a web-based questionnaires survey is completed directly on the website, and data automatically stored on a web server. This concept was used for development of online research panels.

Online research panel is a pool of registered individuals who have agreed to participate in Web surveys on a regular basis (Göritz et al, 2000). An increasing number of market research agencies worldwide opted for establishing their own online research panel. Evans and Mathur (2005) estimated that online research panels can be more cost-effective compared to traditional customer databases. Moreover, market research agency practices indicated that use of online research panel can considerably reduce the time required to conduct the survey. Over the time panel research became the most popular way for conducting an online marketing research, and quantitative online research today is increasingly conducted through online panels (Sikkel et al., 2009). The use of such research panels promises a high response rate, sample control, access to the general population, as well as detailed demographic information about the respondents and the possibility of preselection and segmentation desired group of respondents (Bruggen et al, 2011).

There are different sizes and structures of online panels. Panels may consist of consumers / customers, potential customers / users, partners, employees and other target groups - potential participants in research on specific topics. ESOMAR (2014) recommends having more than 10000 respondents in database in order for panel sample to represent online population in satisfactory manner. However, some online panels that are used by specific industries can have only several thousand members. At the same time, there is a number of large commercial international online panels with millions of registered participants from different countries. Typically, those panels (such as Cint, one of the largest online panels) consist of number of smaller specialized or local panels (Babin & Zikmund, 2015). This trend is also noticeable in Serbia: previous research conducted by Ljepava and Janicic (2015) indicated that approximately 80% of the interviewed market research agencies used online research panels with number of panel participants ranging from 2000 to 10,000 panelists.

However, McDaniel and Gates (2010) argued that establishment of online research panels led to the creation of specific category of professional survey participants. They indicated that professional survey participants often fill a number of different surveys on a daily basis, and that quality of collected information can be compromised. This is why it is very important to understand motivational factors that influence participants when joining online panels, and to carefully plan panel recruitment strategies as well as mechanisms for quality control. In order to achieve long-term successful implementation of online panel studies, researchers face several key issues: how to recruit a sufficient number of panel participans, how to maintain a critical mass of participants and continuously recruit new members, and how to motivate them to participate in studies and provide valid and credible information. Additionally, most of the information collected in quantitative research, is limited to participants' self-report. According to McDaniel and Gates (2010), such information can be subject to various flaws that may depend both on the methodological errors and ambiguities in designing research instruments, and on inadequate and inaccurate information provided by research participants.

The starting point in addressing all abovementioned challenges of online research panel is to understand the motivations of the respondents - the motives for both panel registration and research participation. The value of survey participation for the research participants is not always clear; completing the questionnaire requires cognitive effort, takes time and interrupts other activities respondent implements. Consequently, type of motivation for research participation can be an important factor affecting the quality of the collected data. (Bruggen et al, 2011). Žabkar and Kolar (2010) also discussed the importance of understanding of the Internet habits, behaviors and participants' motives for market research agency doing an online research.

The literature also indicates that there is a link between the level of Internet activity and participation in online research. For example, Göritz (2004) in her study showed that the response to participation in the panels was higher when the call for registration was distributed via email compared to more traditional recruitment methods.

In order to further explore motivational factors and habits of Internet users, specifficaly the group of Internet-savvy millennials, an exploratory focus group qualitative research was conducted in order to find out more about their knowledge and attitudes about online panels and survey participation, along with their willingness and motivation to participate in online panels.

2. METHODS

For the purpose of the present research, exploratory qualitative research has been conducted and three focus groups held with the students from University of Belgrade. The study included a total of 30 students divided into three groups of 10 participants per each focus group. Out of the 30 participants, there were 18 females and 12 males. Students responded to a series of questions related to their habits of Internet use, previous experience with participation in online research and survey participation, and attitudes and motivational factors influencing research participation. Focus groups were recorded and written transcripts created for each focus group, and then cumulatively analyzed in order to identify key themes. Qualitative analysis and content analysis were performed on collected data. Responses were categorized in accordance with the prevailing themes and presented cumulatively with the citation of the individual statements in order to illustrate a certain trend or prevailing attitudes about a particular subject.

3. RESULTS

Results of the analysis of the focus groups transcripts indicated that majority of the respondents use Internet continuously on a daily basis; consequently, they are mostly unable to determine the exact number of hours spent online. High level of Internet usage via mobile phone opens the possibility of continuous networking and interactions that are taking place throughout the day. Majority of time is spent on social networks, and besides social networks Internet is also extensively used for entertainment, informational purposes, and listening to a music.

Respondents generally do not like to participate in survey research, and the most common reason stated for participation is to help friends for a project or research. Additional motives for completing surveys are the possibility to express their opinion, to contribute to products or services improvement or to contribute to solving some social problems or increasing their visibility.

3.1 Internet and Social Media use

Facebook, Twitter and Instagram are found to be the most popular social networking websites, along with instant communication services such as Viber, WhatsApp and Skype. University students that participated in the research used social networks mainly to communicate and maintain contact with their friends and acquaintances, as well as to find information on latest news and events and friends activities.

When accessing Internet in addition to social networks (Facebook, Twitter and Instagram) participants spend most of their time on news websites (Blic, B92, Mondo) and extensively used YouTube. Websites with movies and TV series streams are also found to be very popular. Respondents also spend their time playing games, in many cases again in the context of social networks (specifically Facebook). A small number of respondents in this sample, mostly male, spends his time playing multiplayer MMPORG games.

“I cannot say how much time I spend online. When I see notification on my cell phone I check it.”

“I use Internet continuously on a daily basis. I spend most of time on Facebook, YouTube and I read news on news portal such as Blic.”

“We used to read printed newspapers. Now you can find anything you want online, that is cheaper and more convenient.”

Participants are not frequent users of traditional media such as TV and/or newspapers and Internet is their main source of information. It has been observed that, for number of participants, social networks (specifically Facebook and Twitter) represented a starting point for information about latest news and events through content shared by their friends.

3.2. Web panels and survey participation

Majority of respondents considered online surveys to be boring, perceived participation in those surveys as a waste of time, and expressed low levels of motivation to participate in surveys. In most cases they stated that they will only participate in surveys in order to help a friend who is doing a research. Participants expressed particularly negative attitude towards Likert-scale type questions; a number of them stated that if there are too many Likert-scale type questions in the survey they would provide random response without carefully reading questions. Moreover, participants do not prefer to respond to open-ended questions in surveys where they need to write a more detailed response.

"I don’t like to participate in surveys. I think it's a waste of time and their results often do not correspond to reality. "

"I filled out a number of online surveys. Frankly, I do not remember exactly what they were about. Mostly customer satisfaction surveys, some survey about juvenile delinquency ... I dont find then particularly interesting.”

“My colleagues always ask me to fill out surveys for their research and I want to help them. "

“I do not like this scale type questions, they are boring and take too much time to respond”

"I do not like those surveys that are very long and have a number of some questions on a scale like agree disagree. I will only participate if a friend needs help."

It is interesting that a number of respondents considered participation in popular quizzes and personality tests on the web and social networks as participation in survey research. Although they are aware that majority of those tests have no scientific background, respondents stated that will participate in those tests regardless of their length and question type since they are finding them interesting and engaging, and they will receive test results immediately. Additional factor that influence popularity of those tests is the fact that results can easily be shared on social networks.

“What I love in such tests, is the fact that I can get results immediately after completing the test and I can share them on Facebook. I know they are not really scientific but they are fun.”

" I participated in some surveys related to my colleagues’ research to help them. And I like to participate in those fun surveys on Facebook that we can share on our profiles. "

"I don’t t mind doing psychological tests and personality tests, but I find other type of surveys boring."

None of the respondents actively participated in a web panel. Some of them stated that they registered at some of the local online panels but they were never actively involved in a web panel. They were also not very familiar with the concept of earning by filling in surveys, although some of them were interested to find out more about this possibility.

Minority of respondents who declared that they participate in surveys on a regular basis stated that they more often participate in studies related to topic they feel close to, and that they would appreciate if they could see the results after filling in the survey. They are also willing to participate in a studies related to products and services of their interest.

"I want to fill out a survey in order to share my views, experiences, satisfaction and to give suggestions for further product development or improvement of services to which the survey refers."

"If a topic is interesting I will respond to a survey, but it is usually not.”

Survey length and time needed to fill in the survey were also found to be an important factor. Most of the focus group participants were not willing to participate in a survey that takes more than 10 minutes to fill in. In a situation where they did fill in the longer surveys, they mainly did it to help a friend with a project, but they complained that that was too long, time consuming and in some cases they noted that they did not really pay attention to questions.

"I once helped my friend with his graduation project. The survey was too long; it took more than half an hour to fill it. I ended indicating any random response just to finish it. I do not understand this type of research I don’t believe any of the respondents carefully reads those questions and whats the point in that? “

3.3. Motivational factors for survey participation

When asked what would motivate them to participate in surveys aside from helping their friends, respondents mostly identified intrinsic factors such as contribution to a social cause, opportunity to provide opinion, opportunity to suggest improvement of products and services. Generally, majority of the participants expressed willingness to participate in surveys that cover important social, cultural, humanitarian or economic issues; on the other hand, there were less willing to participate in commercial marketing survey unless they are specifically interested for services or products. The prevailing view is that surveys that aim to draw attention to a social problem can motivate participants more, compared to strictly commercially-oriented surveys. In addition, opportunity to express opinion and to influence a change can also motivate participants to participate in a survey research.

"An interesting topic and the opportunity to affect some important social issues."

"Surveys should draw the people's attention to a problem and try to find way of solving the same. If I know that my response really means something, that something can be improved and changed based on my opinion I will gladly participate in such survey. "

"Survey should be interesting and informative. I would be motivated to fill in the survey that serve the common good and maybe the survey from which I can learn something new. I am also very much interested in psychological surveys and tests"

Participants were also more willing to complete a survey if survey topic was related to their personal interests. They also emphasized the importance of survey being short, concise, and specific in order for survey completition rate to be high. Respondents also consider survey research to be a valuable source of information, and for some of them possibility to access results is also important factor that can influence their decision to participate in certain survey.

"If a topic is interesting I will participate. For example, recently I participated in a survey related to improving conditions for the use of bicycles as a means of transportation in Belgrade."

"Survey should be short, specific, related to the topic of my interests in order to complete it. I believe people participate in surveys they want their voices heard. "

".. to create short, clear, simple survey, explain why it is conducted and to be able to access the results."

"Survey research can provide us with opportunity to find out more about the society and people, of course, if the results of these studies are available later."

3.4. Suggestions for conducting online survey research

In order to find out more about participants' opinions and suggestions related to online survey research, respondents were asked to discuss how they would perform online survey research if needed. In recruitment strategies respondents mostly relied on snowball sampling via social networking websites, starting from their own circle of friends. Among social networks suggested for recruitment Facebook was dominant, although some respondents perceived the possibility of using other social media channels in order to recruit participants for online research.

"I would probably use Facebook in order to collect data. I would post the link on my profile and ask my friends to share it"

"I would post a link on social networks and I would also directly contact my friends via direct messages and emails. If I had some money to invest I would pay a banner on some popular websites to recruit more people."

"I would open a dedicated Facebook page and promote it via Facebook ads in order to recruit people to fill in the survey."

Respondents believe that online surveys should be short, interesting and engaging for participants. It is indicative that most of the respondents stated that they would completely change the form of surveys, their visual design and level of interactivity. They believe that the existing forms of online surveys are outdated and that possibilities of multimedial presentation on Internet should be used and surveys presented in more creative forms, such as games, quizzes, videos and graphical presentations in order for surveys to become more interesting for potential participants. They also emphasized the importance of accessing the results and having a possibility to easily share the results on social networking websites.

"I'd like to try something creative because this form of surveys is now outdated and boring."

"I'd make a game (something similar to logo quiz for example) in order to make it interesting. Survey feedback and possibility ti view results is also very important. "

"I'd maybe make surveys the form of a comic book. Also results should be immidiatelly accessible and shareable on social networks – this is also a way to promote a survey and to gain more attention and recruit more participants."

4. CONCLUSION

Importance of using online tools for conducting marketing research has been increasing over the past ten years. Number of market research and public opinion research agencies using research panels for online survey research has been continuously increasing both globally and regionally. In order for panel survey results to represent opinions and attitudes of a specific consumer/target group, special attention needs to be given to recruitment strategies in order to minimize number of extrinsically-motivated professional panel participants.

The present research provided an insight into motivations and attitudes related to online research participation of an average University student. The research indicated that respondents are avid Internet users, who use Internet daily and continuously with majority of participants not being able to determine the exact number of hours spent online. Although they devote most of their online time to social networks, Internet is also used for entertainment, informative purposes, and leisure time. These findings are in line with online behavior habits of University students in other countries and regions indicating that there is a number of similarities in millenials' behavioural patterns worldwide when it comes to online behavior and daily Internet use. These patterns of Internet use place focus group participants into a group of potentially valuable online panel participants; however, majority of students that participated in focus groups were not familiar with the concept of online research panels.

Almost all participants have experience in participating in online surveys, although a number of them considered participation in the popular quizzes and tests equal to research survey participation. Opposed to standardized questionnaires and surveys, that they believe to be mostly uninteresting and boring, participants stated that they gladly participate in popular and psychological quizzes and tests and that they find them interesting and engaging. Participants also suggested a number of changes in survey visual presentation and levels of interactivity in order to make surveys more interesting and engaging for participants. The findings indicated that researchers should consider re-thinking a paradigm of survey research, moving from classical forms of survey research transferred from classical face to face to telephone research, to new, multimedial, more interactive form that would be more interesting and engaging to new generation of millennials. Research also showed that survey participation is primarily intrinsicaly motivated with following motivational factors prevailing: helping behaviour, possibility to express opinion and to contribute to improving products or services, possibility to contribute to some social issue that respondent consider to be important and possibility to learn something from survey results.

Overall, the research indicates that for the new millennials generation of prospect survey participants, the traditional approach to survey research might not be efficient in a long term, especially for Internet-based surveys. Multimedial online environment provide number of opportunities for creation of more engaging and dynamic content, and researchers should consider using these opportunities along with social media integration in order to make survey more appealing for prospective participants, increase the number of panel participants and quality of data collected.

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EFFECTS OF INDIRECT ADVERTISING IN VIDEO GAMES: ADVERTISERS' AND PLAYERS' PERSPECTIVE

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Abstract: *Modern trends in the field of marketing communications require the implementation of new instruments that would enable easier adjustment of the characteristics of target groups, delivering the desired message and achievement of desired effects. Given the expansion of the video game industry and the increasing number of users, of all demographic and sociological profiles, computer and video games have become one of the most attractive medium for advertising. Indirect advertising in video games is specific in relation to other types, both direct as well as indirect advertising, and, therefore, the focus of this paper is to identify its key advantages and disadvantages from the side of advertisers. As yet there are not enough studies on this subject, so more complex research in this area are necessary in order to understand the real potential of this modern channel for advertising.*

Keywords*: indirect advertising, video games, characteristics, effects*

1. INTRODUCTION

In the recent time, besides television, the interest for Indirect advertising has expanded to other forms of media, particularly on video, computer and online games (Chaney et al., 2004; Schneider, Cornwell, 2005; Nicovic, 2005; Yang et al., 2006). The expansion of industrial video and computer games influenced the development of consciousness of advertisers about their potential as an effective channel for advertising. An increasing number of users make video games and computer games attractive for advertising (Yang et al., 2006; Russell, Stern, 2006), mainly due to a simple reaching to the target group of consumers through the integration of products in games' plot (McClellan, 2005).

Studies in the US show that 42% of the population play video games and players can be identified among all age groups, with 26% of players under 18 years, 30% aged between 18 and 35 years, 17% of those between 36 and 49 years and 27% of those older than 50 years. Men make up 56% of the players, and women 44%. When it comes to the average player, in case of men, it is 35 years and for women 44 years (ESA, 2015). Revenue from advertising in video games showed an annual growth rate of 11.2% for the period from 2010 to the present. In 2010, global revenue from advertising in video games was around 1.9 billion US dollars, in 2014 it counted 3.1 billion US dollars and, by the end of 2015, it amounted to 3.41 billion US dollars. Projections for 2016. Says it will even reach 3.72 billion US dollars in 2016 (Statista, 2015).

The increasing sophistication of mobile technology, as well as the degree of personalization and customization of mobile games, makes the sphere of the games industry attractive for advertisers, though, for now, it is dominated by forms of mobile phone games designed specifically as a promotional means for individual brands (Eng. Advergames). These games are less complex and demanding than classic games, in which brands are incorporated. Due to the simplicity of design, it can be easily distributed among players (Cauberghe, De Pelsmacker, 2010).

2. EFFECTS OF INDIRECT ADVERTISING

Indirect advertising in video games has a number of positive aspects. It may be noted that the main advantage is the experiential nature of video games, thanks to which the desired information about the products are marketed to active and engaged audience (Sierra, Taute, 2013). Certain studies on this subject have indicated that the interactive environments in video games encourage better memory of marketing information (Jeong et al., 2008; Jeong et al., 2011). This is due to the different treatment of messages placed by an indirect advertising and entertainment media than those obtained through traditional advertising. While in the case of traditional advertising, consumers usually recognize the commercial function of the message, it triggers their skepticism and resistance and limits the effects achieved (Obermiller et al., 2005), Indirect advertising is less likely to activate these mechanisms of defense (Grigorovich, Constantin, 2004). Also, in the case of traditional advertising, the brand message has been the focus of attention of viewers, whereas in the case of indirect advertising, audience consciously participates in entertainment content, which occupies its primary attention, while simultaneously receiving advertising messages (Lowrey et al., 2005).

For the video game industry, indirect advertising can provide extra income, taking into account that advertisers are paying for the incorporation of the product in scenario of games. Another important advantage is enhancing reality gaming (Yang et al., 2006). Improving the technology of video games provide advertisers the opportunity to create extremely realistic simulations of their products, thus improving the unique experience of the players. Some games designed as simulated motor racing, imitate a very real scenarios that could be equated with "test drives" of various brands of cars in the real world (Mackay et al., 2009).

For this reason, the results of some studies suggest that the audience believes that indirect advertising actually improves the experience by increasing the realism of certain media formats (Avery, Ferraro, 2000). Similarly, Nelson et al. (2004) found that, in terms of players, realistic sports games depends significantly on the brands that appear in the game. An additional advantage of indirect highlighting in video games is the possibility of identifying players with famous sports figures that appear in the game (Nelson, 2002). In fact, 17.9% of regular players of video games take into account the celebrities involved in the game as one of the main reasons for their consumption (ESA, 2015).

Indirect advertising has a longer lifetime than conventional advertising (d'Astous, Chartier, 2000). The lifespan of brands that are embedded in video games can be an important (Nelson, 2002), especially in the case of regular players of this game. In addition, the practice of dynamic ads in the game that can be easily changed often, so, an opportunity to incorporate new brands and preventing obsolescence is higher (Shields, 2005).

Studies have shown that audience, generally speaking, has a positive attitude towards indirect rather than direct advertising. In addition, most players do not have a critical attitude to advertising in video games does not consider that it affects their attention and distort a unique experience, and does not consider this type of advertising to be a deception (Nelson, 2002).

For advertisers, an important concept is personalized indirect advertising because it increases the positive experience of players and increases the time and frequency of play (Kwak et al., 2010). A study of Hang, and Auty (2011) found that allowing players to choose integrated brand that will "use" in a video game increases the efficiency of advertising. The results of this study clearly indicated that a group of players who had the opportunity to choose a brand they prefer, have a more positive experience in comparison with the group to which personalization was not enabled.

However, like other instruments of advertising, indirect advertising in video games can have negative aspects. Given all the common practice of advertising in video games, not enough research has been done in relation to its actual effects. Little is known about the extent to which advertising in video games affects the attitude of players toward certain brands and buying behavior (Yang et al., 2006). Although some studies have indicated that indirect advertising really influences the development of awareness of brands that occur and that the interactive nature of video games is responsible for this (Nelson, 2002), some authors suggest that it may just be a barrier to achieve maximum effect in terms of advertisers (Vorderer, 2000). Unlike television shows and movies that require the presence of a passive audience, video games require manipulation of control functions and progress through the game (Yuping, Shrum, 2002 Yuping, Shrum, 2005). Therefore, interactive features of video games can reduce the perceptive possibilities of the members of the audience, because their attention is divided between what we visually perceive and control the game (Grodal, 2000 Chaney et al., 2004; Nicovich, 2005). For example, Shapiro and Krishnan (Shapiro, Krishnan, 2001) found that, when the attention of the audience is divided between visually displayed advertising messages and listening to the sounds unrelated to them, remembering advertising messages becomes reduced.

Still, it is still not entirely clear how the interactivity of video games and the active role of players can affect the indirect effects of advertising when the memory comes to advertising messages (Yang et al., 2006). By conducting two studies on sports games Nelson (2002) found that players remembered from 25% to 30% of the brands that they saw immediately after they finished the game, and 10% to 15% of brands after five months of playing. A telephone survey conducted in 2005, which included testing of men aged 18 to 34 years, found that more than 25% of the players could not remember the indirect advertising from the last session of play (Activision, 2004). It is interesting to note that about 33% of the players in the survey mentioned that indirect advertising in video game influences their behavior at a later purchase (Activision, 2004). The research carried out by Chaney, Chaney and Lin (2004) found that players who prefer games with a first-person shooting cannot remember stating that his character "passed" virtual billboards in the game, but there were little or no recall of brands or even product categories displayed on billboards. Similarly, Grigorovich and Constantin (2004) pointed out the complex relationship between the type of indirect advertising (virtual billboards in relation to the displayed objects) and later ability to recall their names. For example, players tend to more easily remember brands when they were placed as billboards, from those that are otherwise presented related to the plot of the game, except when it comes to brands of cars. Accordingly, there is a possibility that indirect advertising has not reached full effect in video games, because the interactivity and involvement in the game that could affect the ability to perceive advertising messages. However, one must keep in mind that advertising in interactive video games has an impact on both explicit and implicit memory. Previous studies have shown reduced indirect effect of advertising on explicit memory than is the case with implicit. This means that even though players often cannot explicitly recall brands that were seen in video games, indirect advertising can affect their implicit memory and, hence, the subsequent buying decisions (Yang et al., 2006)

There are differences in the perception of the message and the achieved effects depending on how and where brands are "embedded". Studies have shown that audio-visual and verbal forms are easier to remember than purely visual forms. Russel and Stern (2006) found that verbal forms are better remembered than visual and that the connection with the action has no effect on auditory form, while improving memory of visual form. Due to the above mentioned reasons, the involvement in the game harms memory of discreetly displayed brands (Grigorovich, Constantin, 2004), while more prominent brands will probably be better remembered (d'Astous, Chartier, 2000).

Another disadvantage makes the violent content of many video games, which have been shown to instill an aggressive mindset and violent behavior of users (Anderson, Bushman, 2001), which may adversely affect the image of the brands that are advertised that way. Also, in some video games, realistic models of real weapons of real producers appear, which otherwise could not be legitimately advertised, therefore, indirect advertising of such products entails certain ethical questions.

3. CONCLUSION

Indirect advertising in computer and video games is undoubtedly a perspective media for advertising, taking into account the speed of the development of the games industry and the need to use innovative types of advertising in order to achieve the best effects. Based on the analysis of literature, it is obvious that it has positive effects on audience memory and attitudes when advertising strategies with are aligned with characteristics and preferences of target groups. Also, brands should adequately fit into the context of the game and be displayed in a way that enhances the gaming experience. Usage of interactive elements and, whenever possible, allowing players to personalize their characters has also shown to be valuable. The brand should be displayed in a way that is not invasive, but which draws attention and raises awareness of the brand. Finally, it is highly recommendable to conduct evaluation of the effects achieved by indirect advertising for the purpose of modifying and improving this practice in the future, so it would fit best the preferences of advertisers and audience.

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ATTITUDES TOWADS INDIRECT ADVERTISING IN TV SERIALS

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Abstract: *This paper investigates the impact of indirect advertising on American television series audience in Serbia. On the basis of current theory in this area, the study assesses following audiences' attitudes on various types of indirect advertising. Full-length episodes were used as experiment stimuli and accompanied questionnaires were filled in natural environment in order to obtain more accurate results. Three groups of factors: presentation likability, proactive behavior and attitudes towards audio placements appear to be influential to the overall advertising success, while the proactive behavior generated the best results and, therefore, should be considered as the most important.*

Keywords: *indirect advertising, attitudes, audience, TV serials, experiment*

1. INTRODUCTION

Since contemporary marketing environment is more and more characterized by focused communications and media fragmentation, it is obvious that effects of traditional advertising are gradually reducing (Perez-Latre, 2009). Also, various electronic devices allow audience members to easily skip advertising blocks (O'Neill, Barrett, 2004), so they are becoming more distant to traditionally advertised messages. As a result, advertisers are searching for more innovative and effective ways to reach their target audiences, which resulted in increasing use of indirect advertising (Smit et al., 2009; Babacan et al., 2012), which is simply defined as brands' and products' inclusion in different media content in order to influence viewers' attitudes and behavior. This communication instrument is used for targeting more complex and more marketing-aware audience members (Hackley, Tiwsakul, 2006) because they most often do not perceive embedded products as advertising forms (Guido et al., 2010). That is happening due to the effective integration of products and brands within different situations of plotlines, which enables audiences to receive brand messages in more natural situations that significantly reduce the possibility of their rejection. Indirect advertising has, therefore, become one of the important differentiation strategies of corporate brands and products (Wilson,Till, 2011) which affect their brand image and viewers' attitudes towards them (Arrazola, 2013). Also, the important fact about product placement is that it is effective for all three sides – advertiser, which implements innovative promotional strategy, the medium or the production, which gains financial benefits and auditorium which gets new kind of branded entertainment (Russell, Belch, 2005).

Nowadays, indirect advertising appear in movies, television shows, music videos, novels and video games. Although mediums of indirect advertising differ, the main purpose of its every form is to obtain the ad recall and positive affective reactions (Moser et al., 2004; Lehu, 2007). That happens most often due to audience's positive perception of a medium or plot protagonists, which reflects further on the brand image or attitude and, eventually, may stimulate purchase behavior (Wiles, Danielova, 2009). Therefore, one of the main types of advertising effectiveness are brand attitudes (affective outcomes) (Balasubramanian et al., 2006). However, indirect advertising should be used moderately, as exaggeration may produce a negative impact on the audience and its effectiveness may decrease, as they gradually start to recognize the advertising intention (Homer, 2009; van Reijmersdal et al., 2010). Therefore, it is highly important to detect reactions and preferences of target audience first, before implementing any of indirect advertising strategies. Although this kind of research is common in USA and some European countries, in Serbia it is still not the case. So, a gap is detected in both, theory and practice, which should be thoroughly investigated in order to improve advertising practice in developing countries and gain certain value for both, advertisers and audience and make a step in that direction.
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2. ATTITUDES TOWARDS PRODUCT PLACEMENT

The study was performed in 2015. On the sample of one hundred and fifty seven participants. All respondents, aged 19-23, were undergraduate students at the Faculty of Organizational Sciences, University of Belgrade. Majority (70.5%) of respondents was female, while 29.5% were male. All respondents voluntarily participated in the research. This research was based on watching of three episodes of American serials shown on television in Serbia by participants and answering questionnaires. These episodes were chosen as the experimental stimuli because they contained at least 23 examples of product placements and their plot can be considered relevant to the sample of participants. Two of the episodes lasted approximately 20 minutes, while the last one lasted little less than 42 minutes. The questionnaire consisted of various statements that could be evaluated on the Lickert scale (from 1-Absolutely disagree to 5 – Completely agree). Following statements appeared in the questionnaire:

In this part of the research, the goal was to investigate which groups of positive attitudes related to indirect advertising influence placement success best. Previous research have shown that the vast majority of viewers takes a positive attitude towards indirect advertising (Kramoliš, Drábková 2012), especially as it contributes to the viewing experience (Redondo, Holbrook 2008; Sung et al., 2009). However, opposite situation can happen – it can trigger counter arguing or irritation (Cowley, Barron 2008; van Reijmersdal 2009) and negative attitudes if indirect advertising intrudes viewing experience (Cowley, Barron 2008; Wei et al., 2008). Russell (2002) found that viewers' attitudes were more favourable in case of visual and low plot connected and auditory and high plot connection placements, than in case when they were incongruent – visual with high plot connection and auditory with low plot connection. Some researchers found that inclusion of the brand is crucial for the effectiveness of indirect advertising (Kamleitner & Jyote, 2013). Indirect advertising is accepted as an essential part that adds value if they are perceived to be connected to the plot (Yang, Roskos-Ewoldsen, 2007; Yoon et al., 2011; Dens et al. 2012). On the other hand, if indirect advertising is observed as intrusively integrated sales pitch, the effects could be negative (Homer, 2009). Dens et al. (2012) found that plot connection is not a sufficient factor to cause positive effects more than a marginally significant change towards positive attitudes. Some researchers found no difference in attitudes toward subtly and blatantly placed brands if program liking is moderate and exposures are limited to one viewing (Cowley, Barron 2008; Gillespie et al., 2012). The few studies indicated that prominence can have a negative effect on attitude toward placed brands (Bhatnagar et al., 2004; Dens et al. 2012). On the other hand, subtle placements are less likely to provoke negative shifts in attitudes. Law and Braun (2000) found that there is an increase in brand choice after viewers' exposure to (Cowley, Barron 2008; Gillespie et al., 2012). Indirect advertising may also improve brand attitudes without necessarily be highly recalled (Cowley, Barron, 2008). Also, positive attitude is transferred from a well-known actor or well-liked scene to a presented brand. However, there is also a potential negative shift in viewers brand attitudes after they feel forced to view some brand information (Lee et al., 2011).

In order to detect the most influential groups of attitudes, exploratory and confirmatory factor analysis of obtained results were performed and three crucial components were determined (see Table 1) that appeared to be correlated with indirect advertising success, measured in percentage of recalled brands. The first subgroup, titled "Presentation likability" (PL), represents the general attitudes towards brands shown in TV serials and it consists of following statements: "The way brand is used or shown in TV serials affects my attitude towards it" (marked as PL 1); "When character I like uses some brand in TV serials, my attitude towards that brand becomes more positive" (marked as PL 2); "When character I dislike uses some brand in TV serials, my attitude towards that brand becomes negative" (marked as PL 3). The second subgroup, determined as important, was the one called "Audio placements" (AP), which consisted of attitudes towards placements that are solely mentioned in TV serials and it consists of following statements: "I don't mind when characters in TV serials mention or talk about some brands" (marked as AP 1); "I like when characters in TV serials refer to some brands" (marked as AP 2); "I don't mind when names of famous brands are often mentioned in TV serials (marked as AP 3)". The third subgroup, titled as "Proactive behavior" (PB), consists of statements regarding making certain actions after seeing product placements in TV serials. They are: "I actually searched for brands I saw in TV serials on Internet and/or in stores" (marked as PB 1); "I wish to try certain brands after seeing it in my favorite TV serials" (marked as PB 2); "I started using some brands after seeing them in TV serials I regularly watch" (marked as PB 3). Obtained regression factor scores of three components were introduced into multiple regression analysis and results imply that the third component (Proactive behaviour) is statistically significant predictor of recall success (standardized $\beta = 0{,}170$; $p < 0.05$) (see Figure 1).

Table 1: Principal component analyses of attitudes towards product placement and their impact on overall placement recall

	Component		
	1	**2**	**3**
PD2	0.853		
PD3	0.829		
PD1	0.795		
AP1		0.886	
AP3		0.853	
AP2		0.792	
PB4			0.882
PB5			0.805
PB6			0.724

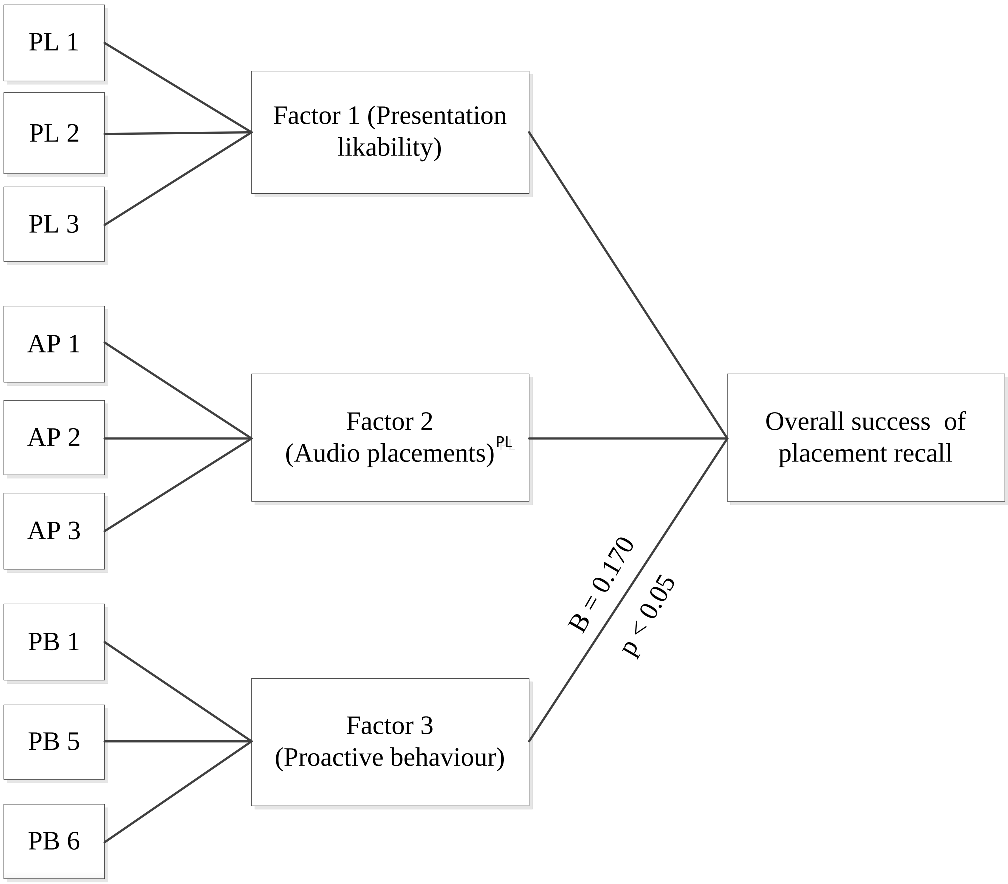

Figure 1: The impact of three groups of attitudes on overall placement recall success

The important finding is identification that proactive behavior of respondents (searching information on placed brands, desire to possess and consume certain brand and actual consumption of placed brands) influences the overall success of indirect advertising. In another words, placed brands indeed generate viewers' action, and, therefore, reach the advertisers' major goals. Since there are certain limitations of this study, it can be used as the theoretical basis for more complex analyses in the future.

3. CONCLUSION

This research supports the growing theorethical and empirical evidence that indirect advertising has become effective marketing communication instrument. It has shown that it impacts audience in Serbia, although it is sill not frequently used in domestic media space. Since viewers are often exposed to indirect advertising incorporated in popular foreign TV serials that are shown on national and cable television stations, it is obvious that its effects should be investigated thorougly. This research offers basis for future planning and implemetation of indirect advertising as communicaation instrument, in accordance with viewers perceptions and attitudes, in order to obtain desired effects. The results show that advertisers should place focus on more subtle placements, although it might appear that explicitly integrated ones achieve better results.

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IMPROVEMENT OF SERVICE ENVIRONMENT AT POSTAL NETWORK UNITS

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Abstract: *National postal operators have an impressive network of postal units, which occupy prestigious locations in settlements. Customer's waiting is an inherent element of the services provision in postal network units. Improving service environment, or interior of the postal unit has the same importance for customers as does the service level of the requested services. This paper considers the improvement of waiting process during the realization of service delivery at postal network units. Waiting phenomenon is analyzed. Current situation at postal network units is observed. Possibilities of improving the current situation towards developing a marketing concept are considered, in order to create a proper service environment.*

Keywords**:** *postal unit, customers, service environment, waiting time, digital signage*

1. INTRODUCTION

The realization of activities in service industries is usually inseparably connected with forming of queues. Considering that complete elimination of queues is economically unjustified, the efforts are focused to establish optimal levels of service and to find a balance between customer requirements and requirements of the service provider. This is also the situation in postal office units.

National postal operators are faced with important changes in their business area during the last decades. The task that is set in front of them is to reform themselves into market sustainable entities, that can successfully deal with growing direct and indirect competition. Besides direct competition, that provides the same kind of services as national postal operators, indirect competition with technology development provides substitutes for traditional postal services, which leads to decreasing demands for services offered by national postal operators.

Meeting universal service obligation, national postal operators have developed significant infrastructure capacities over time, which is primarily reflected in extensive network of postal units. Besides the burden which that resource represents in relation to maintenance costs, it has a large potential for improving the market position of national postal operators, which is not fully utilized in most cases.

The quality of service delivery at postal network units, from a customer's point of view is most commonly viewed as time spent waiting before being served at an adequate counter. In that way, one of the basic questions is how to improve conditions in waiting space and to achieve that queueing process passes as painlessly as possible for customers. If value-added services are not provided in postal units, technological improvement will dramatically reduce the scope of realized services.

2. CUSTOMER WAITING EXPERIENCE

Waiting is usually inseparably connected with a sense of displeasure. Pleasure can be defined as a dimension of experience that refers to hedonic tone (Barrett and Russell, 1999). Taking into account that waiting comes in between customers and their wishes, waiting often creates frustration and lower level of the sense of pleasure. Shorter queues lead customers to desired aims more quickly, thus contributing to a more positive overall evaluation of the service (Maister, 1985). People are also more likely to notice others who are in front of them in the line (perceiving them as an obstacle), rather than those standing behind them in the line. The question is why the number of people who are behind a particular customer is also important. Certainly, a large number of people behind a particular customer indicates a large queue length. Perceiving a large queue can lead the customer to two conclusions (Zhou and Soman, 2003):

- it may serve as a social validation that the service is worth waiting
- it may lead the customer to expect a longer queue if he returns at another time

These conclusions make the customer less willing to leave the queue. Also, the number of people behind can lead to the process of social comparison. It becomes obvious especially when waiting is unpleasant. In that case a large number of customers behind is experienced like "there are customers in a worse position". On one hand, waiting process is focused on achieving a personal goal, and at same time it contains a social dimension, where other individuals want to achieve same goal. This act of social comparison with people in the queue who are behind, who are not so lucky as the customer making the comparison, can contribute to a feeling of comfort (Zhou and Soman, 2003). Some of the basic motives for social comparison include: self-evaluation, self-improvement and self-preservation (Taylor et al., 1996). The motive of self-evaluation originates in a human need to have a stable and precise mark for oneself. When objective standards for self-evaluation do not exist, people usually turn to social comparison, in other words they evaluate themselves through the prism of comparison with others. The motive of self-improvement refers to the desire to improve oneself. Self-preservation refers to the interest in maintaining positive feelings about themselves. Since waiting is an unpleasant experience that causes frustration and stress, customers in queues may search comfort and try to reduce anxiety and anger through comparisons with users behind them. Seeing a large number of people behind them, users can have a positive affective reaction, which leads to the decision to remain in the queue (Zhou and Soman, 2003).

Negative reactions in terms of waiting are usually associated with the outcome of a certain experience and a choice that results in the experience (Voorhees et al., 2009). The outcome of the experience is covered by the user's anger, which represents a negative emotion that arises from the experience of waiting. Customers' regret can be evaluated by their selection of a particular service provider. The evaluation of users' choices is not only influenced by their experience, but also by the perceived benefits from missed alternatives (Tsiros and Mittal, 2000). After negative experiences such as waiting, customers often experience regret about their choices. Regret in service realization can be experienced in a number of situations from a sense of false timing for make a decision to dissatisfaction with the service. As a result customers can regret their decision to visit a post office if there is a large crowd, or be dissatisfied with empathy of workers at the counter.

3. MARKETING COMMUNICATION

Marketing communication is expected to provide feedback from service customers, as well as from all entities that have a direct or indirect impact on business results. Postal services operators realize marketing communications through:

- advertising - a form of communication with the purpose of influencing the current and potential customers, and their selection of services provided by the postal operator;
- public relations - represents "management function that establishes and maintains mutually beneficial relationships between an organization and the public on whom its success or failure depends" (Cutlipet al., 2000);
- sales promotion - includes additional actions to increase the scope of provided services that are aimed at rewarding existing and attracting new users (various giveaways, promotional price for a certain period, "aggressive" campaigns in the areas of service implementation, etc.);
- personal selling - postal operators implement this set of activities through counter workers or sales representatives who are focused on the segment of large customers; it requires an appropriate structure of counter workers, which is the result of: selection of workers, constant training, information and stimulation; vendors of services for large customers are required to have: a highly-professional staff who is well familiar with technology, postal services, user characteristics, characteristics of competitors, good verbal skills (presentation skills), etc.

Taking into account that postal units are places where customers come to a direct contact with postal employees, they have a considerable potential for the implementation of the marketing concept. An appropriate mix elements of marketing concept can contribute to improving the customers experience with queues.

3.1 Service systems

Primary questions posed in organizing service systems are (Durrande-Moreau, 1999):

- How can we help customers during the waiting?
- How can we make this time more agreeable?
- How can we avoid impatience?
- How can we give managers relevant recommendations concerning this weakness in the quality of their service?

Since the customer's satisfaction with services is under the influence of perceptions of waiting time, an alternative approach to the problem of waiting can be made in finding ways to make the passage of time as fast and comfortable as possible (Pruyn and Smidts, 1998). Maybe one of the easiest conditions for the queue management is the control of the environment in which it takes hold. In terms of the realization of the service, ambience or atmosphere is often designed to provide customers satisfying experience with the service and to create a desired image with the aim of causing a positive evaluation of service quality.

Customer behavior is the result of his emotional state and his individual experience that is influenced by the environment (Mehrabian and Russell, 1974; Barrett and Russell, 1999). The elements of the environment can cause different customer emotions, which results in a certain customer's behavior (Chienand Lin, 2015). Environmental elements include ambience, design and social elements (Baker et al., 2002). Ambient elements can be seen as sensual (lighting, temperature, music). The design elements are tangible and visual (color effects, furniture, spatial layout). These elements belong to the group of physical elements and can be an important factor in managing the perception of time, as well as the emotional response on waiting (Hui et al., 1997).

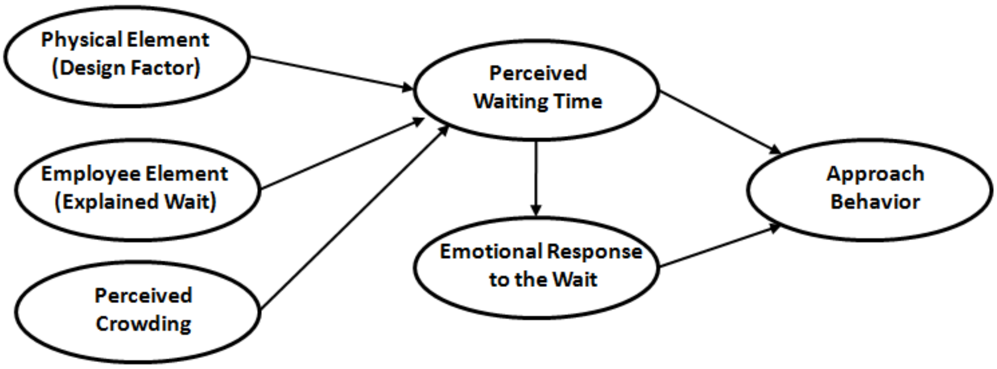

Figure 1. Estimates of the perceived waiting time route (Chien and Li, 2015)

In Figure 1 it can be seen that the observed waiting time is directly influenced by: physical elements, employees and observed level of congestion in the realization of services. Perceived waiting time causes an emotional response on waiting. Finally, the perceived waiting time together with emotional response on waiting, determine the behavior of the customer while waiting to be served.

The theory of justice can be used for grouping customers inside social interaction with employees, where interaction can be viewed from the perspective of interactional and procedural justice (Goodwin et al., 1991). Interactional justice during waiting includes visibility of employees, whereas procedural justice includes fairness and an explanation for waiting. In the case when the number of employees is less than the current state demands, customers becomes frustrated and angry. This situation is particularly evident in cases when even if it is obvious that the system is overloaded, and the activation of new available capacities (new service channels) is missed.

3.2 Digital signage

Advertising activity contains several vectors (Marion and Berengen, 2004): a still image, a moving image, a sound and a written word. With the aim of better understanding the conscious and unconscious messages transmitted by an advertising spot there are two possible approaches: semi-pragmatic and audio-visual.

Semi-pragmatic approach considers two areas of communications: information content and relationship that is established in the advertising message. The subject facing advertising spots faces the picture first, which has a greater power of integration than words. Regardless of the fact that images belong to the domain of the unreal, they provide the illusion of immediacy. The development of pictorial representation (from drawings and paintings, photography to the film) resembles a permanent quest towards a greater degree of realism. It can be said that there are tendencies to cover up the unreality of images in favor of transparency (attempts to make an image a direct connection with reality, not just a show of reality). Image tries to provide certain segments of reality, usually through already familiar forms. The processes of assimilation on the basis of proximity (i.e. on the basis of similarity) represent relatively unconscious cognitive processes. Such processes have influenced the formation of opinions and customers shows, in that way that customers are not aware (this is used a lot in advertising with the aim of reaching to the basic cognitive level of customers).

The audiovisual media are formed by integrating sound, image and movement, where the movement connects the other two elements, enabling the visual aspect of the current dimension in order to achieve the illusion of life in space and time. Movement dictates a tempo in audiovisual media where the arrangement of rhythmic, dynamic and kinesthetic sensations forms a whole that represents a coherent set. Such processes use audio and visual channels, so it can be observed like a transfer of meaning between two or more sensory systems (processes of synesthesia). Taking into account that processes of synesthesia belong to relatively unconscious processes, for advertisers they are an effective way to persuade potential customers. Audiovisual media can be based on the principle of empathy or on its absence (Marion and Berengen, 2004). Digital signage is a rapidly evolving market, whose products replace paper-based posters with public electronic displays. The success of this concept is based on reducing the costs associated with printing and updating of printed materials. More and more companies are starting to use this type of media and its capabilities, combining them with various forms of external activator (video processing, RFID, NFC, etc.). So the basic question is how to provide the appropriate content for a specific segment of customers at the appropriate time.

Digital Screenmedia Association defines digital signage as "the application of electronic displays or screens (LCD, LED, plasma, etc.) for delivering entertainment, information and/or advertising in public or private spaces outside the household". Basic components of digital signage include: display / screen, content on the display and some form of content management system.

Unlike traditional signs, digital content can be changed quickly. Another advantage is reflected in the fact that the content of digital signage can be delivered in different ways besides static image, (content can be interactive via the touch screen or via motion control). Digital signage can include technologies that enable a certain system to recognize the observer's age, sex and in some cases applies technology to recognize facial expressions. These technologies offer a possibility for digital signage to deliver targeted messages in a very efficient way. During the specified time interval, a larger number of messages adapted to specific audiences can be broadcast by using techniques such as daily broadcasts (period of time during the day is divided into segments so that a targeted message can reach target audience at the right time). Through digital signage the interaction between viewer and content is enabled (by touch or navigating through mobile devices). Another advantage of digital signage is reflected in the fact that it can achieve audience analysis by specific content. Apart from these obvious advantages of digital signage, the biggest obstacle to wider application is a relatively high initial investment (although, in the long run, the return on investment is much higher with a digital signage in comparison with traditional advertising) (Bauer et al., 2011).

There are three basic types of digital signage related to (Kelsen, 2010): point of sale, point of wait and transit hubs. The main objectives of digital signage at the point of wait are: communication through key messages that are oriented on brands and products related to service providers, increasing customer satisfaction so that it affects their perception of waiting time and providing interesting and relevant content in different ways. In situations where customers are waiting for the realization of certain services they represent "captive audience" (Schaeffler, 2008). Digital signage, that is positioned and presented in a good way (with appropriate and stimulating initial content) can contribute to not only the feeling of faster flow of time but also leads to the inclusion of other products or services that are provided to customers.
Factors such as the size of the display, installation height or angle of the display in regard to the direction of customer movement can have a significant impact on the user's perception. Nevertheless, the content of advertising has the decisive influence on customer's expectations, in other words whether the user expects interesting content (Müller et al., 2009). If advertising transmits relevant information, the customer will see that as a benefit, otherwise it can be seen as an unnecessary cost for the user. Digital signage systems include at least three key market participants, depending on whether the platform and space are provided from the same or different entities (Bauer et al., 2011):

- advertiser is a participant whose product or service is promoted,
- customer is the person to whom the content is directed
- and platform provider is an entity that provides digital signage network (infrastructure, software, customer rights management, content management).

There can also be a space provider, as the owner of the space where displays are installed. The space provider can often be the same entity that promotes a product or service or entity that provides a platform for advertising.

Considering the increasingly demanding customers, modern advertising should also fulfill the requirements in terms of aesthetic appeal, informativeness, emotional outreach to observers, and bring observers to the state of surprise through appropriate advertising rhetoric (Beyer et al., 2009). Computer techniques for reading, analyzing and influencing the cognitive-emotional state of the customer represent a new field of research to discover the range of external conditions such as pleasure, boredom, anger or intensive mental activity. By merging the patterns of behavior with physical information about the customer, the system is enabled to become aware of the customer.

Adapting to the customer means adjusting the process of inclusion of the observer and the inclusion of balanced content according to the customer’s cognitive-emotional state. An application that involves downloading "fingerprint" of observers to detect his content awareness and facial expressions in order to reach to the indicators that indicate whether the applied social technique is justified from his point of view, or an another type of content will be selected and put to the forefront. Thus, the system can transmit more information or more entertainment content if an observer shows indications of declining attention to details or emotions that may prevent the effective reception of information.

Basic advantages of digital signage over traditional static tags are reflected in the fact that the content can be changed instantly, at any time without major effort. The content can be adapted to the context or to present customers, and may even be interactive. It can have the following functions:

- informative - providing various pieces of information, which are important for the participants,
- advertising which refers to the location where it is,
- advertising for third parties,
- improve the customer experience - reducing perceived waiting time,
- influencing customer behavior - incorporating in the queue management,
- brand building – as a part of the decor, which creates an image of a certain brand.

4. POST OFFICES OPPORTUNITIES FOR ADVERTISING

In order to improve the customer’s experience with the service process in post offices, and bearing in mind the opportunities to influence the subjective customer experience with past waiting time, we are considering the advertising potential of post offices. Apart from that, this tendency makes space for postal operators to improve their relations with customers, as well as to show them the full range of services that can be provided.

The continuous changing of market relationships creates the need for some kind of organized public relations. The basis of the relationship with the public is making an impact on the public, establishing and improving the image and so on. The purpose of communication with the public is to achieve marketing goals and defined policies of business operators.

Delayed pieces of information have extremely negative consequences on the postal systems. In order to ensure the survival of the postal systems on the market, it is necessary for them to own a competitive system for the exchange of information. In that way, the necessary preconditions are met for the assessment of their own capabilities, and also for defining business strategies. Segments that are essential for the survival on the market are: customers, competitors, the government and the public. Business communication with customers of postal services represents a continuous activity, which includes efforts to identify the needs of customers and familiarize them with the services.

Postal system can be emphasized as an important channel for advertising. It is estimated that around 300,000 users pass through postal network units of PE Post of Serbia per day. Advertising can be placed in three segments: for their own use, for the purposes of third parties and for the public needs (the state and state authorities). In the Post of Serbia there are certain activities within the first two options, which are grouped into the following options that are available (Post of Serbia, 2015):

- advertisement on poster places (the possibility of placing the poster content in over 500 post offices in the territory of the Republic of Serbia);
- advertisement by holders gives the availability of promotional materials (flyers) in places where holders are arranged;
- delivery of flyers at counters in postal network units (after the requested service is performed, employees at the counter directly deliver the advertising materials (flyers);
- display of branded items (branded items of third parties are placed on counters within a counter hall);
- promotion in the postal network units (placing of promotional equipment (stands), the presentation of products or services with the engagement of promoters, giving the possibility of direct contact with potential customers);
- advertising on plasma screens (88 of most frequented post offices are selected and they are supplied with plasma screens);

Plasma displays are supposed to have the greatest advertising potential. However, this concept has not been developed in the direction to fully exploit opportunities that Post of Serbia has. The original content of broadcast consisted of advertising sequences which referred to the segment of Post Express service. The question that has not been resolved in the development of the concept refers to the elements that influence customers and draw their attention to the broadcast content. The answer to this question may be found in the analysis of customer's interest points during the process of waiting. In that situation the customer is primarily interested in waiting time. Queue systems with tickets are certainly an optimal solution for these problems. They provide unquestionable comfort for the customers, when their presence is not required at a particular place to "defend" their position in the queue. In addition to that, their attention is attracted to the monitor displaying the data concerning the direction towards a defined service channel. That approach leads to the situation where the customer moves are forced, in other words his attention is directed to the control monitor. When all the prerequisites are fulfilled, a high level of efficiency of advertising content can be achieved. Unlike the previous approach, where content existed, but there was no certainty that it would reach each customer waiting in the line, the situation is changing in that each customer (who wants to be served) is actively or passively directed to advertising sequence.

The previous business of postal operators shows that the total population of customers is not homogeneous. Therefore, it is in their interest to divide users into characteristic groups. The most massive segment of customers (standard) requires special attention, as their relationship with the employees directly affects the service quality and the overall image of the company. Considering the range of realized services, they are subject to standardization, so that they can be predicted and organized (a customer comes to a pre-prepared and selected position, requiring a service for which the staff is adequately prepared). Models of behaviour with certain categories of customers are derived from a certain business policy and appropriate business strategies through a process of internal communication. Predictability of communication allows standardization of customer’s requirements. Among the important factors that affect the process of communication with this group of customers are: environmental conditions, organizational behaviour and direct communication.

The counter is not only a place for work and provision of information, but it can also serve as a place for getting information (proposals, suggestions). Counter workers are expected: to professionally implement business activities, to be polite, kind, hardworking and tactful in contact with customers. The activities that take place in direct relation with the user are reduced to: customer access, demonstration services, overcoming any obstacles, contracting, monitoring of service and development of cooperation.

Besides the practical value for development of its own marketing concept, the space of postal service units can have significant commercial value since it can be made available to other advertisers, as well as to the government and government authorities (taking into account the number of customers that visit postal network units during the day and territorial coverage at the national level). Traditionally close relationship between the national postal operator and the government and its improvement provide timely access to certain information that can be of great importance for the further development. The decisions made by the national authorities often have crucial consequences on the economic development of certain subjects, so the communication with the state should be given special importance. Better positioning on the market is certainly more likely to be achieved if notifications concerning certain legal provisions or guidelines for future economic development can be achieved timely.

A postal operator as public service is expected to bring closer the organs of local administration or government authorities, and these expectations will be fulfilled within the public role. On one hand, important data will be provided for customers on their local level (announcements, advertisements, lines of public transport, traffic congestion, weather information, water level forecast, service information, cultural events, opening hours for upcoming holidays, etc.), and on the other hand data relating to the entire territory of the country (cultural events, road conditions, weather forecasts, congestion at border crossings, activities and campaigns of individual department, marking national holidays, etc.). The next stage could be related to the outsourcing of certain activities from local and government authorities. During the process of waiting for the service realization, customers could be able to use a mobile application for electronic download of certain forms. After filling in the form, it could be sent back to the appropriate authority. An opportunity for outsourcing is also an opportunity for the postal operator to use the resources more efficiently, and for administrations to reduce the costs of their operation by giving a chance to the postal operator, as an institution of trust, to realize some of their activities.

5. CONCLUSION

The national postal operators in many countries are going through a difficult period of transformation as a consequence of transition from a monopoly position to a state of complete liberalization of their environment. The experiences of postal administrations indicate that considerable resources are invested to develop postal network units at a high level. Besides investing in the exterior and interior elements of postal units (in order to provide customers with a more comfortable environment while waiting), investments are also made in technology in order to reduce work activities in contact with customers to the smallest possible period of time.

The situation in terms of queuing at postal network units is implemented either through the queue barrier or the absence of any mechanism of control (customers respect the FIFO rule or give way to vulnerable categories of customers). In order to improve the customers experience during the process of waiting for the service realization, the possibilities of postal units as advertising channels are observed.

The implementation of the queue management system with tickets, where LCD monitors are used, although it requires a significant initial investment, can achieve all the goals that are set in front of it. That approach in postal network units creates an environment that contributes to a better position of postal operators on the advertising market. Pillars on which such orientation is based are: the promotion of its own range of services, the public role of the postal operators, the commercial role for third parties and the impact on the subjective perception of time.

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OPTIMIZATION OF LOCAL MEDIA BUSINESS IN THE CONDITIONS OF TURBULENT ENVIRONMENT

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Abstract: *The local media are facing strong competition, educated and self-aware audience in the choice of content. As a result of technical, economic, social, cultural and global convergence, it leads to the founding of new communications paradigm. New media which appear do not reverse the previous but rather unite their characteristics. The survival of journalism at the threshold of the information society is based on the creation of a broad portfolio of media products and multiplatform expertise of staff which need to win over a large number of audiences. The fact is that citizen journalism is gaining in importance thanks to the possibilities offered by the Internet. However, some theorists predict the survival of professional journalism at the local level, as new media technologies are not acceptable for all layers.*

Keywords*: marketing, local media, optimization, business environment, strategy*

1. INTRODUCTION

The means of mass communication have existed for about 150 years. All this time the **media's mission** has not changed: providing the public with *complete and accurate reports* on all public matters and *mediation in expressing opinions*. Today the media are *engine of globalization* and often *determinant of the organization's life of the individual*. The degree of their development in a country is conditioned by a number of factors: economic wealth, the achieved level of technological achievements, scope and schedule of the audience, political system, cultural environment, etc. The media industry is very similar to the function of research and development (R & D) in the other branches: a necessary technological sophisticated equipment and skills, retains the character of the labor-intensive activities, the marginal cost of acquiring a new customer is low, however, the need to develop economies of scale.

Today, **the media public** is *more educated and self-conscious in choosing content*, and journalism reserves the traditional role in society (Milivojević, 2012):
[1] The collection, selection and formation of conscience that are of importance to the public debate (gatekeeping role);
[2] Definition of issues of public interest (agenda setting role);
[3] Saving Democracy (watchdog role);
Above all, journalism is searching for its new identity in a coordinate system that is formed by the logic of speed, brevity, competition and superficiality.

The print media are in an *unenviable position* due to *the technology they apply*. "Newspapers have long been the fastest mass medium. Advances in technology and, above all, taking the primacy of audio-visual media have made the newspapers come by little into the background" (Bulatović and Bulatović, 2009, p. 29). *Readership is declining*, especially among young people, due to changes in lifestyle (for example, flexible working hours). Advertisers are increasingly opting for *advertising on the Internet* (particularly in the field of real estate). The number of specialized websites that allow presentation of content on more attractive and less expensive manner is increasing on the global network. Taking into account the facts enumerated, it is not surprising that some theorists predict an apocalyptic end of the press!

However, there are numerous **advantages of print media** (Bulatović and Bulatović, 2009): 1) *more thoroughly (more interpretative) coverage* of people and events, taking into account all aspects; 2) readers achieve *better control over the elements of news* by opting for articles that are more relevant to them / hold their attention; 3) daily disclosure of *important information for the life of the community* – people born, married or died, promotional campaigns, etc.

In the new millennium, so-called general readers, who are interested in a wide range of topics (from the world news, through the national to local), is increasingly declining. "One thing is quite certain, and that is that the press in its new guise, or online edition, can integrate all the traditional media, and therefore becomes a participant in the most important competition in its centuries-long history" (Ugrinić, 2012, p. 88). This conclusion is the result of the realization that **the new media does not reverse the previous one**, but rather *consolidates its features*.

The influence of information and communication technology has led to **the transformation of journalism** into **the media business**. It is *a mature market* in which the information is no longer viewed as a commodity but as a service that has a limited time value. The goal is to find the optimal business concept to charge it. Changes occur in (Stamenković, 2015): 1) the method of distribution of content - the chain of production is being shortened, thanks to social networks, 2) media content - anyone can create information ("social activism"), 3) production. As a result of technical, economic, social, cultural and global convergence, it leads to the founding of *new communications paradigm*. Modern technology does not impose a specific editorial policy but, above all, influences decisively on journalistic practice and organization of the newsroom.

Technological determinants influence **the change of use of the media** and modification of **the structure of the media content**. Two groups coexist (Milojević and Ugrinić, 2011): 1) *technological enthusiasts* – who are ready to face the changes, show an interest in learning new technology, believe in the progressive potential of new media; 2) *technological skeptics* – who are traditionally oriented, express opposition to the adoption of new technologies and trends, seeking to preserve the existing professional methods.

The Internet as a meta-media has enabled a drastic increase in the number of participants in the public dialogue (debate). Consequently, the media *have lost their right of priority in the public sphere* and *are no longer the only privileged producer* of public information. The business model on which the industry they belong is founded, is coming to the collapse, and the profession is at a crossroads. "Many problems in the traditional media, from political pressures and ever growing influence of economic power centers to ever more difficult working conditions and financial situation in which journalists are, media professionals are forced to seek new business models in order to survive in the media sphere" (Stamenković, 2015, p. 845). In response to the new circumstances, **the concept of entrepreneurial journalism** has been developed in the United States. The increase of productivity, efficiency and profitability is required. The emphasis is on economy of scale, analysis of competition and the potential for further development.

The survival of journalism at the threshold of the information society is based on *the creation of a broad portfolio of media products* and *multiplatform expertise of staff* which needs to win over a large number of audiences. New professions in the media sphere are created, such as the organizer of content (c*ontent curation*). Journalists and editors are no longer considered in isolation in relation to the media business. They are expected to think about the advertisers. Requirements for achieving the (positive) financial results and the need for editorial freedom create **systemic conflict**!

2. PARTICULARITIES OF LOCAL MEDIA BUSINESS

The famous saying “Life is global, living is local” most graphically explains **the cause of survival of the local media**! "The Future Foundation" has concluded that the daily activities of individuals occur (on average) at a distance of 22.54 kilometers: distance from work - 13,04 km, distance to the store - 6.11 km. Radius of movement of elderly people and women and men with low income is less than the average (Aldridge, 2007)! <u>The connection with the place of residence</u> is based on convenience life and feelings (sentiments). Owing to the above, the need local news has developed. It is particularly evident during the aging process of an individual.

Commercial local media are an important factor in informing the community. Many regard them as guardians of indigenous identity! Hence it is not surprising that *public attaches great attention to them*. For example, in 2005 the UK's readership of local / regional media was higher than the followers of national daily newspapers. France and Canada recorded a similar trend, ie. regional media dominate. In the new millennium, they are faced with the emergence of web journalism, the development of digital platforms and multimedia services, unwillingness of advertisers for pay for advertising via global network. Due to *financial difficulties,* they are often not in a position to transform and progress technologically. "The situation is such that they are trying to cope with unfair competition and survive in the market by using different strategies: some of them see the way out of the unfavorable economic situation in the help of the state and the others in the development of advertising via the Internet and e-business" (Krstić, 2012, p. 118). Regardless of the approach that they choose, the media managers are aware that if they do not adapt to changes in the environment, there is little chance for survival between Scylla and Haridb of the new millennium media market.

The advantages of the local media are:

- *They are part of the community* – they are formed as a testing ground for answering questions that are of importance to the daily life of an average citizen (local exclusivity and deep research of news background). "The main reason for the continuation of the popularity of local media is in their ability to capture and celebrate the life of the community "(Aldridge, 2007, p. 29);
- *They realize direct contact with readers* - reporters "live with them";
- *The audience is defined at the level of locality* - advertisers are aware of the above facts and therefore use them to publish job ads, advertisements for local products / services, etc .;
- *The level of freedom* (moral) *is higher*,
- *The ability to diversify content*- editorial is facing a complex challenge, because it needs to adapt content to different demographic groups.

They are considered to be **the need of democratic society**, because it is the place where local democracy takes place! Although located in the center of the culture of professional journalism, *they are often ignored* by the public and the academic community.

The process of digitization provides the technical basis for *further localization of news* and, at the same time, *intensifying competition* in the battle for the favor of the audience. In recent years there has been a **consolidation of the local media market** in most developed countries, which is characterized by: non-appearance *of new actors*, the absence of *divestment*, earning *profits*. In mid-2005 in the United Kingdom, the key publishers in the relevant segment realized the profit rate of 28% to 30%. To survive in stagnant and declining industries, *active and aggressive management* is necessary. Companies are opting for various <u>business strategies</u>:
- *Rationalization of assets* - centralization of administration (for example, departments of Human Resources and Marketing) changes in the role of editors, etc.;
- *Reducing the cost of employees*;
- *Economy of collection and use of content* - the use of *citizen journalism*;
- *Creation of multiple and targeted content*.

The development of inexpensive printing technologies at the end of the twentieth century largely contributed to the proliferation of **local press**! "They are intended for informing local community and are very popular in their environment. Small groups of people regulate and prepare them, they are cheap and usually financed by the local community" (Bulatović and Bulatović, 2009, p. 35). They act independently or as part of the media group. In the countries of the European Union regional and local newspapers are increasingly dominant in relation to the national! Readers are becoming saturated by global issues and increasingly give attention to the events and the people in their environment. Regional newspapers are *different from supplements* in national publications (they have a different concept, greater freedom in the choice of topics, familiarity with readers, fewer barriers, etc.).

Local press has to be *reactive, reflexive and non-profiled*. It has *a limited shelf life* (from one day to several weeks) and *the limited number of potential customers* (who live in a particular geographic area). Consequently, logistical issues are becoming important. <u>Readers</u> are heterogeneous, increasingly *seen as customers / consumers* rather than as citizens with rights and responsibilities in the public sphere. *Primary target groups* are individuals older than 50 and residents who are in the process of forming a family. It is insisted on *maintaining contact with the audience*(for example, the publication of positive and micro local news). Volunteer journalists are becoming more important (*volunteer community correspondents*).

The future of local newspapers will largely be determined by the attitude of the audience formed towards the mass communication media. The fact is that *citizen journalism* is gaining in importance thanks to the possibilities offered by the Internet. However, some theorists predict *the survival of professional journalism at the local level*, as new media technologies are not acceptable for all layers. Some social groups question the quality and credibility of the information given by the amateurs on the global network, since they do not possess the necessary knowledge and skills to perform a very responsible job. That target group actually pays attention to reporting on local issues in an analytical and in-depth way!

3. BUSINESS ENVIRONMENT

Variability is immanent for the business **environment**. At one stage in the company's development, the environment may be *more inclined to management*, while at certain moments dangers dominate in relation to opportunities and thus <u>prevent the realization of the set goals</u>. Some authors associate state in the business environment with the phase of the life cycle of the branches. As a rule, the environment is stable in the early stages, but later becomes restless (Pokrajčić, 2009). "Ansof also states that the environment can be classified according to the degree of restlessness and he proposed five levels: stable, reactive, forward-looking, exploring and creative. Factors relating to this restlessness are measures of strategic activities, such as investment in research and development, predictability and frequency of changes, new changes and the company's ability to transfer previous experience, level of knowledge for successful responses and applicability of technology predictions" (Flečer, 2003).

In the newly created atmosphere (the recession, the expansion of digital media, hyper-competition, market fragmentation, etc.) there is a need to **change the method of doing business**. "The twenty-first century is said to be the century of changes. All economic entities and people must learn to adapt and change quickly and in a timely manner, or they will not be able to survive in the variable environment as it is today and what it will be in the foreseeable future" (Vujić, 2008, p. 17). Companies that are willing and able to *create value on the basis of socially responsible marketing* have higher chances of achieving market success, given that the interested public approves corporate action which is focused to increase social welfare.

Differentiation of *external and internal environment* is conducted in the literature. "Typically, the external environment is divided into **macro** and **micro marketing environment** and means the initial step in analyzing and formulating business opportunities of the company" (Milisavljević et. Al.,2004). *Macro marketing environment* affect the company's operations in an indirect and long-term way. Factors that determine the relational environment are beyond the control of management (demographic, economic, legal, political, cultural environment, etc.). Changes in the macro-marketing environment can be systematic (which are, as a rule, sustained and predictable) and irregular (random). *Micro marketing environment* directly affects business performance achieved by companies. It is about organizations and individuals with whom the business entity comes into contact (competitors, customers, suppliers and intermediaries). **ETOP**matrix (Environmental Threat and Opportunity Profile) is often used for the analysis of the macro environment, as well as **PEST (E)** analysis (Pokrajčić, 2009). In continuation, the attention will be paid to PEST (E) analysis of the general environment of the media industry in Serbia. We will focus on understanding the political / legal (P), economic (E), social / cultural (S), technological (T) and environmental factors (E).

Table 1*:* PEST analysis of the general environment of businesses in the media industry

Political/Legal factors	**Economic factors**
1. Law on Public Information and Media	1. High unemployment
2. Law on Business Companies	2. Low purchasing power
3. The restrictive fiscal policy	3. Recession
4. Amendments to the Labour Law	4. Unfavorable trends in GDP
5. Inconsistent judicial practice	5. High interest rates
6. Frequent elections	6. Reduced budgets for advertising
Social/cultural factors	**Technological factors**
1. Depopulation	1. Small investment in R & D
2. Uneven distribution of income	2. Insufficient focus of the state and the industry to new technologies
3. Changes in lifestyle	3. The lack of new discoveries
4. The attitude towards work and leisure time	4. Low speed of technology transfer
5. Consumerism	5. Application of outdated technologies
6. Low level of education	

According to IREX's Media Sustainability Index, which recorded a *minimal improvement* over the previous period (unsustainable mixed system),**Serbia is in the group of unsustainable systems.** The transition of the media market from the post-communist into liberal has been implementing in a slow pace. "The slow adoption of laws and their slow or lack of implementation, lack of support of the state apparatus and the like - no matter how paradoxical, make Serbia attractive for all kinds of risky investments" (Bulatović and Bulatović, 2009, p. 35). *The sales of printed media are declining* and the *pressure from advertisers is increasing*. Yearly income from advertising in media in Serbia is between 150 and 160 million euros. "Journalists at the local level are particularly exposed to the unpredictability of local politicians who can interfere with the activities of journalists" (EUROPE & EURASIA MEDIA SUSTAINABILITY INDEX, 2015). Collecting information from branches of republican bodies acting in the local community is more difficult.

The company must look at the immediate neighborhood by applying sophisticated techniques. **SWOT analysis** is the most common instrument used for the purpose of exploiting opportunities in the region and the benefits of the company, ie. avoiding risks and improving the shortcomings. A precise analysis of *the level of attractiveness and the probability of realizing opportunities ie.severity and probability of overcoming danger* is required. "Based on the analysis of opportunities and threats the company is able to identify four possible outcomes in business: ideal business (big chances – small risk), speculative business (big chances-high risks), mature business (small chances-small risk) and problematic business (small chances-high risks)" (Milisavljević et. al., 2004). SWOT analysis should allow *consideration and determination of the relevance of marketing trends* in the macro environment, as well as to contribute to *a precise projection* of these long term trends. As a result, the available opportunities will be used and the risk will be avoided by the implementation of the necessary redesign within the organization in order to determine the area of operation management.The process of strategic management becomes important in conditions of the crisis, as the basis of its three key elements for survival in turbulent conditions of the environment - *strategic analysis, strategic choice* and *strategy implementation*. More specifically, after defining the vision and mission of the company, a thorough analysis and forecasting environment and internal capabilities is needed. Based on available data the objectives, critical success factors and concrete strategic options will be defined. In the last step, the strategy will be implemented, and then controls and audits will be executed.

4. STRATEGIES IN THE MEDIA INDUSTRY

There have been great discussions on the topic - how can companies, in the most painless way, pass between Scylla and Haridb which are accompanied by the turbulent business conditions? The opinions are mainly positioned in two ways. On the one hand there is **a school of thought** that advocates rationalization, ie. savings in order to increase business efficiency (*reactive approach*). Another group of businessmen and theorists emphasize a *proactive* approach to the problem and highlights the planning of process management. We believe that that division is too radical for the newly formed business environment and actually represent the subject of theoretical discussion more than the alternative solution to a particular problem.

Even one company, that exclusively adapts to the status quo in the form of a sort of incremental march, trying to base their success solely on cost reduction, can not survive on the market. Similarly, the so-called unilateral application of proactive approach would have resulted in a low probability of business success for most businesses, because it is unrealistic to expect that a significant number of individuals due to personal ingenuity flourish, rather than competition, to seize the opportunity posed by the business environment. **The optimal model of management** these days is actually *a combination of the two approaches*. From businesses, particularly in the media industry, almost impossible business scenarios are expected. It should not be surprising, since, in troubled times, the most effective effects are achieved by implementing a seemingly controversial strategy.

The literature increasingly states so-called **entrepreneurial approach** of copying with changes in the environment, which is based on *the exploitation of chances and internal resources* of the company. In the first step, the company is trying to observe the extent to which the assets and capabilities at its disposal are unique, valuable and prone to imitation. This is a critical point, because only on the basis of that analysis, the company can objectively examine the challenges in the business environment that can be used. In the next iteration, using Porter's value chain, *ways of achieving added value* are identified. Source of market power can be either in the primary or in the so-called support activities.

In the new circumstances, it is possible to achieve a competitive advantage **by combining simultaneously a number of activities** in which the company achieves superiority in relation to market opponents. For the company in the recessionary period, *existing customers* are *the most important assets*. It is unrealistic to expect that, during the plunge in living standards and the fall of gross domestic product, classic marketing tools will succeed in gaining a new audience or advertisers. Existing customers of media content and advertising space must be met adequately by delivering superior value.

Strategic marketing is certainly a perfect weapon that is available to the media. "Key issues in strategic marketing are: whether a company should perform existing tasks, which are the products and markets of special importance for the survival, growth and development of companies, which new products and markets to look for and how to find those where it is possible to achieve a certain different or competitive advantage with respect to the potential of the company" (Milisavljević, 2006, p. 30). Consequently, all products, services, activities, resources and individuals are *subject to (pre)testing* in order to eliminate "idle" and the efficient and effective use of available resources. Regardless of the aggravating circumstances imposed by new constellation of forces in the region, any measures taken must be viewed in terms of consequences for consumers, ie. users. The leaders of businesses should especially take into account the lump-saving actions, which may have far-reaching consequences - loss of customers. Strategic marketing therefore should provide a framework for the implementation of both internal and external analysis.

5. CONCLUSION

The twentieth century has created economic and technical-technological prerequisites for *a different way of life* of people in the community, but at the same time gave birth to the greatest *bloodletting* in human civilization. Hence it is not surprising that Eric Hobsbawm called it the "century of extremes". "This is the century in which the capital with liberal democracy has turned itself into ... neoliberalism of globalized economy for whom politics, morality and law, whether national or international, have no autonomy, but are functionally set as a mere service logos of globalized capital personified in profit "(Balj, 2009, p. 252). Some theorists (Pepper, Fukuyama, Giddens et al.) consider neo-liberalism, which is based on the free market and democracy, as the best political and social system, while on the other hand, critics point out that the new order annulled the man as a political being and instead produced a man as a consumer.

Almost no one expected the recession in the first decade of **the new millennium**! Today, many are trying to determine the real causes and consequences of the same. The fact is that the collapse of the global economic system was not only caused by economic but also numerous social failures (the crisis of the value system, greed, etc.). Therefore, managers will have to devote more and more attention in the future to the analysis of macro environment in order to be able to predict a new "social-economic tectonic disturbances" some extent, which will affect the competitive position of the company which they lead.

Companies that choose to fulfill their mission in the conditions of **complex environment** are faced with numerous *legal, economic, political and social challenges*. Each of these challenges will have certain implications on the business policy of the company. It is far more difficult to predict demand in the complex environment. Consideration of planned decisions must be implemented through the prism of analysis of *exchange rate fluctuations* and other macroeconomic aggregates (such as inflation). Companies must take into account the *infrastructure problems* that may be encountered (for example, the absence of press outlets in certain urban areas).

The economic and media crisis, which swept across Serbia as "tsunami", should not only represent a limitation in achieving the set goals of planning of the company, but also a challenge. In business, the above mentioned business strategies present a possible dike to protect the local / regional media from overflowing threats in the environment and their own weakness. In conditions of the crisis, *additional caution* is required, as there is a reasonable risk of bankruptcy of the business which the media cooperate with. Therefore, fair and open cooperation of all partners involved in delivering superior value to customers is more necessary today. In times of economic crisis, there is no right to make mistakes!

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GASTRONOMIC FESTIVALS AS A FORM OF BRANDING SERBIA AS A TOURIST DESTINATION

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Abstract: *Gastronomy represents a form of social interaction which is increasingly attributed significance by tourism destinations. The gastronomic offer of Serbia is a fusion cuisine which integrates not only cuisines of neighbouring countries but of the entire Balkans as well. Considering the rich cultural and historical heritage of Serbia, organizing a food festival would represent a creation of new sources of branding, as well as a source of economic development based on innovative means of creating a holistic experience.A better understanding of the attitudes of gastronomic tourists may help tourism marketers to increase the effectiveness of their branding strategies by creating an adequate offer to appropriate market segments. The findings of the study offer insights not only to food festival organizers but also to the national tourism organization for success in destination marketing. Also, the analysis of the obtained results may lead to the conclusion that food festivals can play an important role for destination branding.*

Keywords*:food tourism, destination branding,festivals,Serbiangastronomy*

1. INTRODUCTION

Challenges which arise from rapid global changes and issues arising from economy restructuring, more and more lead to the fact that destinations base their positioning strategy on their own resources such as culture, history, gastronomy and other anthropogenic values. Creation and promotion of festivals and events is nowadays a crucial branding strategy component of many tourist destinations.

With an increasing role of food in tourism, many researchers devoted themselves to researching the connection between food and certain tourist destinations, tourism and food, culinary tourism and gastronomic tourism. According to Santich(Santich, 2004), gastronomic tourismis every journey whose motivation, even if it is not the main motivation, is tasting food and beverages. This author also points out that gastronomic tourism refers to the involvement in another culture especially the part which involves food, beverages, people and places.

Food consumption was treated for a long time only as a supplement to the daily experience of tourists and its role as an invisible part of daily tourism activities for a long time has created a problem of acceptance of gastronomic tourism where its character and contribution to tourism is considered to have little importance. Very small number of works investigated events dedicated to food. Hjalager and Corigliano (2000) found that availability of specific types of food, including wine, fruit, vegetables, and fish was the reason to organize festivals and events that tourists and local population will like.

Events, festivals, fairs, exhibitions, events, complement tourism portfolio of a country by enabling ways for non-elastic tourist offer elements to be flexible and offer a unique experience that can increase value of current image of a country. Main characteristics of the events are the following: limited duration, occur rarely or only once, offering social experience, they are unusual, raising awareness of the region, creating a positive image and attract tourists and thus affect the development of tourism in general (Bodwin et al., 2007).

Within the tourist offer of Serbia, event tourism is a type of tourism that can contribute to increasing volume of tourist demand, especially to natural and anthropogenic values of tourist places or regions (Bjelac and Curcic, 2007). Event tourism first appeared in the strategy of tourism in Serbia in 2006, where this form of tourism was seen as a significant global market potential which contributes to the return of Serbia to the world market. Many tourist destinations use their food and cuisine to position themselves in the tourist market.

Extensive literature in the field of festivals and other events identify that festivals are being used as a means of destination branding (Chalip and Costa, 2005).

There are several factors which can influence the creation of a positive perception of these events both with existing and potential visitors. First, positive impressions from gastronomic festivals can be transferred to the entire tourist region which can influence future visits as well as purchase of gastronomic products. Gastronomic festivals can influence creation of consumers' awareness of brands they did not know of. Awareness can further influence visitors to prefer brands they know more about. These manifestations also provide an opportunity for gastronomic producers to educate visitors, because only educated and well-informed visitors are prepared to buy premium gastro products (Vukic et al., 2015)

In addition, food festivals are used to promote local commodities and differentiate themselves from metropolitan community festivals (Cela et al., 2007; Sharples, 2008).

The objective of this study is to investigate attitudes of tourists when it comes to gastronomic events in Serbia as well as to outline possibility of branding Serbia as a culinary destination. Although it is considered that food festivals are an opportunity to promote local gastronomic products, it is considered they would be a good opportunity to connect the entire region of South East Europe through creating regional food festivals.

2. THE GASTRONOMIC PRODUCT OF SERBIA AS A DESTINATION BRAND

In the past few decades, growing competition in tourist destinations has led to the development of more appealing attractions that will occupy the attention of potential tourists. Some countries opt for an integrated product branding of the country as a tourist destination, while others see their opportunity in branding partial tourism products. For a tourist destination, the brand is very important because it represents more than products and services, as it includes trust and emotions. A destination becomes a brand only if it is permeated with high values. According to Morrison and Anderson (2002), destination branding is the process used to develop a unique identity and personality that is different from all competitive destinations. As state or city brands reflect a part of a national brand, regional brands reflect specific regional branding under the overall umbrella of a state brand (Crockett and Wood, 1999).

Events are part of the attraction of a destination and as such should be included in the integrated marketing campaign for the destination and incorporated into a destination's branding strategy (Jago et al., 2003).A large number of authors has studied festivals as a way of branding destinations (Derrett, 2003; Jagoet al., 2003; Kim and Morrsion, 2005; Lee and Lee, 2009); however, only a small number of them has dealt with food festivals (Arcodia and Lee, 2008) as a means of branding.

Even though there is no natural or automatic harmony or synergy between events and other products offered in a destination (Fyall and Garrod, 2005), food is one of the few products in which a clear link between gastronomy and destination brand can be seen. Hjalager and Richards (2002) stated that tasting local food is an essential part of the tourism experience since it can serve as both a cultural activity and entertainment. Telfer and Wall (2000) suggested that spending on eating out during a holiday constitutes approximately one-third of all tourist expenditures.

In Serbia, there is a large number of traditional events, local manifestations, festivals, celebrations, et al. In addition to being popular in the domestic market, some of these events have the potential for the international market where they have so far reached a certain degree of popularity (Tourism Strategy of the Republic of Serbia, 2005). Even though event tourism was recognized in the Strategy of Tourism Development of Serbia in 2006 as a form of tourism that can increase the volume of tourist demand, in comparison with other destinations which significantly use food as a way of positioning, Serbia has not sufficiently used its potentials, especially if we bear in mind that its authentic cuisine is rich and unique.

To create a culinary brand is not easy, but there are huge benefits to it. First of all, customers save their time when choosing between different brands and instead of considering all possible options, the brand encourages customers to take into consideration only those products which possess the required characteristics. For brand strategy to be successful and useful in creating a brand value, consumers must be convinced that there are clear differences between brands in a category of products. The importance of creating a culinary festival is to indicate what might be the significance of the production of private brands of food on the performance of the company itself together with the economy of the whole country as well as neighboring countries.

Besides the authenticity of the cuisine of Serbia, culinary knowledge and skills were influenced by other nations and cuisines. Depending on the region, these impacts can be reduced to the Ottoman Empire, i.e. Turkish cuisine, the Austro-Hungarian cuisine as well as modern Italian cuisine, whose biggest impact was in the coastal regions of the former Yugoslavia. The cultural and culinary influences are intermingled, creating a new fusion cuisine of the Balkans where everyone participated so much that now everyone has the right and claim over the same product.

Even though the term Balkans, as a geographical region of Europe, is nowadays slowly being replaced by the term Southeast Europe, when appearing in the global market, the term "Balkan food region" could achieve greater recognition and authenticity. The reason for this is a rich cultural and historical heritage as well as the previously mentioned culinary influences, which is why it is possible to link the whole Balkan region as a unique gastronomic destination, and place it under the name of "Balkan food region", in order to achieve recognition in the international market. This approach to branding represents an alternative opportunity for tourism development in the whole region, particularly because food festivals, rather than other types of festivals, are one of the common types of regional festivals (Kalkstein-Silkes et al., 2008).

3. ATTITUDES OF VISITORS TO GASTRONOMIC TOURISM

In order to examine attitudes of visitors to gastronomic tourism (gastronomic manifestations) in Serbia, a research was conducted in the period between February and July 2014. The sample was composed of 431 respondents, with an average age of 24.94 (SD = 9.39), where the youngest respondent was 15, and the oldest was 63 years old. From the total number of respondents, more than a half were women (54.8%), while 45.2% were men. When it comes to monthly income, there were an equal number of respondents whose monthly incomes were between 20,000 RSD and 40,000 RSD and between 40,000 RSD and 80,000 RSD. There were 19% of respondents with incomes below 20,000 RSD, 10.9% with incomes between 80,000 and 160,000 dinars, whereas only 2.9% of respondents had monthly incomes higher than 160,000 dinars. As far as the employment status is concerned, the largest number of respondents were university students (36.4%), 29.5% were high school students, 28.5% were employed, 4.4% were unemployed, whereas the number of the retired was the smallest (1.2%).

Besides questions related to demographic data, the questionnaire also contained questions concerning the respondents' attitudes to gastronomic tourism, which referred to the frequency of visits, the state of being informed as well as reasons for not visiting gastronomic manifestations. From the total number of respondents, the survey showed that almost a half of respondents (207 respondents) were familiar with the term gastronomic and culinary tourism. 108 (27%) of them were not sure what this form of tourism represents, while 116 respondents (26.9%) had never heard of this form of tourist movement (Figure 1).

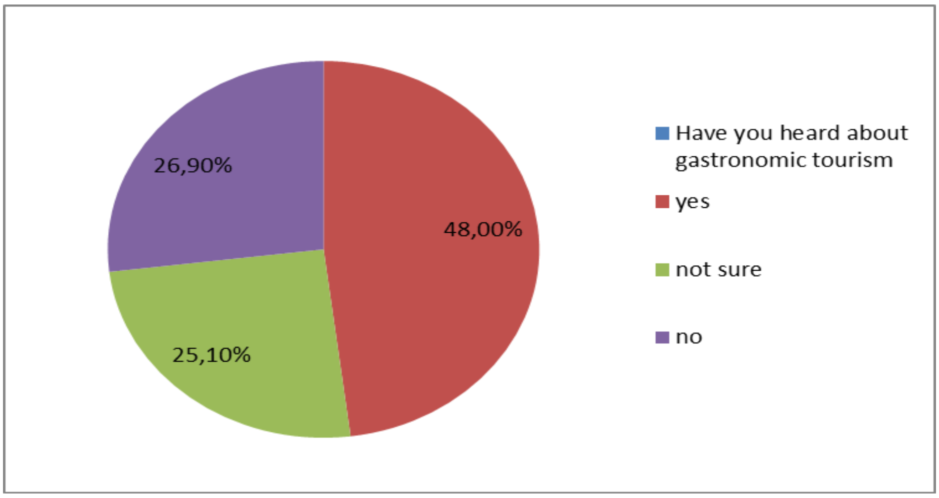

Figure 1: Awareness of gastronomic tourism

Regarding the frequency of visits, only 12 respondents (2.8%) visit these forms of manifestations several times of year, 187 respondents (43.4%) visits them occasionally, whereas the largest number of respondents, more precisely 232 (53.8%), never visit gastronomic manifestations (Figure 2).

The respondents gave reasons why they rarely or never visit gastronomic manifestations, where they were able to choose one or more reasons, but they could also choose not to name one. 392 respondents named the total of 451 reasons, whereas 39 respondents, mostly those who occasionally visit gastronomic manifestations (32 of them), did not give a reason.

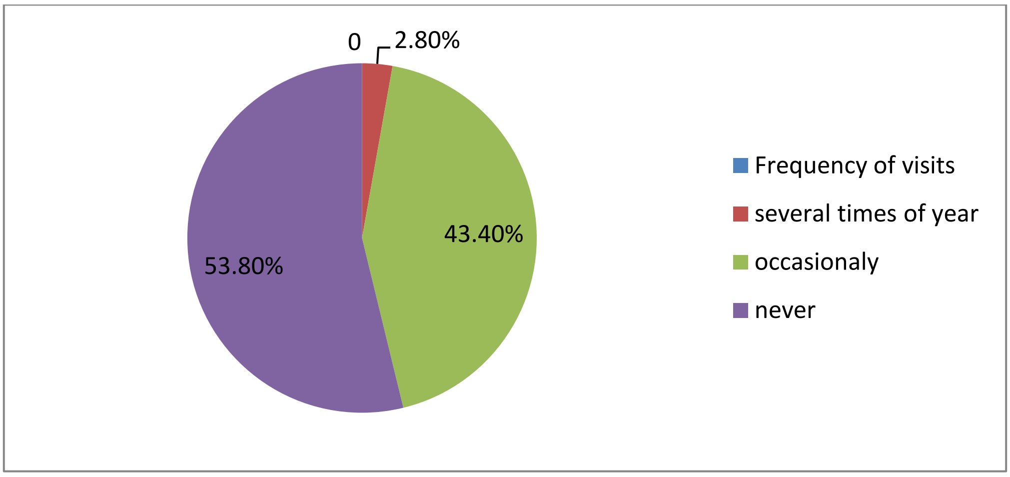

Figure 2: Frequency of visits

The analysis of answers given by the respondents (see Figure 3) have shown that the reason which is most often chosen is insufficient information, even 220 of them (51%) chose this as the only reason. Many respondents besides insufficient information stated other reasons as well such as financial reasons, the lack of free time and other reasons; therefore we may conclude that this group contains very few respondents who are not at all interested in gastronomic tourism. This also points to one of the biggest problems for marketing experts, and that is to ensure that potential consumers are informed and that they will remember their products and services.

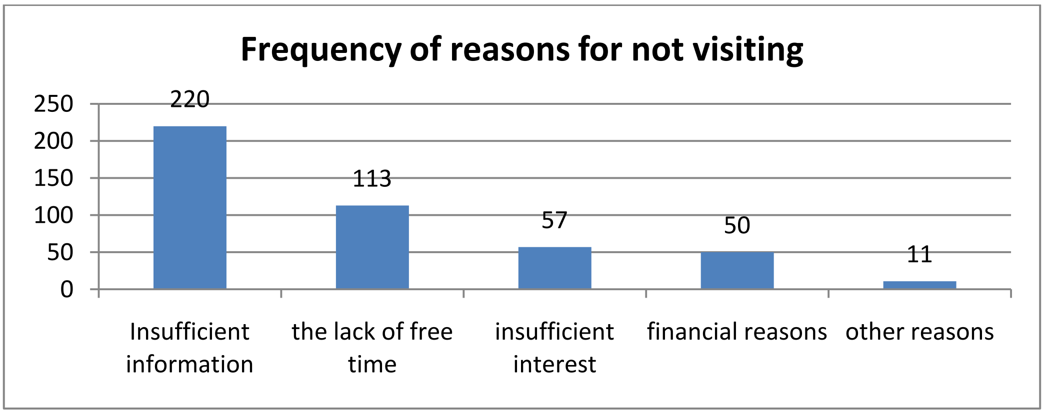

Figure 3: Reasons for not visiting gastronomic festivals

At first glance, one can say that a solution to this problem lies in the domain of planning and conducting the economic advertizing; however, the problem is more complex and we should start from a fact that it takes more than previous knowledge and understanding of a way consumers in tourism can be informed about tourism products in order to be well positioned in the tourism market. In the process of informing the consumers, both of its components, i.e. sensory and conceptual systems should be comprised (Maričić, 2008). The sensory system refers to the functioning of sensory receptors (senses) and marketing experts should strive to activate all five senses in order to influence a consumer's behaviour, although they might opt for selective approach as well. The conceptual system refers to mental processes and thoughts and considerations and it takes place when a consumer wishes to understand the meaning of a stimulus in their environment. This part of information process enables a creation of new knowledge, meanings and beliefs regarding the stimuli they are exposed to.

The second reason why the respondents rarely or never visit gastronomic manifestations is a lack of free time, where 113 respondents (26.2%) chose this as one of the reasons, and 60 respondents (13.9%) chose it as the only reason. It is very important to bear in mind that the very need for travel tourism is not sufficient for its realization, but what is also important is a possibility to manage free time as well as free funds as objective factors of forming a tourism demand. Even though working hours were even 12 to 14 hours a day in the early stages of capitalism, the situation has dramatically changed in the past 150 years, so tourism has obtained a dimension of "leisure time" industry. However, this research has shown that the turbulent times

Serbia went through nevertheless had an effect on tourism demand and that there is a considerable amount of those who are left with little free time available.

The lack of interest as a reason for not visiting gastronomic manifestations was chosen by 57 respondents (13.2%), whereas only 36 respondents (8.3%) were absolutely not interested, while others stated that they are either uninformed or lack financial means, so we may conclude that it is possible to create interest of these respondents if they are well informed.

Free funds, in addition to leisure and motive are still one of the drivers of tourist movements and can be an objective obstacle in meeting tourism needs. The research has shown that 50 respondents (11.6%) do not visit gastronomic festivals for financial reasons, of which 20 (4.6%) chose finances as the only reason. However, with the growth of income, the propensity to consumption increases as well and vice versa. In particular, it is known that an increase in income leads to a decrease in the share of expenditures for food and an increase in the share of expenditure for meeting the needs of a higher order (education, recreation, travel, etc.).

This interdependence was first studied by Engel in 1857 and formulated in the form of four laws on consumption (Maričić, 2008); therefore it can be said that Engel's laws also reflect consumer habits of today's customers, who spend much more on nights out, travel and other services and products of a higher order. Considering all these facts, there is a possibility that an increase of financial funds with these consumers pours into service activities and that they change from potential to real visitors of gastronomic manifestations. Other reasons were chosen by 11 respondents (2.6%), whereas 46 respondents (10.7%) did not know the reason for not visiting these forms of manifestations.

According to the answer to the question about how frequently they visit gastronomic manifestations, a statistically significant difference between male and female respondents was noticed (sig = 0.009). Namely, out of 12 respondents who frequently visit gastronomic manifestations, even 10 were men. The largest number of respondents who never visit this kind of events are women (59%), whereas the number of men and women who occasionally go to gastronomic manifestations is almost the same. Therefore, it can be concluded that the gender affects visits and that men more frequently visit this kind of manifestations (Table 1).

Table 1: The results of comparing the frequency of visits with the respondents' gender

Question:	**How often do you visit gastronomic festivals?**				
Gender		Often	Never	Occasionally	Total
	Female	2	137	97	236
	Male	10	95	90	195
Total		12	232	187	431

By cross-referencing data on the education of respondents and the frequency of visits, we can see that there are significant differences in visiting gastronomic manifestations depending on the level of education (sig = 0.000). It can be seen that out of 12 respondents who often visit gastronomic manifestations, three (25%) have a high school diploma. On the other hand, 8 respondents (67%) who often visit gastronomic manifestations have a college degree, and the smallest number of respondents who visit manifestations have a university degree (8%).

From the total number of respondents who never go to these manifestations, 51 of them (22%) have finished elementary school, 67 respondents (29%) have a high school diploma, 16 respondents (7%) have finished college, 84 respondents (36%) have a university degree, and 14 (6%) have a master's degree . The analysis of the respondents who occasionally visit gastronomic manifestations has shown that 43 respondents (23%) have finished only elementary school, 38 respondents (20%) have a high school diploma, 31 respondents (17%) have finished college, 56 respondents (30%) have a university degree, whereas there is only 1% of respondents with a PhD.; however, the 1% is comprised of the only 2 respondents in the entire sample who own a doctorate. Table 2 indicates that gastronomic manifestations are most often visited by respondents with a college degree, that respondents who occasionally visit them are university graduates or own a doctorate, and those who never visit these manifestations are mostly university graduates (Table 2).

The following analysis refers to respondents who never visit gastronomic manifestations and the reasons leading to this. From the total of 232 respondents who never visit gastronomic manifestations, only 11 respondents (4.74%) chose finances as a reason. The lack of free time was given as a reason by 39 (16.8%) respondents, whereas 20 respondents (8.6%) did not know the reason why they do not visit these manifestations. One of the reasons for 48 respondents (20.69%) was not being interested.

Table 2: The results of comparing the frequency of visiting manifestations with the level of respondents' education

Question:	**How often do you visit gastronomic festivals?**				
Education level		Often	Never	Occasionally	Total
	Elementary school	0	51	43	94
	High school	3	67	38	108
	College	8	16	31	55
	University	1	84	56	141
	Magister, Master	0	14	17	31
	Doctorate	0	0	2	2
Total		12	232	187	431

However, what could be interesting for potential planners of this kind of manifestations is that the largest number of respondents, 102 (44%), to be more precise, who never visit such manifestations said that insufficient information was one of the reasons for it.

4. CONCLUSION

Today, organizing festivals with different content represents a unique opportunity for tourists to experience leisure, social and cultural experiences but they are also a generator of economic development of a destination. Since food is important component of attractiveness and image of a destination, organizing food festivals can only add value to the overall tourism product. Tradition of food festivals is very long and this type of tourism is even recognized as one of future trends of tourism development in Serbia.

The results of this research showed that although more than half of the participants are familiar with the concept of culinary tourism, only a small number of them visit these events several times a year while more than half of them do not visit them. Such a small number may not be a significant indicator of the possibilities of branding Serbia as a gastronomic destination due to its great gastronomic heritage. This thesis can also be demonstrated through results from the answer to the question why they seldom or never attend this type of events. Most of them stated the reason of not visiting is insufficient level of information that indicates the need to create a clear and consistent marketing on strategies designed for this type of tourism.

When creating marketing strategy of gastronomic festivals, interests of larger and smaller segments or market niches should be taken into account. Serbia as a gastronomic destination can position itself as a competitor compared to countries in the region. However, it is possible that new events for competition with other countries, encounter a situation to cope with current events at home. Having in mind these circumstances, one of possible positioning strategies could be based on collaborative marketing across the region, launching "Balkan food region" as a destination brand. Better coordination of an event calendar would help to avoid rivalry among regional events and create cooperative marketing activities because gastronomic events in Serbia have a gastronomic tradition of its population in the territory of Serbia (Serbian, Montenegrin, Croatian, Bosnian Hungarian, Romanian, etc.).

The positioning of Serbia as a gastronomic destination implies the existence of a quality gastronomic product, a design of a communication strategy that would make a gastronomic product become recognized by tourists whoprefer it to other competing destinations. Branding this form of tourism means communicating values, mission and vision to tourists.

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MARKETING AND SUSTAINABLE DEVELOPMENT

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Abstract: *The concept of sustainable development has become a widely used catchphrase in contemporary organizations .This concept is nowadays central to the programs of many government and non-government organizations, as well as in many businesses around the world. Still, scientific literature lacks a thorough and encompassing explanation of this concept through a variety of scientific disciplines and areas of business. This article aims to contribute to the literature in the field of marketing and sustainable development for understanding and effective implementation of this concept in real environment. Sustainable development refers to satisfying needs of people, without compromising the ability of future generations to satisfy their own needs. Here, marketing plays an important role, not only through the alignment of the company's strategy with the environment, but also through the promotion of the importance of the application of this concept.*

Keywords*: sustainable development, sustainable marketing, sustainable customers, sustainable products, sustainable market*

1. INTRODUCTION

Sustainable development, as a relatively new and evolving area of theory and business, can be considered an emerging concept. Accordingly, sustainable development concept is continuously changing in relation to local contexts, needs and interests. However, there still exists a lack of a thorough and encompassing explanation of this concept through a variety of scientific disciplines and areas of business. On the other hand, there are several things which academic community mostly agrees on. First, the question is no longer about contradiction of development and environmental concerns. The question is how sustainable development can be achieved, while phrase “sustainable development” has become pervasive (Lele, 1991). This phrase is becoming more common as a topic of conferences, as a slogan of environmental activists, or development planers (Lele, 1991). Second, describing the sustainable development concept, most researchers point to its three main pillars in society: economic, ecological and social (Dyllick & Hockerts, 2002; Holling, 2001). Third, the solution of the problems of sustainable development is one of the priorities for national governments, global companies, and all forward thinking people of the world.

So far, a lot of papers have been written on this topic, but authors still do not agree on the definition of this concept. Moreover, some authors believe that there is no need for a universal definition and that the value of this concept lies precisely in its ambiguity (Lele, 1991). According to some authors, the vagueness of the definition of sustainable development enables people who have had opposing views to jointly find a solution for the definition of this concept through a debate. The lack of a harmonized definition of the concept of sustainable development hinders the application of this concept in practice.

The basic elements of the complex problem of sustainable development are poverty and harmful impact of excessive consumption of the rich population on the environment. At the United Nations Conference on Environment and Development (UNCED) held in Rio de Janeiro in 1992, the governments of the member countries of the United Nations highlighted the need to focus international and national policies of countries in such a way that the impact on environment should be discussed when making any economic decisions. This message has contributed to the principle of eco-efficiency to become one of the guiding principles not only in companies, but also in government institutions. For example, different modes of production, especially the production of toxic substances, such as lead in gasoline, or poisonous waste, are under both the UN (United Nations) and governments scrutiny; they seek to replace fossil fuels, associated with global climate change, with alternative sources of energy; they seek to develop public transport systems in cities, in order to reduce the pollution resulting from the emissions from vehicles (UNCED, 1992).

With increasing modern society awareness of the importance of sustainable development, an area that can be called sustainable marketing is also developing. The importance of sustainable marketing for sustainable development can be seen in the fact that there is a significant part of marketing theory which is related to the promotion of new ideas and consumer behaviour. In particular, marketing should make a significant contribution towards overcoming the gap between the already confirmed fact that consumers care about social and environmental issues and their influence, which is often contrary to the interests of the environment.

As a contribution to the development of marketing and sustainable development, this paper analyses the concepts of sustainable development and marketing theory and practice that can be linked with this concept. Specifically, after a review of the key elements of the concept of sustainable development, a variety of marketing strategies and tactics that could contribute to the development and popularization of the concept and contribute as much as possible to its application in practice have been considered.

2. SUSTAINABLE DEVELOPMENT

Sustainable development, as a relatively new concept, was created as a result of understanding of people's harmful effects on their environment. This concept has been seriously accepted after the United Nations Conference on the Human Environment in Stockholm in 1972. Apparent climate changes, which present response of nature to harmful effects of people, contributed a lot to understanding the importance of this concept.

Sustainable development has been defined in many ways so far. The definition that perhaps best describes the essence of the concept of sustainability is one that was given by Brundtland (1987) "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs ". This definition is not precise enough (Lele, 1991), but it illustrates two fundamental problems related to environmental degradation that accompanies economic growth, as well as the need for such growth, in order to reduce the level of poverty (Adams, 2006). Also, Martin and Schouten (2012) described sustainability as the ability of the system to continuously maintain or renew itself, pointing to an important feature of this concept, where the system is inevitably changing, and it is not preserved or kept in a static form.

The essence of modern theories of sustainable development is the notion that there are three dimensions of the concept: environmental, social and economic (Adams, 2006; Dyllick&Hockerts, 2002) (Figure 1). From the environmental standpoint, sustainable development should enable integrity of the natural environment as well as unhindered development and change. In doing so, the point is not to preserve and keep the system in a static state in which it loses its biodiversity, but to enable it to smoothly reproduce and adjust to various changes.

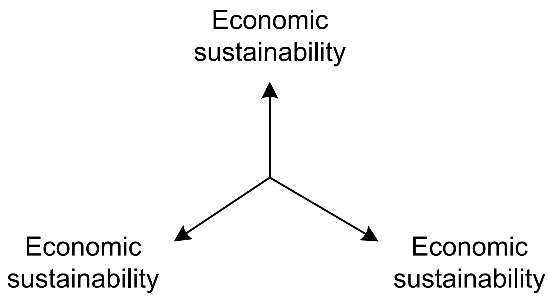

Figure 1: Dimensions of sustainable development (Dyllick & Hockerts, 2002)

The social dimension is focused on human development, maintaining the stability of the social system and preventing social conflicts. A human being should be an active participant in development, through the management of his/her life. An important prerequisite for this is a fairer distribution of resources between people i.e. reduction of the so-called GINI-index, as well as tolerance among people and preservation of cultural heritage.

The economic dimension refers to the optimal use of limited natural resources, as well as development of technologies that will achieve better energy savings. The essence of the economic dimension is to ensure the growth and to achieve the efficiency.

Each of these three dimensions should be optimized in relation to itself, and also in relation to the other two dimensions (Meier & Magas, 2014). Coordinating these three dimensions of sustainable development is a very complex task. In terms of socio-environmental relation, it is necessary to preserve the ability of future generations to use natural resources that are available to today's population. When it comes to socio-economic relation, it is necessary to achieve a better distribution of wealth among people. Economic-environmental relation requires constant alignment of the cost with the impact of technology on the environment.

The solution of the problems of sustainable development is one of the priorities for national governments, global companies, and all forward thinking people of the world. Today, the majority of UN member states have ministers and departments in charge of the environment. In Serbia, this segment belongs to the competence of the Ministry of Agriculture and Environmental Protection. Also, as a body within the Ministry of Agriculture and Environmental Protection, Environmental Protection Agency performs expert tasks related to environmental protection, the development of an information system on the environment, as well as tasks related to cooperation with the European Environment Agency (EEA) and the European Environment information and Observation Network (EIONET) (EPA, 2016).

The Sustainable Society Foundation has developed Sustainable Society Index (SSI), which enables comparison of the level of sustainable development among different countries (SSF, 2014). This index integrates three dimensions of sustainable development, whose main goals are the welfare of mankind and environmental welfare. The economic welfare itself is not a goal, but it represents the means of achieving social and environmental benefits. The framework for the interpretation of this index is presented in Figure 2.

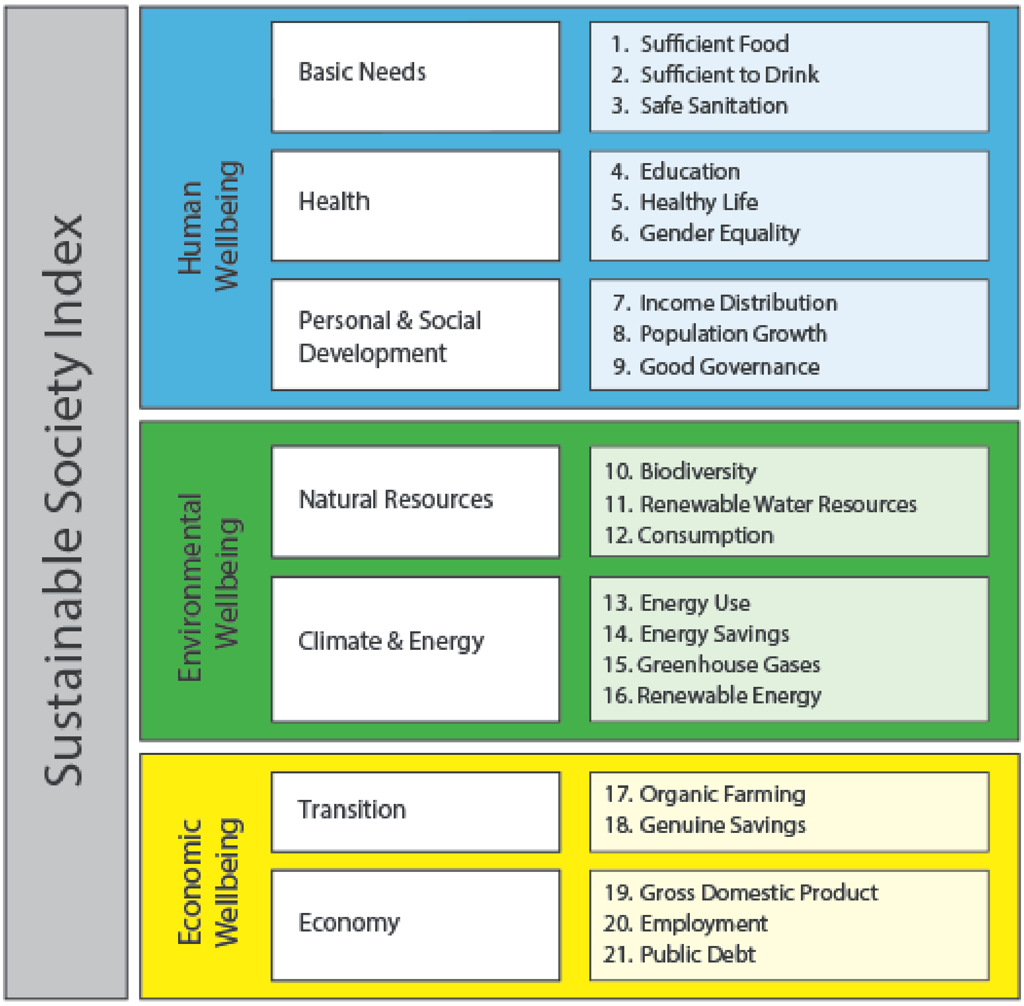

Figure 2: Framework for SSI (SSF, 2014)

According to this framework, out of the 151 countries in which SSI is being followed, Serbia is in 34th place in terms of the social welfare, in 60th place in terms of the environmental welfare and in 135th place in terms of the economic welfare (SSF, 2014). Viewed globally, social welfare occupied the highest level in 2014, which in the scale to 10 had a mark between 6 and 7, followed by ecological welfare with a mark between 4 and 5, whereas economic welfare had a slightly lower mark (SSF, 2014). On the other hand, in comparison to 2006, progress in the area of economic and social welfare can be noticed, while the environmental indicator is worse for a little more than 0.2 compared to 2006 (WSF, 2014). This indicates that despite the development of awareness of the importance of environmental conservation and protection, people are not ready to behave responsibly in this regard.

3. SUSTAINABLE MARKETING

The increasing demand and interest in the issue of sustainability have led to the expansion i.e. the development of the concept of marketing in the direction of sustainable marketing. Among the key drivers of sustainable marketing development there is customers' increasing awareness about the issue of sustainability, as well as the growing demand for "sustainable products, " possibility of gaining competitive advantage in the growing "sustainable market", as well as government regulations and various laws that encourage the adoption of the concept of sustainability.

Sustainable marketing is focused primarily on sustainable market that includes a growing number of companies, different products and services and of course customers, all of which are somewhat aware of, and take care of the problem of sustainability. The concept of sustainable marketing, in addition to the company's profits, also takes care of long-term environmental, social and economic effects of different activities. This approach represents a significant improvement in relation to traditional approach, which was focused mainly on the economic benefits of the company.

Bearing in mind the growing awareness of people about the issue of sustainability of 61% compared to 2012 (National Geographic, 2014), as well as a number of developed marketing tools used to change consumers' behaviour, a surprising fact is that consumers themselves continue to present a significant obstacle to the implementation of the concept of sustainability (The Guardian, 2016). Moreover, despite a growing awareness in key markets such as the US, Germany, Japan and China, sustainable purchasing behaviour has actually decreased compared to 2012 (National Geographic, 2014). Many authors have tried to find the reason for this "value-action" gap, where the majority came to the conclusion that although people attach importance to values such as sustainability, morality, ethics, etc. these values are not included in the consideration when purchasing.

Sustainable Lifestyles Frontier Group was founded with the intention to try to save the value-action gap that is present between attitudes about sustainability and behaviour when purchasing. One of the conclusions reached is that the problem is not in consumers' value system, but in the value that is offered to consumers (The Guardian, 2016). More specifically, customers are interested in the answer to the question what they get out of that. When creating a supply of sustainable products, in addition to general arguments which are related to the conservation of eco-systems and planets, it is necessary to include elements from a traditional marketing theory which are related to the offer of value to customers (Kotler& Armstrong, 2014). Three basic types of value that customers expect from products are functional, emotional and social value (Sweeney &Soutar, 2001). Thus, a sustainable product must keep relation value-money which customers are already accustomed to, must involve emotions of a buyer by offering him to feel better, smarter and more valuable, and also to understand that such behaviour will encounter a positive response from environment.

In practice, marketing campaigns related to sustainable products are mainly oriented to highlighting the social and planetary benefits, instead of the values which are of key importance to consumers (The Guardian, 2016). A good example in the food industry would be messages related to the health of customers with the absence of pesticides and other harmful substances that contribute to health and reduce the risk of various diseases or obesity in people, showing people what the benefits of sustainability are for them.

In addition, it should be noted that sustainable marketing at the same time contributes to building long-term customer relations. Given that relations are created when customers believe that they share the same value system with a company, it can be concluded that the idea of sustainability can be a value, which is common for customers and a company. However, to achieve this, it is necessary to, after the implementation of the concept of sustainability in the strategic orientation of the company, improve or develop a marketing mix that will also consistently support and transmit the idea of sustainability. The specific role of sustainable marketing in individual companies will vary in relation to the industry, size, corporate culture, as well as marketing management model, which can be customer-focused, technology-focused or communication-focused.

Within the implementation of the concept of sustainable marketing, the first objective is to create and increase the market for sustainable products and services, and identify and stimulate demand for sustainable products (Meler&Magas, 2014). Also, one of the important steps in the implementation of strategies for sustainable marketing is segmentation of sustainable market. This is followed by the implementation of the concept of sustainability into a company's marketing mix. In this regard, it is necessary to adapt products to the needs and desires of consumers, as well as to the criteria of environmental protection and sustainability. The prices of products must be formed on the correct level, which must be ethically suitable and acceptable both to a seller and a buyer. The distribution, as well as the price should be in line with good practice while respecting the principles of sustainability, transparency and accountability. Finally, the promotion should be based on sound ethical and moral codes, providing wide, reliable, unambiguous and creatively adapted publicity related to environmental protection and sustainability (Meler&Magas, 2014).

All this points to the need for marketing to get out of the current framework and involve a wider concept of management which is focused on the production and delivery of sustainable solutions which would profitably meet the needs of consumers and other stakeholders.

4. CONCLUSION

Bearing in mind all that has been said so far, it can be concluded that the application of the concept of sustainable development in companies is becoming an increasingly important topic and one of the key strategic goals of business of an increasing number of companies. They do not question whether it is necessary to integrate the concept of sustainable development in business any more, but how this can be achieved. Although there are many good examples of applying the concept of sustainable development, it is impossible to make a universal model of its implementation. Each company, depending on the market in which it operates, its size, industrial sector, must develop an adequate strategy, whose leading aim will be to preserve the ecological environment and take care of the interests of society with the achievement of adequate economic results. Such sustainable strategy is focused on the future by meeting the needs of consumers and at the same time by achieving profitability for investors.

Based on current marketing theory and practice and specificity of the concept of sustainability and sustainable development, it can be concluded that the role of marketing in the implementation of the concept of sustainable development is important and versatile. First, marketing as a business segment that is closely connected to customers through market analysis, as well as through the creation of offers of values, must take into account the principles of sustainability when designing a marketing mix, as well as when building relationships with consumers. Also, marketing, with its extensive knowledge and experience regarding the customer behaviour and promotion of new ideas can significantly help to spread the idea of sustainable development and increase sustainable market. Finally, sustainable marketing, with its focus on social and environmental issues, can be considered one of the drivers of sustainable development because of its enormous potential initiating cultural change in society.

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SUSTAINABLE DEVELOPMENT OF STRATEGIC BRAND PARTNERSHIP

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Abstract: *Sustainability in marketing strategy not only helps in competitive advantage but also opens door for cost savings and innovation. When company achieve a brand partnership regarding sustainable development, that is a very good strategy for future. This paper presents a theoretical overview of strategical brand partnership and sustainable development. Also, this paper deals with understanding the concept of brand partnership and with understanding the process of building the strategic position and image of brands through the implementation of the concept of brand partnership within the strategy of integrated marketing communications. There are also two examples from practice and they presents sustainable development of strategic brand partnership. The first example is the example of strategic brand partnership of the companies TOTAL and Peugeot and the other one is the example of strategic brand partnership of the companies Unilever, PepsiCo and Coca-Cola. Both of these examples show their great cooperation where the companies combine their ideas and insights regarding main global challenges.*

Key words: *sustainability; development; strategic brand partnership; marketing; brand value*

1. INTRODUCTION

Strategic brand partnerships can be a very successful way to build serious business, boost brand awareness and walk into new attractive markets. Companies have been making partnerships for many times and for a variety of reasons and the whole point is that success of one brand will bring success to the other brand, its partner too. Brands partner for the visibility lift, increased exposure, attachment to other brand values, the anticipated revenue boost. Partnership can help or either hurt brand and brands in partnerships must be very cautious so they can access new targeted audiences and grow net new revenue. For good working partnership, it has to be a win-win game for all players in the game so target audiences, prices, value perceptions and promotion channels need to fit.

Successful brand partnership should bring measurable and high value to both companies, but they must combine each other value and deliver similar customer profiles. Also, the partnership must sit within the lifestyle and user experience of the customer.

The main advantage of strategic brand partnerships is in chance to produce the product that ensures to be at exclusive and powerful positions through the use of one or more other brands in the campaign. Partnerships can create more compelling points of differentiation and - or points equal to the brand, than would be possible without the partnership. As a result, partnership can generate higher sales than the existing target groups and to provide additional opportunities with new customers and sales channels. When we add responsibility for sustainable development in partnerships, that became a gold solution of modern world business.

2. WHEN TWO BECOME ONE: THE POWER OF STRATEGIC BRAND PARTNERSHIP

Consumers aren’t looking so much for new brand thanks to brand loyality. They are on social networks that allow them to act „behind the scene“ (i.e. Twitter, Facebook, Skype etc.). Consumers are creating brand stereotypes beacuse they like what others like on social networks without individuality. So brands reach new customers using other brands through partnership.

Today, brands may be linked to other entities in the minds of consumers have their own knowledge structure. Thanks to these connections, customers can assume or conclude that some associations that are characteristic of other entities may also be true for himself a brand that is associated with an entity. In other words, the brand "borrows" a brand knowledge and, depending on the nature of the association, a certain part of the brand values of the other entity.

This indirect approach to building brand value is called the use of secondary brand associations. Secondary brand associations can be important in creating a strong, appealing and associations of unique and positive customer response, if the existing association in some way insufficient. Also, the use of secondary brand associations can be an effective tool for strengthening the existing brand associations and responses of customers in a new and creative way. Connecting brands with another entity can create a new set of brand associations, but also could affect existing brand associations.

Creating a new brand associations: creating a link between the brand and the other entity, customers can form a mental connection from the brand to the other entity, and consequently to all associations, attitudes, feelings and likes that are related to that entity. This is important in situations where customers feel they do not have adequate knowledge to choose the brand or they do not care at all of that. In such situations, it is likely that the brand selection device based on consideration of secondary associations such as: what they think, feel or know the country of origin where the product / brand to come, stores in which the brand sales on behalf of the company that produces the brand or other characteristics.

Effects on existing brand knowledge: Linking the brand to another entities can affect the formation of new brand associations through the transfer from the entities to the same brand and also may affect the existing brand associations. Impact process is very ordinary. If consumers have some knowledge of the brand when the brand identify that is tied to another entity, customers can conclude that some specific associations, attitudes and emotions that characterize an entity also feature the brand. In other words, in the minds of consumers form an opinion that what is true for the property must be true for the brand.

The basic question to be answered, which is crucial for the success of the brand partnership and transfer of secondary association of other entities:

- What do customers know about the other entity?;
- Do you have the knowledge that the other entity in any way affects how will think of the brand when the brand in some way be connected to this entity?

Keller and Kotller (2012) point out that entities for which brands can bind with the aim of building the secondary brand associations:

- Company (through branding strategy);
- Member or other geographic areas (origin of the product);
- Distribution channels (through channel distribution strategy);
- Other brands (through co-brand);
- Characters (through licensing);
- Speakers (the recommendations);
- Events (through sponsorship);
- Other sources.

Best elements of brands are mixed into a partnerships. But there is also a risk where both parts need to solve a potential problems with negative attention. Because of the internal logistics not all partnerships are a good combination. It is estimated that about 80% of partnerships don’t work successfully.
With the right partnership, the positive sides are obvious, starting with the access to an all new target audience, what is very important for both partners. Expectations of partnerships are to achieve:

- Better value proposition;
- Better visibility;
- Increased exposure to values (in partnerships with nonprofits);
- Solution to create exclusive products.

Keller and Kotller (2012) point out that three key important factors in predicting the degree of importance of linking the brand to the other entity are:

- Recognition and knowledge of the entity: If the entity is not well recognized and buyers have no knowledge of him, then the entity does not have anything that could be transferred to the brand. Ideally, customers should be aware of the existence of the entity; to have a strong, appealing and of unique assemblages related entities; to have positive attitudes and feelings related entities;
- What knowledge they have on the entity: If an entity causes some positive associations, attitudes and feelings, to be seen whether this knowledge is relevant and important for the brand. Some associations, attitudes or feelings may seem relevant and valued for the brand, while the other may have little to do with the brand;

- Portability knowledge of the entity: Refers to the question of how much of an association, attitudes or feelings that wears polarized entity (which could potentially be transferred to the brand) could strongly bind to the brand.

3. EVOLUTION OF SUSTAINABILITY IN MARKETING

Despite the different interpretations that can be found in the literature,this concept today has a central place in the consideration long-term prospects of survival and progress of mankind. Sustainability, or sustainable development, occurs both as an essential precondition, as well as the ultimate objective of efficient organization of numerous human activity on Earth.

Sustainable development is a concept where lives the idea that social, environmental, and economic growth are all achievable within the limits of our earth's natural resources.

It is important to meet all needs of the businesses and people but in the way of saving nature and life on our planet. One of many goals of sustainable development is to achieve business and social progress regarding saving natural resources. We owe to future generations to find a way of development that is good also for environments.

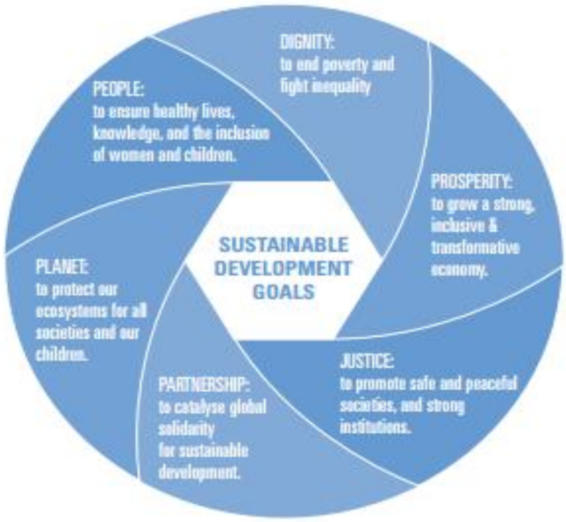

Figure 1: Six main parts for achieving the sustainable development goals (Charter, Peattie, Ottman and Polonsky, 2006)

In the past, it was believed that marketing and sustainability were almost opposite terms, since marketing was usually perceived as the promotion of more consumption while on the other side sustainability promoted less consumption. Marketers have to brake their traditional frame of reference to include sustainability in their marketing strategy. In some markets and companies sustainability issues have become highly important and a competitive factor influencing marketing strategies. Sustainability have three dimensions: environmental, social and economic and all three are very important.

Based on the above mentioned, companies needs to formulate the strategy so they can earned profits even after reduced impact on our society and environment.

Charter, Peattie, Ottman and Polonsky (2006) point out that the same is the case with sustainability marketing strategies i.e., if someone finds solutions for one environmental or social problem which is economically profitable, then a new set of problems also can arise out of that and this cycle goes on and on. Sustainability in marketing strategy not only helps in competitive advantage but also opens door for cost savings and innovation. It is rightly said that companies cannot stay for longer in the market if they will not become truly sustainable. But, there are limited companies which are trying to adopt sustainability in their marketing strategy. Moreover they are also having unsustainable products in the market.

In addition to this, Vinor, K., Zillur, M., Kazmi, A.,A., and Praaven, G. (2012) point out that the future goal of sustainability marketing strategy should be focused on segmentation, targeting and positioning customer on the basis of sustainability criteria along with designing sustainability marketing mix for better products and services, better prices, better distribution and better promotion (p. 487).

4. SUSTAINABLE DEVELOPMENT OF STRATEGIC BRAND PARTNERSHIP

Companies are increasingly careful with whom they operate, so that in conditions of maximum transparency preserve its reputation. Therefore, as much as 95 percent of the 250 largest companies providing regular public reports on sustainable development.

Not all partnerships are well planned and successful but they has grown exponentially. There is many motives within companies for connecting with other company to achieve sustainability goals. Corporate social responsibility (CSR) is very important for all companies and they are looking at it as a chance to win and make a good brand with reducing their environmental footprint. Many researchers have proposed typologies or continua to capture differing levels of commitment by businesses to Sustainability or to partnerships designed to promote those ends.

Most continua had four levels, although some only had three, and a few had five. Austin and Seitanidi's (2012) proposal represented a synthesis of the four-part models, ranging from philanthropic to transactional to integrative to transformational.

Austin and Seitanidi's (2012) explained that achieving successful partnerships at the upper right of the continuum, in Figure 2, requires that partners learn to capitalize on the creative tensions inherent in the partnership. The different levels also help to distinguish partnership outcomes, with those focused on reputation and image in the bottom left and those with wider societal impact in the top right.

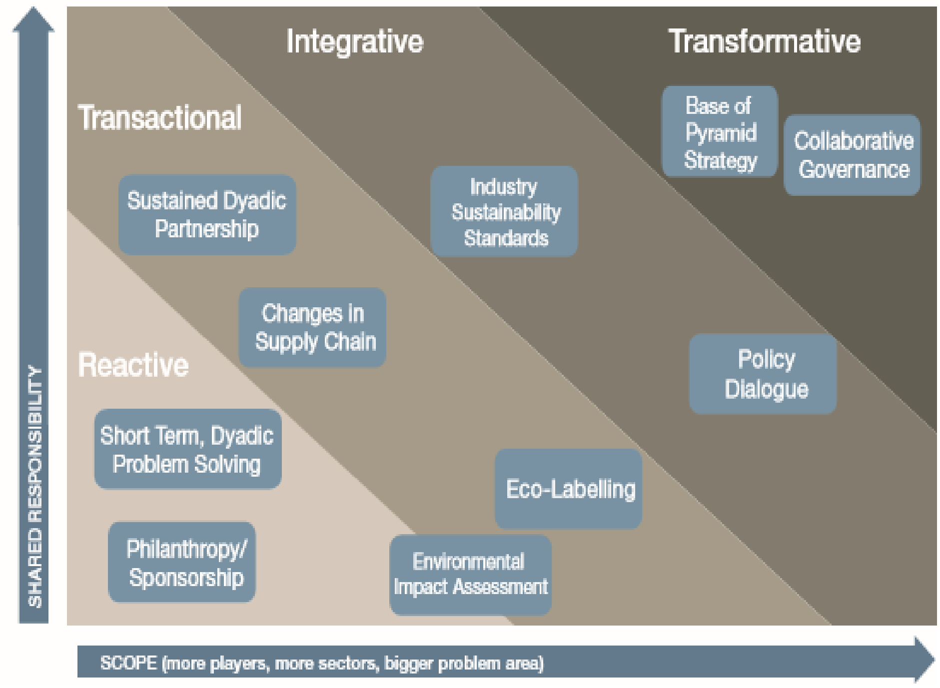

Figure 2: Sustainability Continuum (Austin and Seitanidi's ,2012)

Marrewijk and Werre (2003) explained that partnerships in the lower left-hand corner largely represent threat-induced, compliance or charity-driven responses. In this level of response, sustainability activities involve providing welfare to society by responding to government regulations or by providing charitable giving (p. 132).

The second level shows largely transactional sustainability partnerships, where the main reason for business is to make higher profit or better market share. The 3rd level captures integrative sustainability partnerships where businesses consider how to balance considerations with social and ecological concerns.

At the end, partnerships in the upper-right part in the Figure 2 shoes a final type in which other key stakeholders are involved in sustained interactions.

Young and Utting (2005) suggests that some do little, if anything, to advance the cause of sustainable development. Certain initiatives that are a form of eco-regulations can play, potentially, an important role in promoting corporate social and environmental responsibility. Some so-called negotiated agreements, where government and business work together to design and implement programmes that retain the element of state sanction in case of non-compliance, have proved fairly effective. (p. 139-142).

5. SUSTAINABLE DEVELOPMENT OF STRATEGIC BRAND PARTNERSHIP IN PRACTICE - PEUGEOT AND TOTAL

TOTAL oils protects the engine from wear, transmit power and facilitate changing the transmission. Reaffirming its desire to be a leader in the domain of lubricants with high content of technology, innovative products Total brand are specially designed to save fuel (oil saving in fuel) , for the protection of the environment and improve the performance of every engine.

Oil products of brand TOTAL around the world tried out, tested and recommended by most manufacturers of cars - people who know what they're saying. In the United Kingdom, the company Total for Partners in the field of lubricants have chosen the leading car manufacturers like Peugeot, Citroen and Renault (it's Elf brand lubricants). They are perfect partners, because they all share a common ambition to be the best at all fields.

TOTAL and PEUGEOT are partners since 1995 and they renewed their partnership agreements recently. This renewal is not surprising , because the TOTAL lubricants are only brand to the French car manufacturer accepted at all, because they share the same goals. Researchers in companies TOTAL and PEUGEOT develop tomorrow's lubricants: oils which leads to less fuel consumption and thereby protect the environment and take fuel efficiency to better level. To further reduce their global CO2 footprint, their oil was developed with bio-sourced bases.

Main area of this partnership according sustainable development is: developing new engine lubricants and gearboxes, Total significantly contributed to reducing the TCO (Total Cost of Ownership), CO2 emissions, and fuel consumption by more than 7%.

TOTAL and PEUGEOT worked on an innovative project where the main theme was to secure future generations mobility that will be comfortable and energy efficient. They conceived lower CO_2 emissions (49 g/km).

This technological concept model uses the latest Peugeot and Total innovations in aerodynamics, weight saving and operating system. The performance of this concept can be achieved without the use of the main sources of energy, taking its base for highly energy-efficient production car model Peugeot 208. Achieving emissions of just 49 g/km and acceleration to 100 km/h in 8 seconds, then halved emissions at current most economical petrol engine, while at the same time receives motion of a small sports car that is fun and efficient. Accepting this technological challenge, the company Peugeot and Total as combining their research and development capacity to develop mobility solutions for future generations of cars. This car will have a special thermo-cycle management and improved fuel combustion, reducing friction engine components.

The result of engagement of company Peugeot is very positive, as the company has models with the lowest emissions in Europe, with an average reduction in emissions by 7 g/km on average 121 g/km in 2012. Total Group companies with their production parts (Lubricants, Fuels, Hutchinson, CCP Composites, Total Global Polymers) is actively involved in a number of Peugeot R&D projects to the production of new environmentally friendly vehicles.

Figure 3: Peugeot new model Hybrid FE (www.peugeot.com)

6. SUSTAINABLE DEVELOPMENT OF STRATEGIC BRAND PARTNERSHIP IN PRACTICE - UNILEVER, PEPSICO AND COCA-COLA

Two months ago Unilever, PepsiCo, Coca-Cola and few more brands announced the cooperation where they combine their ideas and insights regarding main global challenges. This group performs under the name Paragon Partnerships, and wants to achieve the Sustainable Development Goals (SDG) through their collaboration and active market research.

With the United Nations Global Goals agreed and in motion, industry, governments and individuals can all play their part in contributing to the 17 point plan which aims to end poverty, combat climate change and fight injustice and inequality.

With no one single body or organisation able to find a solution to all of these challenges, Paragon has been created to be a single information source together with research bodies and industry.Launching in May this year, the vision for Paragon is to generate and provide access to quality insights on the issues that the world is facing which will help governments, academics and NGOs around the world. All insights hosted on the site will be linked to the Global Goals for Sustainable Development and will be available for Paragon partners to formulate fact-based programmes.Partners signed-up for launch include PepsiCo, Coca-Cola, Kantar, Nielsen, MetrixLab, GfK, Flamingo, Save The Children, The Market Research Society (MRS), Esomar and Sapient Nitro.Stan Sthanunathan, Senior Vice President, Consumer & Market Insights (2016, May 15).

Country clusters will segment the questions and it will be added to research conducted by the agencies for their clients during that quarter. The data will be hosted on a single platform to democratize the information and facilitate easy access; anyone signed up to the initiative Paragon will be able to access the company data.Through its research partners and their clients, Paragon expects to provide quality insights on the issues that the world is facing to allow governments, non-governmental organizations (NGOs) and academics to access and leverage that knowledge to help advance their work.

“In a rapidly-changing world, we cannot operate in silos. The past year has set the precedent with highly ambitious goals and frameworks created to address the global sustainability and development challenges that we all face. It is time to accelerate efforts to move towards achieving these goals and Paragon will allow us to share learning, data and insight, and encourages other businesses and industries to address these critical challenges affecting us all. By building a network of partners and working together, we can look for solutions which have greater scale and impact globally to address development and societal challenges”, said Stan Sthanunathan**,** Senior Vice President, Consumer & Market Insights at Unilever.

7. CONCLUSION

The strategic brand management have a main role in process of implementation sustainability in a company's main strategy and integration of the sustainability principles into all corporate parts. The imperative of sustainable business is not just a matter of altruism. It is primarily a question of the physical survival of companies in the world of limited resources. Adoption of a sustainable business model, together with other companies as partners, will enable them not only to survive in conditions of limited resources and more to long-term development.

Knowing that companies are increasingly careful with whom they operate, two cases from this paper showed great solution of modern world business and their partnership between some companies.

The first case showed the positive result of combining the research and development capacity to develop mobility solutions for future generations of cars. Peugeot has models with the lowest emissions in Europe, with an average reduction in emissions by 7 g/km on average 121 g/km in 2012. Total Group companies with their production parts (Lubricants, Fuels, Hutchinson, CCP Composites, Total Global Polymers) is actively involved in a number of Peugeot R&D projects to the production of new environmentally friendly vehicles. This case showed the great example of sustainable development of strategic brand partnership.

The second case testifies the definitive development of awareness and the importance of sustainable development of strategic brand partnership. The future will hopefully show the success fro of this network of partners under the name Paragon Partnership.

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SPONSORSHIP OF SPORTS EVENTS AS A MARKETING TOOL

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Abstract: *The focus of this paper is the concept of sponsorship of sports events as a marketing tool of the sponsoring company. The areas which will be explored through the research are commercialization and development factors of the sports industry, as well as the concept of sports sponsorship and its main goals. The aim of this paper is to contribute to the scientific perspective of the sport event sponsorship, as well as to the quality of future sponsorships between the organizers and the companies.*

Keywords*: sponsorship, sport, event, sports events, marketing, marketing tool, communications*

1. INTRODUCTION

The development of modern technologies, digitalization and rapid exchange of information are just some of the trends that cause many changes in the way businesses and access to target groups with regard to the corporate sector. In recent years the increasing convergence of the sports and entertainment industry is noted, and thanks to new technologies, the sports events are getting more and more publicity. This further promotes not only certain sporting disciplines, but also organizations and companies that have supported and provided sports events to happen. The goal of this paper is to present the concept of sponsorship of sports events as a marketing tool by analyzing existing literature and modern marketing trends. In the beginning, the role of the marketing in the spots industry is explained, followed by analysis of the concept of sport events sponsorship.

2. ROLE OF THE MARKETING IN THE SPORT INDUSTRY

2.1. The commercialization of sports industry

The commercialization component is present in the sport for many years – even before the modern era, Greek athletes were receiving cash prizes for achieved sport results. However, not a single historical period is more characterized by rapid growth of commercialization in sport, as it is the case with the previous three decades. Today sport is a serious business where large companies take a great part and have influence on the development of the sports industry. Prominent athletes have become a product of this industry, sports teams and individuals are exchanged on the market, sponsorship of sports events cost millions of Euros and TV companies pay large sums of money in order to receive the right to broadcast these events. Furthermore, multinational component of sports industry makes it more challenging and appealing to the corporate sector. The importance of the marketing function in sport organizations is proved by the fact that more and more sports organizations employ marketing experts in order to design and organize specific campaigns. Commercialization of sport allows sports organizations to gain financial benefit for training and entertainment activities and this has become crucial for both development and survival of the sports industry.

2.2. Sports industry products

A product can be described as "*something that meets a need or desire while using*". Gerber-Nel (2004) says that product is a solution to the problem as its purchase provides some kind of a benefit. With that said, consumers actually buy the benefit, not the product. Sports products can be extremely complex, which is obvious when you take into account the different types of sports disciplines and events. Sports products are diverse and complex due to additional, mental and physical dimensions – some sports products affect consumer's mind (like in the case of a sports event), while others affect the body (like participating at the event itself). A sports game can be classified as a pure product, while the activities related to the game (food and beverages, merchandise, entertainment during half-time, video walls), can be classified as additional component to the product. Lately there are more experts who advocate that primary product (like football match) is not the most important, and that marketing professionals need to focus on the positive experience of the consumer, rather than the outcome of a match.

2.3. Development factors of sports industry

According to a report published by the consulting company PricewaterhouseCoopers (2011), some factors that greatly influence the development of sports industry are:

- Sport and entertainment converge;
- Social media;
- Commercial challenges;
- Compensation for sports persons;
- Internationalization;
- Broadcast rights.

Every day we see an increasing **convergence of sports and entertainment industries** and their development that go along the development of modern technologies. Sponsorship and media rights have become the main sources of profit, putting into question the traditional ways of earning from sporting events. Event organizers are under pressure because poor organization of the event as a consequence has the abandonment of nowadays extremely important stakeholders – the media and the corporate sector. Sport and entertainment events are increasingly being staged together, as a way to enhance the overall experience and extend the length of events − and therefore the time that supporters and viewers stay. With an average US audience of 111 million viewers, the 2011 Super Bowl became the most-watched program of any kind in the history of American television. In addition to the sports game this event includes performances of the world's biggest music stars (PricewaterhouseCoopers, 2011).

The increased usage of **social media** is one more factor that has the great impact on the industry of sport. Social networking continues to create opportunities and challenges for traditional broadcasters, as well as to the faithful followers who are more interested to accept new ways of communication. Partly as a result of this open personal interaction, social media allows fans to get closer to athletes and sports personalities, and provides sponsors with an opportunity for two way communication, thus enabling them both to embed their brand, and also to understand and manage how fans perceive the brand. According to research conducted by Burst Media (2012), 45% of viewers aged between 18 and 35 years follow their favorite teams and athletes on social networks, and 35% of them regularly use social networks to find out or share sports facilities. Perhaps the most important effect of these networks, however, has been greater audience empowerment: individuals use technologies to become actual participants in the sport communication process. According to Newman (2013) it is important to note that social media have an impact on the visitor in various phases. Sports event marketing can begin before the visitor decide to attend, may be continued during the event and after the event ends. Sporting events are promoted ahead of time to build enthusiasm for the event. Promotion during and after the event are designed to encourage repeat consumption of rather sport, or the products of the sponsor‟s company. Every aspect should be considered and planned for by sport professional. Furthermore, the use of social media at each point should be considered to maximize the number of “personal touches” the sport consumer experiences in relation to the event.

Sports industry today faces challenges when it comes to financial and **commercial aspects**. Organizers are under pressure to maintain and increase the value of the event in accordance to the ticket price increase. If viewers are paying more money, they expect an extra value in return. The same principle applies in case of gaining right to broadcast certain event. The balance between price and value is further complicated by the deep sense of ownership that many sports fans feel for their club or sport. Again reflecting trends in entertainment such as brand and product placement, sports sponsors want to be embedded within the product, rather than just being a name on a shirt. Naming rights remain a popular investment for sponsors, both for new and established sport and entertainment venues. Examples include Barcelona Football Club‟s five and-a-half year, €171 million shirt sponsorship deal with the not for profit Qatar Foundation. (Barcelona considers ending Qatar sponsorship deal over 'social issues', 2015). However, this type of open commercialism does not always go down well with paying customers, and thousands of Barcelona fans signed a petition demanding the agreement be dropped.

In many professional sports, the focus on providing the most entertaining and successful product is driving rapid inflation in **player costs**. This leads to two types of risks when it comes to the sustainability of sport organizations. First of all, large payments are putting at risk the long-term survival of an organization whose core business is not fun, but professional sport. On the other hand, branch associations and organizations strive to keep good athletes with significant results, thus restricting their ability to monetize their work and glory. This problem can lead to shift of activities: for example, the start of the 2011–12 National Basketball

Association (NBA) season was delayed by a lockout caused by a standoff between players and NBA owners over revenue sharing and the structure of the salary cap (PricewaterhouseCoopers, 2011).

A further challenge for governing bodies is the increasing pressure to grow their sports in new **international markets**, while at the same time maintaining the local support base and the integrity of their competitions. The English Premier League has been widely criticized by fans and media worldwide for proposing a „39th game" in an overseas location (Chelsea fans oppose FAs Premier League proposal of staging a round of matches overseas, 2014). Yet some fans in other sports and countries are more welcoming of international expansion. Most notably, decisions have been taken to hold the FIFA World Cup in two emerging sports markets − Russia in 2018 and Qatar in 2022 (FIFA World Cup, n.d).

While **media rights** revenues are continuing on a generally upward path, the size of the market remains volatile year on year, depending on the presence or absence of major events such as World Cups and Olympics. What is more, the value of broadcast rights for international tournaments varies depending on local screening times in regions around the world. On purchase influences time zone of the event, and even the day of the week (PricewaterhouseCoopers, 2011).

2.4. Marketing of sports events

Goldblatt (2010) points out that in planning, preparation and maintenance of special events, marketing function is certainly of great importance for defining goals, build partnerships and promotional activities for the event itself. For example, in the preparation phase of the external events marketing has the task to provide sufficient financial and material sponsorship, or the number of tickets, to allow the prompt maintenance. Promotional activities of a special event can include: advertising, public relations, establishment of partnerships, physical promotion, guerilla marketing and direct, personal contact. If it comes to development of an internal, closed event for which there is defined and sufficient budget, the function of marketing is unloaded in terms of proving the financial justification or approval for certain actions. In this case, marketing is responsible for ensuring the appropriate number of guests/visitors. In both cases, the function of marketing carries the greatest responsibility when it comes to creating promotional materials and communication with stakeholders. The essence of the existence of the marketing campaign for the event is to ensure that every decision made in the planning and preparation of events brings added value to the overall outcome of the event. For this reason it is extremely important to choose a good strategy for the proper maintenance objectives, test all the ideas and use feedback to improve and develop creative solutions that will highlight the value of the event that visitors expect in exchange for a ticket or time invested.

3. SPONSORSHIP OF SPORT EVENTS

3.1. The concept a sport sponsorship

First ever sponsorships were noticed in a form of patronage, when patrons supported talented individuals who were building a career in culture or arts. Even in the early stage, the patrons expected something in return. During the Roman Empire, patronages were rulers and distinguished military representatives, and this role was later passed to authority representatives and aristocrats. Queen Elizabeth and King James I supported the work of Shakespeare (Shakespeare's Patron - Queen Elizabeth, n.d), while Roman Popes and other church figures supported Michelangelo and Leonardo Da Vinchi. In seventeenth century, the concept of sponsorship hadn't existed, but certain benefits for patronages, such as advertising, were introduced. This was one big step in building the modern concept of sponsorship.

Further development of the concept was noticed in twentieth century. In 1924, The Eveready Hour became the first ever commercially sponsored radio show (Biographical Dictionary of Radio, 2011). Golf, motor racing events and tennis matches were roots of the modern sponsored events. Companies from automotive, tobacco and alcohol industry were the first ones that were sponsoring events. In 1958, The Kentucky Derby Festival became the first ever event that had one of its activities named after a sponsor: Philip Morris Festival of Stars. The most important growth of this concept happened between 1970 and 1990. Even though many organizers were skeptical about losing their audience, they started to accept corporate sponsors more and more often. In that time, sponsorships still couldn"t show any financial benefit – only advertising and publicity. The 1984 Olympic Games in L.A. were saved by corporate sponsorships and this was an important milestone in the development of the sponsorship concept. During the next 10 years, more than 40.000 events were organized only thanks to corporate sponsorships, which also caused companies to study the importance and effects of event sponsorships.

3.2. Global sponsorship market

Corporate sponsorships in Europe have drastically increased during the last years. In 1980s, when the concept was established in the USA, many European event organizers wanted to avoid having corporate sponsors, but after realizing that they are missing financial support, they skeptically started to cooperate with large companies. Thanks to a careful choice of the corporate partners, many events have established strong cooperation with the corporate world that gives them much more possibilities than they had before (Skinner, B. E, Rukavina, V, 2003). During the 1990s, the change in the way that cultural events were enabling the financial support was one of the biggest trends of the modern world, and many researches show that this trend is going to grow in the future. Corporate sector is seeing more and more different ways of participating in various events, not only cultural, but any events that have a positive contribution on the society. In 2014, the global sponsorship spending resulted a total of 55,3 billion USD, and it grew to a 57,5 billion in 2015. The forecast for 2016 is 60,2 billion, which means the market is growing year by year (Sponsorship spending worldwide by region 2009-2016 | Statistic, n.d). One of the reasons for this growth is an increase of the athletes and coaches paycheck. In the end of 2014, the number of companies that are investing over 15 million USD in sponsorships grew to 107. Among them, the leader is PepsiCo, whose yearly spending is between 355 and 360 million USD. The second and the third place go to Anheuser-Busch InBev and The Coca-Cola Company with yearly spending of approximately 300 million USD.

Sponsorship as a concept became an important item in strategic corporate planning and it is very likely that soon it will be an inevitable tool in companies‟ integrated marketing communications plans. This tool will allow companies to use the possibilities of traditional advertising, as well as emotional and experience benefits built through sponsoring a sports, cultural, art, educational or social event. What used to be a sponsorship with a minimal budget tends to grow into an important part of integrated communication channels, where sponsorship itself is just one element, and many other players have important roles in its success.

3.3. Goals of sport sponsorship

The International Events Group defines sponsorship as "*financial contribution to sports, art, entertainment or other industry entities that allows sponsors to use the commercial potential of these entities*". (Skinner, B. E., Rukavina, V, 2003). According to various researches, companies sponsor events mainly for their own interest. However, reasons that can influence corporate and employer brand, such as raising awareness about a certain social problem or community contribution, are also present. The definition of sports sponsorship in the words of Shank (2009) is "*Investing in a sports entity (athlete, league, team or event) to support overall organizational objectives, marketing goals and/or promotional strategies*." Amis, Slack and Berrett (1999) believe that "*sport sponsorship should be considered an important resource which can help companies to secure a position of competitive advantage*". They presented the results of an analysis of 28 national and multi-national Canadian firms that had been involved in sport sponsorships at the national or international levels and they "*tried to demonstrate that sponsorship can be an extremely valuable resource with great utility in a firm's quest for a sustainable competitive advantage. For this to be achieved, however, the firm must approach any sponsorship agreement as a potentially valuable resource worth spending time and effort on developing*."

One of the biggest benefits of sports sponsorships is raising the brand awareness. Miloch and Lambrecht (2006) conducted a research regarding consumer awareness of sponsorship at grassroots sport events. Generally, the recall and recognition rates in this study were slightly lower but comparable to sponsorship awareness studies, particularly those focusing on large sports events. This suggests that when compared to mega-event sport consumers, participants and spectators at grassroots and niche sport events may not possess the same level of sponsorship awareness. However, according to authors "*sponsorship of grassroots and niche sports has proven effective in generating a return on investment for sponsors at this level*". Another study (Biscaia, Correia, Rosado, Ross, Maroco, 2013) examined the relationships between both attitudinal and behavioral loyalty with sponsorship awareness, attitude toward two actual sponsors, and purchase intentions. Results indicated that *"although fans may be aware of a great amount of team sponsors, their intentions to purchase sponsors' products will only increase if they develop a favorable attitude toward those sponsors"*. Therefore, this study *"highlights the role of focusing on actual sponsors, rather than generic sponsors, given that the relationships between the team loyalty constructs and sponsors' outcomes differed according to each of the sponsors".* The main reason for including sponsorships into a marketing mix of the company is the overall presence of sports in everyday lives of people of different age and lifestyles. Polonsky and Speed (2001) reckon that management of the sponsor company firstly should answer the following questions: What type of consumer is targeted (existing or new)? What type of customer action is required (purchase or purchase and secondary action)? What is the firm's financial commitment (unlimited or capped)? What leveraging activities are required?

Just like advertising, the goals of sports sponsorship can be direct and indirect. Direct goals are connected to short-term buyers‟ behavior and sales incensement. When it comes to indirect goals, it can be intent to build a corporate image, or a specific brand promise. All goals can be grouped in a following way:

- **Raising the awareness about the company.** When sponsoring a sports event, a company is being exposed to a large audience. This means the company is raising the awareness about its product, service, or corporate image. Various researches prove that sponsoring an event gives much better results when it comes to raising the awareness about the brand, than traditional advertising does. According to one respondent in the study that was conducted by Farrelly and Queste (2005) "*sponsorship value will always be evaluated in terms of contribution to the brand, and weighed up against what was spelled out in the original agreement such as the level of sales and gains in brand preference in select markets*."
- **Market positioning.** Another goal can be to eliminate any kind of competitor threat and increase the position on the market. In other words, if a company decides not to sponsor an event, it is very likely that its competitor might decide to do so.
- **Reaching the target groups.** If target group of the company matches the target group of the event, a company can benefit of the sponsorship much more than of traditional advertising activities. Sports industry is a great example for this. For example, if a company that produces sports goods sponsors a marathon, the company is automatically targeting its potential buyers.
- **Relationship marketing.** Building the relationship with the customers could be another motivation for companies to sponsor an event. If a company representative participates in the event, he can get in touch with current and potential clients, establish cooperation and help in building their business. VIP lounges are a typical practice when it comes to sports events that prove this goal. Tsiotsou and Alexandris (2009) believe that "*highly attached fans are more likely to develop positive image about their team's sponsor and consequently express positive intentions to say good things and buy the sponsor's products.* They propose marketers to *"work on the development of team attachment and the creation of positive sponsor image, in order to increase sponsorship effectiveness*".
- **Building the corporate image.** Many companies are investing a lot into creating a unique public presentation. For many companies that are doing B2B business, sponsorships are a way to communicate their internal values externally. Events that these companies sponsor should be chosen carefully, as the whole image depends on the success and publicity of the event, and the message it sends to public. For example, message that is being sent by the organizers of Formula 1 events – fast, dangerous, courageous, exciting and risky – can fit many organizations that want to present themselves as dynamic. However, it would not be an appropriate event for companies that want to position by communicating different values: calmness, safety, security, stability – for example, insurance companies. Every sponsored event should be aligned with company‟s corporate values. One study has put things in perspective for many sport marketers in that "*logo placement, along with myriad of other sponsored activities at the venue, is just a small fraction of what the spectator visually records and assigns meaning to. In order to transcend the illusion of effectiveness and elevate sport sponsorship activation to another level, sport managers today must provide an experience that is more than a simple, one-dimensional logo viewing*" (Choi, 2006).
- **Sales increase.** This is a common goal for all companies that sponsor sport events - usually the ones selling sports goods or services. It happens often that events are being created especially for the sponsor in order to achieve sales goals and increase the profit. Without sponsors, some sports events today would not be possible, which give the right to companies to have a certain financial benefit.
- **Relationships with the local community.** When companies sponsor a sports event, they are sending a message that says they support sports and physical activity. Consumers connect these companies to a positive contribution on the society. In some countries where the government does not invest in sports a lot, corporate sector holds the key role when it comes to building a healthy society environment and contributing to sports activities.

3.4. Measuring the effects of sports sponsorship

When it comes to measuring the success of sponsorship investment, it is important to measure it from signing the contract until the end of follow-up activities. Meenaghan (1991) suggests the following methods of measurement:

- **Measuring media coverage.** Sponsors are often using media coverage as an indicator of success. Evaluation of this kind could be measured in the following ways: time of media stream, number of viewers or printing amount. It is very important to note that this method measures only the coverage without its actual effect. Apart from traditional media channels, the big influence is now related to social media and web portals.

- **Measuring communication odds of sponsorship investment.** Sponsors tend to measure communication success of the event, since sponsorship is used to achieve communication results such as raising and increasing brand awareness, etc. Some sponsor companies are measuring the sponsorship success by conducting surveys to find out how many are people connecting the event with their company.
- **Measuring sales efficiency of the sponsorship.** Sponsorship is facing similar problems as traditional advertising or other communication activities, when it comes to relationship between sales results and sponsorship investment. This happens for many reasons and some of them are usage of different marketing tools at the same time, previous marketing activities and competition behavior. However, many sponsors are often using sales results to prove the success of sponsorship investment, even when it is very difficult to measure results.
- **Monitoring attendees' feedback.** In some cases, when relationship with the attendees is one of the goals of sponsorship, monitoring their feedback can be a good way to measure the effect. This feedback can also be useful when it comes to evaluating event organizers.
- **Cost-benefit analysis.** When a company has more philanthropic than commercial reasons to sponsor an event, that company should conduct other ways of measuring the effects, different than traditional ways. In this case, the most important activity in the process of measuring is to research and define the stand of top management which will be used as a base for measuring.

3.5. Good case practice – "Thank You, Mom" campaign by Procter and Gamble

P&G, the largest Consumer Packaged Goods company in the world was a mid-tier sponsor of the 2010 Winter Olympic Games. This impactful investment led to an "Official Olympic Sponsor" of the Summer Games in London. The idea of their „100-day phased plan" across creative, media, PR, and shopper marketing outlets, was to create a global "Thank You Mom" movement and celebrate mothers who inspired, sacrificed and supported each athlete in their quest for Olympic glory. Through moms of the Olympians, they connected to all mothers, P&G"s core consumers. The company used social media to debut the emotionally powerful "Best Job" video that introduced "Thank You, Mom" and "Proud Sponsor of Mom" messaging. Within three weeks, "Best Job" became a digital sensation, and that was just the beginning. The plan allowed P&G to control the level of connection to the Olympics, growing more prominent as the Games drew nearer.

This was the most successful campaign in P&G"s 175 year history that delivered $200MM+ incremental sales (USA) and record-setting P&G ROI results. It increased brand portfolio linkage to P&G for 11% and recall of P&G"s ads was +38% higher than other US Olympic sponsors. Other important results include 33.6 billion earned media impressions, 17 million views on YouTube, 65% increase in number of Facebook fans and 20 time more in Twitter followers (Medaling In Media: P&G Proud Sponsor of Mom, n.d).

4. CONCLUSION

Year by year, sports industry marks a significant growth and the some investments top GDPs of many countries. Sports industry is coming closer to entertainment, which means possibilities for commercial activities are growing. A modern consumer does not want only a product that will fulfill his basic needs. He wants a product that he will be able to identify with, a brand whose values he could live every day. Sports industry is getting in touch with a large audience, with people of different age, location or lifestyle, which means it is a perfect ecosystem for reaching a wide audience, as well as specific targeted groups. However, it is important to note that sponsorship of sports events now days go far beyond a one-dimensional logo viewing. Generic sponsors do not add specific value to an event – and along with that, they cannot expect a lot in return either. When making a decision about sponsoring an event, sponsors should focus on their customer and its needs. Together with the organizer, they should aim to provide an extraordinary experience to their customer – through brand activation and other, specific company-related activities, which will allow them to fully utilize and maximize the investment of the sponsorship. As technology is in a fast progress, there can be more ways to both track, measure and evaluate sponsorship investment, as well as to engage the spectators and a specific target group more deeply during the sponsored event.

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INNOVATIVE APPROACH TO ONLINE MARKETING FOR BOOK PUBLISHERS

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Abstract: *Books and publishing business have undergone tremendous changes since 1980s. The causes of these changes are numerous, however the main cause can be stated as being digitization, which has brought novelties in all business processes of publishing houses.*

Publishing houses are faced with great challenges and books, as both commodity and cultural asset, don't have the same status in the society as once did. Book publishers need to find ways to remain profitable in new circumstances. If online marketing is implemented appropriately in the business of publishing houses, it can be more efficient and much more cost effective than traditional marketing.

The paper shows a digital marketing model that can be applied for the realisation of business and marketing objectives of publishing houses. The model will be reviewed through a product policy, electronic customer relationship management (eCRM) and communication policy.

Keywords*: book publishing, online marketing, eCRM, website, social media*

1. INTRODUCTION

Book publishing is a centuries-old business and cultural activity. Since release of the programming language PostScript (1984) and the program for desktop publishing PageMaker (1985) book publishers have been dealing with numerous changes in all aspects of their business. It can be contended that today's numerous and intensive changes were primarily caused by technology (Tat Keh, 1998). The application of digital technologies has caused that only traditional, printed books remain analog (MacRitchie, 2009). Although it is impossible to predict the further development of book publishing, it may be presupposed that many changes are still to come (Hughes, 2014) and book publishing will hereafter be very active and unpredictable activity.

Book publishers face considerable challenges and as a threat to their success may be listed the following issues (Hughes, 2014):

- Publishers and authors consider all books as potential bestsellers.
- According to the information from the people in the publishing business, 60–80% of all titles do not bring money or they are unprofitable in the first year.
- Traditional models of success prediction cause high risk of unprofitability.

Regardless of their size and history, publishing houses cannot focus only on their primary activity ignoring the changes that affect the market, readers and society as a whole. Every publishing house which wants a long-term success should be aware of global and market-specific changes and needs to respond quickly to all new factors. One of the ways to respond to modern requirements is the application of appropriate business strategies which would include online marketing.

2. MARKETING STRATEGY FOR BOOK PUBLISHERS

Today's media are being consumed in digital form, while users expect to access online content very easily. This applies to all traditional media – newspapers, television, radio, music, film. Due to the large amount of online content that is being offered without a charge, users expect to pay only for exclusive content. Media companies and content creators decide whether to create free content for the mass market or exclusive content that will be charged. Many news websites and cable television networks charge for the access to their content because of the quality they offer. Book publishers do not have a possibility to choose whether they will create free or exclusive content. Despite the form of the final product (printed book, ebook, audio book) book publishers need to create the content of premium quality which will be charged.

Book publishing has traditionally been product-oriented and marketing activities have been primarily focused on the promotion of new titles (Clark, 2014; Vulf, 2011). The user is becoming even more important in the competitive enviroment but also more demanding and less loyal. Book publishers need to break a long tradition and focus on their customers. Although some authors have enormous success which can affect the profitability of their publishers for a long time, all publishing houses actually serve niche markets (Clark, 2014). It is very important for every publishing house to define the target group, its size and potential value. Book publishers should build long-term and direct relationships with their customers in accordance with their business and marketing strategy. As a result, the production of new books needs to be aligned with the customers' needs.

This paper describes how book publishers can use online marketing as an integral part of their business strategy, enabling them long-term profitability. The proposed method includes three components which should be applied together:

1. Product policy
2. eCRM
3. Communication policy

2.1. Product policy

The book as a product is the basis of every publishing house (Then & Schmidt-Stölting, 2009). In order to be profitable, it is essential for a publishing house to publish every year a sufficient number of new titles which will be successful in the market. The commercial success of a book can be affected by many factors, but the most common reason for book purchasing is its topic (Vulf, 2011). However, a high percentage of fruitless titles is typical for book publishin.

Every published book starts from the manuscript which a publishing house acquires from its author. The acquisition of the manuscripts has traditionally been left to the editors who don't know neither the market nor the readers. The marketing strategy of publishing houses should include the acquisition of the manuscripts in agreement with the marketing department.

The acquisition of new manuscripts can occurre in two ways: (1) The book publisher can invite the authors over the website to apply following the given instructions, and (2) The book publisher can actively seek the authors in accordance with the publishing plan. The Internet can be very helpful for finding new authors, especially blogs and social media. Successful bloggers prove that they know how to write about a particular topic in a way that attracts the audience and the visitors of their blogs represent at the same time the future readers of the book. Social media allow individuals to become popular avoiding traditional media and book publishers can assess their potential for writing a book.

The customers from the target group can be involved in the book production after the acquisition of a manuscript. The reasons for this are: (1) Customer feedback during the editing and designing process and (2) Establishment of the direct contact with the target group. In the case of less demanding activies such as choice of cover, title, etc. the publishing house can use social media and emails to invite the customers to participate. If users are expected to do more demanding tasks such as reading and commenting the manuscript, the publishing house can invite a certain number of users to a long-term cooperation with financial compensation. Such users could be the promoters of the published books, especially it they have their own blog or are active users of social media.

Through the process of book publishing, publishing houses add value to the manuscript in order to sell it at a higher price than the total costs of its production (Clark, 2014). The Internet allows publishers to add value to the already published books. While the website of the publishers of fiction can contain videos, audio recordings, press releases, etc. textbook or non-fictional publishers can provide additional materials such as files for exercises, online tests, learning management systems, webinars, etc.

2.2. eCRM

Successful online marketing strategy in today's competitive environment should include the implementation of CRM (customer relationship management). CRM is a strategy in an organization that is widely implemented to manage and promote the company's interactions with customers (Arab, Selamat & M. Zamani, 2010). It involves managing detailed information about individual users. The application of technologies that support CRM is the key element of online business (Chaffey, 2015) and the task of eCRM (electronic customer relationship management) is to establish and maintain long-term relationships with clients. Today CRM cannot be separated from eCRM (Chaffey, 2015).

While traditional marketing represents the mass marketing, the Internet has enabled a user-oriented marketing that helps establishing long-term relationships with customers. Monitoring of former and current user behavior enables better planning and implementation of future marketing activities.

Book publishers are still inert when it comes to user data and their use. The reason for this may be the lack of experience because the contact with customers is usually being established indirectly over bookstores. There are no available data about the use of eCRM among book publishers, but all those who want to build direct relationships with their customers should use them in the future.

eCRM includes creating user profiles, tracking their purchase history and buying habits which allows better understanding of users' needs and builds the fundament for communication with them. It is essential that publishing houses collect data from every touchpoint with their customers – website visits, shopping, contacts with sales representatives, phone calls and emails received from customers, communication via social media, etc. After establishing of direct contact with the customers, book publishers enhance understanding of users' needs and can create books which will have a superior value for them. The decision on new titles should also be based on the information about the customers which could increase chances for market success and at the same time can win a loyal customer.

2.3. Communication policy

The Internet and especially Web 2.0 represents the Copernican revolution in communication between users and organizations. Users are no longer passive recipients of messages, but they are able to initiate communication with publishing houses or other users, primarily using social media. While the communication in traditional marketing can be personal (book promotions, book fairs, etc.), such contacts are short and superficial. Online communication allows establishing and maintaining direct and long-term contacts with customers.

Every book publisher can choose tools for online communication in accordance with its resources and marketing objectives. The available online tools can be the following:

- Website
- Blog
- Search engine marketing (SEM)
- Email marketing
- Social media marketing
- Online PR.

In order to use online tools for communication with their customers, book publishers should conduct analysis, planning, implementation and control.

A **website** is the key marketing tool for publishing houses (Baverstock, 2015). It is the core of the entire online communication for an organisation (Olbrich, Schultz & Holsing, 2015). The building of a website is a long-term process that never ends. The website of a publishing house is the hub which connects offline and online communication since the instruments of traditional marketing (catalogues, brochures, etc.) need to guide users to the website. A website can have an informative role but also can offer an online shop with payment system. Regardless of the funcionality of the website, particular attention should be payed to its information architecture, usability principles and user-centered design. However, the website design should be in accordance with the profile of the publishing house and its target group. A website of the academic publisher is expected to be significantly different then the one of a publishing house for children's books.

Every published book should have its own web page which can be reached with links from other web pages or easily found using the search. Such web pages can contain detailed the data about the book with clearly highlighted title, author's name, year when it was published, format, synopsis, sample pages and the list of other books written by the same author.

The books on the website should be grouped into specific categories in order to help visitors to find them. The same categorisation can be used for creating of user groups in the eCRM system. The publishers of fiction can classify their titles by genre (thrillers, romance novels, historical novels, classic literature, etc.), while textbooks can be classified by school subjects.

A website of publishing houses can be used for creating additional value to the books with additional materials for the visitors (video materials, online exercises, software, files for download, etc.). Some books can have their own websites if the publisher expects them to be very successful. In the case of book series such websites can be popular for a long time.

If we assume that book consumers like to read, a **blog** could be an effective communication tool. Blog posts can be written by employees or the authors who operate with the publishing house. The topics and format of the blog posts depends on the profile of the publishing house and their target group. In some cases a blog can be launched only for one book as a promotion tool.

Search engine marketing (SEM) is a set of measures which aim is a better position of a specific web page in the search results of the web search engines. As their goal is expected more visits of the web page. SEM consists of SEO (search engine optimisation) and search engine advertising. The factors which affect the position of the web page in the search results can be external and internal. One of the most important external factors is popularity of the links, ie. number and quality of inbound hyperlinks. The internal factors can comprise the structure and the content of the web pages. The obtained results are called organic search results. Search engine advertisement turn on advertisements on the web pages with the search results. Everyone who is responsible for SEM in the publishing house should focus on the keywords which are expected to be used by consumers. Book publishers may use experts for SEM, but much can be done with good structure of the website and web pages.

Email marketing involves systematically sending of emails with the information which correspond to marketing objectives (Olbrich, Schultz & Holsing, 2015). Although it was believed that social media would decrease the popularity of email marketing, it is still important for business purposes. Email can be used for the communication with customers and their retention. Email is also an efficient way of direct marketing and can be useful as a sales channel.

The main prerequisite for an effective email marketing is a list of recipients. Email addresses can be collected through the website, but book publishers should every opportunity to collect them asking the visitors to give their email addresses if they want to be kept informed.

Newsletter is a special kind of emails that are sent to a specific schedule (usually once a week or once a month). If the publihshing house have different publishing programs for different consumers, the recepients of newsletters can be classified by genres. Email marketing offers insight into the success of the campaigns and book publishers can analyze the percentage of delivered emails (delivery rate), percentage of open mails (open rate) and the percentage of clicks on the link (clickthrough rate).

Since **social media** are popular all age groups, their application is indispensable in online marketing. Although there are many papers dealing with the theory of social media, there is still no universal definition of the term. For the first time in history all social strata have powerful instruments to affect the public opinion and inititate communication with organizations. Social media enable their users to be content crators.

All social media share the same characteristics (Olbrich, Schultz & Holsing, 2015):

- topicality
- virality
- multimedia
- spatial and temporal availability
- interactivity
- price/quality ratio.

Facebook is the biggest opportunity for book publishers because it is the most widely used marketing tool (Baverstock, 2015). Its advantage is the large number of users and a book publisher can find his targer group among them. In comparison with the Facebook profile, book publishers should create the Facebook page. This means that users don’t need to send friend requests and there is no limit of 5,000 friends. In addition, the Facebook page provides analytics that tracks the performance of the posts. Posts can represent different kind of materials which are supposed to be interesting for users (text, images, links, videos). The publishing house should have the strategy of post publishing and needs to resond quickly to user comments.

According to official data, there are 380,000 Twitter users in Serbia. From this reason, Twitter can also be used as a part of the online marketing strategy. The Twitter timeline also enables posts of different content and it is particularly suitable for sharing links that lead to other relevant content. It is recommended for publishers to post news, opinions, interesting stories, links to interesting content, daily tips, links to the website or blog and links to the competition (Baverstock, 2015).

The popularity of YouTube and low cost of video production can be used for video content. A publishing house can have its YouTube channel with relevant videos about books and their authors.

The focus of the PR activities should be positive relations between organization and its environment. PR in publishing business involve creating free publicity and enhancing the brand using authors and media (Clark, 2014). Traditional PR instruments in book publishing are press conferences, book presentations, book fairs, interviews with book publishers or authors, telephone interviews with media representatives, PR ads, etc.

Online PR have the same function as traditional PR, but their key element is maximizing of positive references to organizations, brands, products or websites of third parties which are online and can be follow by the target group (Chaffey, 2015). Since some individuals can be influental online, it is important to build long-term relations with them. It can be bloggers, tweeters, Instagram users with a large number of followers, admins of online forums, etc. As tools for online PR activities can be used corporate website, social media and blogs which can transmit important information. Since the social media enable a two-way communication, they can be used for asking questions, commenting or expressing of complaints. Fast responding is very important in such situations, but the book publisher needs to analyse the reasons for customer complaints in order to improve the quality of products or services. Mistakes in books, especially in textbooks, can cause attention of the social media users and journalists as well, which could bring negative publicity to book publishers.

3. CONCLUSION

Tremendeous changes in book publishing primarily caused by new technlogies require from publishers to change their centuries-old way of doing business. Regardless of the tradition and a cultural role that book publishing has, it is essental for book publishers to create bussines and marketing strategies which will include online marketing. The focus of the strategy should be the customer and his needs. Choosing the target group and serving it with online marketing can be the basis for profitability of a publishing house. The model proposed in this paper can be applied to publishing houses in Serbia and abroad.

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