

# Marketing Promotion and Distribution of Project within Private and Public Sphere<sup>1</sup>

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## Summary

*The topic of marketing implementation within project management is out of interest of many authors. There are a few literature sources related to the theme. Our science interest is to analyze and outline the main possibilities of marketing conception implementation within project realization in order to make their distribution and promotion effective to reach the target groups and publics. We try to describe main basis of marketing perspective in managing projects in relation to target groups, to which the project would be defined and it would reach it directly or indirectly. The main aim of the study is to analyze the possibilities of project preparation and implementation with the support of direct and effective marketing mix with emphasis on promotion and distribution policy. The project would be seen as a product within this marketing mix and the price is not considered to be that interesting as it is given by the national law and concrete priority call. The communication policy as well as distribution strategy must be designed in relation to expectations and needs of target groups which might vary in their age, sex, life standard, demography characteristics, etc.*

## Introduction

At present times, more and more theoretical terms related to project management and their application into small and medium businesses come forward. The importance of implementation of projects into all spheres of interest as well

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\* Dr, Presov University, Slovakia.

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as internal life of an organization is obvious. However, the sphere of possible integration of project management and marketing is quite new and strange. Therefore the authors would like to outline main theoretical terms and ways of integration between marketing concept and project management implementation from the point of project promotion and distribution.

The topic of marketing implementation within project management is out of interest of many authors. There are a few literature sources related to the theme. Our science interest is to analyze and outline the main possibilities of marketing conception implementation within project realization in order to make their distribution and promotion effective to reach the target groups and publics. We try to describe main basis of marketing perspective in managing projects in relation to target groups, to which the project would be defined and it would reach it directly or indirectly. As there are many target groups, there are various parameters set within the phase of preparation and realization of a project in relation to expectations of outputs of various projects and these expectations must consider the influence of time, economic or personal changes and difference of values. If the implementation of a project should be effective, the support from the publics interested must be available.

## **1. Aim of Study**

The main aim of the study is to analyze the possibilities of project preparation and implementation with the support of direct and effective marketing mix with emphasis on promotion and distribution policy. The project would be seen as a product within this marketing mix and the price is not considered to be that interesting as it is given by the national law and concrete priority call. The communication policy as well as distribution strategy must be designed in relation to expectations and needs of target groups which might vary in their age, sex, life standard, demography characteristics, etc. Marketing might be seen as blend of tools, so its mix of tools created by generally known and fundamental elements of marketing theory – classical 4Ps and all the newest and latest tools required by the flexible and changing environment. Marketing strategy plays an important role within present strong competitive environment when building some loyalty and long-lasting relationship to the customers. None of marketing tools therefore can stand alone.

## **2. Theoretical Basis**

The present time might be defined as the times of challenges and changes of nature and character of business. The enterprising has come through many changes based on the continual science-technical development and information technologies progress. Each single change does involve some risk related to its

social, ethical, economic or other influence on the daily organization run as well as the whole society.

*„...marketing is not only one of basic business functions, it is also a part of the life view of the third millennium man...“*

*Jaroslav Kita, CSc.*

Marketing would be interpreted as the main and leading conception of management (Clemente, M.N, 2004), which creates a lot of new possibilities – the changing economy provides suitable environment for changes within its spheres, marketing including. Marketing praxis must be integrated with other areas of economic life in the Slovak republic as well as the growing requirements of the companies must be outlined in their business and marketing plans. The imagination of the 21. century present a magical impulse to the companies to make their innovation tries more effective and faster.

### **2.1. Theoretical Basis of Marketing Conception**

The reality proves that companies managed and based on their marketing strategy supported by the top management do earn significant success in their business activities. This attitude should be seen as a source of competitive advantage. The main attribute and way of existence of market-oriented economies, typical for democratic society, is marketing conception of management. Marketing is science which has a positive influence on the economy development. Marketing seems to be most frequented economic term in the field of market mechanism. The content of this term sometimes present a „myth“ which the whole business philosophy is based on. Literature defines the term in various ways, but generally we might say that it is looking for chances and risks brought by market. However, a modern marketing completely directs its direction to the needs of customers respecting the social needs. Marketing is a file of activities and processes which should be used to know and develop the customers need or wish, development of appropriate product and communication and distribution of this product to the final customer, in order to provide a change leading to the long-lasting cooperation of the customer and the organization.

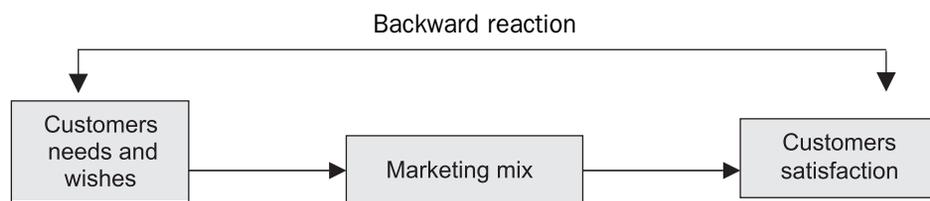
Marketing conception presents management philosophy related to the customer and satisfaction of his needs and wishes as the management conception primarily related to the market.

Marketing strategy presents the way of reaching marketing targets which are defined by target groups of the target market to which the company offers its products and marketing programs.

Marketing mix traditionally contents four main tools – product, price, distribution and promotion, in which the marketing managers make their important marketing decisions.

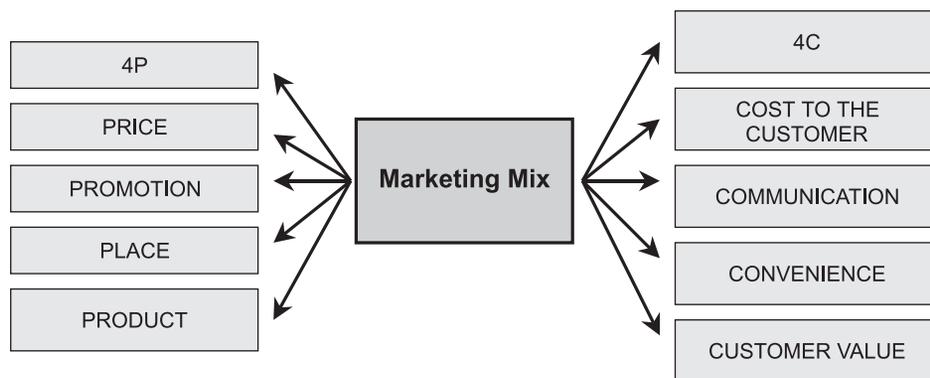
The term strategy is used in various contexts but generally it present survey of various steps and activities accepted with „the knowledge“ of partial dis-knowledge of future conditions, circumstances and consequences, when not all possible alternatives are known and the advantages or disadvantages of future decisions can not be recognized. Marketing strategy respects all basic marketing features.

Marketing mix is blend of tools by which the company might influence and manage the demand for its products. The literature often describes it as „four P’s“ or „4P“. However, because of dynamic times this term is quite old-fashioned and does not reflect the actual variations and possible broadening of the mix (5P, 7P, 7P+ICT, etc.).If the company should be successful on the market, it must imply it into its business praxis continuously. The appropriate combination of marketing tools might provide complete satisfaction of customers needs as well



Source: Hradiská, Letovancová, 2005.

**Scheme 1.** Position of marketing mix within marketing activities



Source: Lesáková, 1994.

**Scheme 2.** 4P and 4C models

as the fulfillment of company's efforts. The literature would present those tools as product, price, communication and distribution policy. A great problem within the marketing theory and praxis may be seen as the "stereotype" use of the marketing mix. However, every marketing activity must be creative and innovative. Business has two main functions: marketing and innovation. Marketing and innovation create results: all other are costs. However, marketing mix presents such combination of marketing elements, which creates conditions for effective business.

## 2.2. European Policy – Basic Features and Trends

The Slovak Republic was as many other countries given a chance to integrate itself into regional and structural policy of the EU and use all the sources divided to support the economically weak and back-warded regions. In the last years, there was a great boom of project management and its promotion within the country. The society realized that only the synergy of flexible reaction to the newest changes in the environment of the region, methodological preparation and full support from the main regional leaders might bring the country to the requested solutions and status within the Union.

Project management has become a tool of financing of business projects and therefore it is in the main interest of the majority of business area actors and leaders. The communication and distribution of the projects related to the financial support from the EU has become the interest of the authors of the study. Project management might be seen as methods and techniques for planning and controlling activities in order to achieve the goal of the project in the proposed time, calculations and available sources, but the final product must fulfill given specifications. Therefore the project management might be seen as a constraint satisfaction problem. The aim is to propose final product, artifact, which must fulfill given functional limits (Adamišín, 2005). In comparison with classic management, which is given by the need of maintenance and development of implied systems providing continual and repeatable creation of outputs required, project management provides realization of unique, significant, time-and-source limited processes leading to the possible achievement of the target required.

The future of European businesses is uncertain, the creation of SMEs is a particular part of transformed economies. This might help to increase the competitiveness and innovation ability as well as the export effectiveness of the country. Small and medium businesses are the back bone of the European economy, therefore we must do more when considering the situation of providing legislative and politics for the future. The implementation of European Chart for small businesses is very important part of the Lisbon strategy in order to make Europe more competitive to other lands.

Though Europe seems to be prosperous area of the world, not all of its regions do have the same start position and chance to accept the challenges of

the world market because of their natural-geographical conditions, history or other factors defining their social and economic development in the times of globalization of the world economy. To ignore these facts, that might lead to the widening of the interregional gaps followed by the increase of social problems within the Union and that would mean a back-step for the whole Europe within its future progress. The solution might be seen within the declaration of the European community: the Union would make its efforts to minimize the economic differences among the regions and social groups by supporting the backwarded regions including the countryside areas. The tools of this support should be structural funds related to specific areas of help.

### **3. Discussion – Conception of Basic 4P Model. Identification of Model Elements for a Project**

When defining the most appropriate way of presenting the goods or service to the final consumer, it is necessary to make many decisions based on marketing tools within marketing strategy planning. The famous four Ps are not single parts of marketing mix, they are all integrated and dependable elements predicting the future of the product. The authors would define the theoretical basis of these tools only shortly, because of their usual and general definition in any literature source related to marketing.

Product might be anything – the goods, a service, an idea, a place or even a person – what is offered in the market within the given period of time and is able to satisfy various individual needs. Within this research, any project implied within the region would be seen as the product.

The price policy is defined (Mrvová, 2006) as the most flexible and the only element of marketing which creates income. All economic subjects stand in front of the task to price their products in relation to consumers' needs and factors that might influence those. However, the costs of the company as well as prices of the competition must be taken into consideration, but the price would also be influenced by the other marketing mix elements. The price is one of the factors that would set the company's position on the market and therefore it must be appropriate to the market conditions. When defining the pricing policy, the coordinator of the product is not able to influence many factors because the price policy and price-creation strategy is directly given by the way of project financing from the government. The project costs would be calculated at the beginning and they must stay constant from the point of view of the target group. That is why the price element does not play an important role within the proposal of a project marketing mix tools.

Decision about the marketing distribution channels is one of the most difficult and important ones which must be done in order to achieve the final market – so called target groups. Each distribution channel creates different level of sales and costs and must be planned to maintain for a long time. That is why it

influences the effectiveness of marketing strategy so much. Distribution presents various activities done by the company in order to make its goods and services easily available for the customers at any time in any place. The company must identify, integrate and find various marketing agents in order to provide the market with its services. The place and distribution channels present two key areas of decision making. It involves the choice of delivery process, especially in the field of services. The place and the way of service do set the value perception by the final customer. In relation to the type of service offered the importance of service distribution within the marketing mix changes. When defining the distribution strategy for a project implied, there are a few requirements that can not be underestimated: easy and fully available access to the project, complete area covering, use of IT technologies and modern communication services. The decision about place of delivery choice is long lasting and related to the period of project implementation. It must be made in the phase of project planning. The pull distribution strategy would be appropriate as far as the project must be able to attract the target group.

The file of activities, methods and techniques supporting the communication process would be called promotion. Originally, the word promotion means the process of supporting something, motivation, inspiring, activating, intending or offering. Marketing has become a discipline of great importance for the company management. To communicate, within the marketing philosophy, means to inform, acknowledge, explain and evaluate the benefit and quality of the products, but on the other hand it means to listen, accept and respond to the needs and wishes of the customer. The customer orientation is not possible without the communication with the customer. However, as well as all the economy areas, the communication has also gone through great changes brought by the globalization and other whole-world trends. Based on the development of information technologies, a lot of new forms and methods of communication with the customer has stepped forward. The needs and requirements of the customer have also changed a lot. The quality of communication, not forgetting the quantity, has grown. The consumer has a great choice of products, which makes him immune to the advertisements based on classical features – TV spots, press ads, etc. Marketing agencies and companies must react to the market changes. The communication is an important part of business activities and can play an important role when placing the goods on the market.

The successful communication model of 7Cs is described as: credibility, context, continuity, channels, content, clarity and capability. When proposing the marketing communication mix, it is necessary to identify the target group – the potential buyers or users of the product. It is necessary to define the expected reaction, choose the message and the media as well as the message source and provide back-ward references. Marketing communication policy of the project within the era of information technologies must be active and fully flexible to the variety of the needs as there would be a lot of different target groups directly or

indirectly reached by the project implementation. The basic communication tools for the marketing strategy of a project can be seen as:

- face to face in order to reach and attract the final receiver to the project targets and evoke the interest for participation,
- advertising on the most frequented places – city magazines, regional press, regional radio, regional TV, etc.,

**Table 1.** Advantages and disadvantages of available media

MEDIA	ADVANTAGES	DISADVANTAGES
TV1	extremely broad covering of the target groups, use of vision, sound and move, the concretely defined target group of spectators can be reached	high costs for planning and broadcasting of the advertising spot, not able to provide the whole information because of short time period and other side effects attracting the spectator's attention
RADIO	low costs, can reach the concrete target group, quick placement of spots, use of voice and humor	the "visual experience" is missing, short broadcasting time, not able to provide the complete information
MAGAZINES	addressed to the specific target group, quality of colors, long life-cycle of the ad, the consumer is able to store the ads, complete information covering	time-delay of positioning of the ad from the moment of its submitting, limited control of the ad's provider, high costs, a lot of concentration skippers – other ads, articles, etc.
NOVINY	complete local market covering, quick positioning and change of ads, ability to store the ads, quick reaction of customers, low costs	A lot of concentration skippers, inability to control the ad's positioning within the paper, inability to reach the specific target group
DIRECT MAIL	the best choice for reaching the concrete target group, flexibility, storage of ads, measurability	high costs in comparison to the other media, the receiver would often perceive the ad as a "spam", these emails are not very popular among the target groups
OUTDOOR	low costs, local market reach, high perception chance, ability of repeatable perception	Message must be short and simple, inability to select customers, billboards – yes/no question

- public relations in order to provide the target groups not only with the main information about the project implementation but also about specific information helpful to attract them, for example the information about the organization policy, its products, etc.,
- direct marketing in order to reach the potential consumer directly, that would be appropriate for reaching the target groups indirectly influenced by the project – those not participating and taking direct advantage of that participation,

- lobbying within the sphere of public sector when introducing the project within regional government agencies and asking for support,
- Internet as a tool of proclamation of project existence.

The communication mix must fulfill all marketing communication goals. The optimizing of the mix is influenced by the product or service itself, the market, the stage of life-cycle, the available financial sources and communication strategy. Basic target of marketing communication can be generally defined as “make the others think our way”.

#### **4. Possible Innovative Concept of Marketing Instruments**

The new marketing instruments available for the project management might involve a few of perspective tools. The authors claim their statements on the basis of the research performed within the Presov region on the example of the project of long-life education acceptance within the local target groups directly and indirectly related to the project. The research would be described precisely within their thesis; these conclusions are brought in very simple and short presentation. The new marketing mix would be based on classical 4Ps supported by other 4Ps. The research was based on the identification of the opinions and attitudes of target groups to the project implementation in the region. The target groups were seen as local government, regional organizations, publics related to the project, national offices and regional actors, SMEs, economically active organizations, capital investors in the region and all education, social, cultural and other organizations providing the continual and flexible life of the region within the economic and non-economic areas of its life.

8P system does involve already proposed tools – product, price, placement, promotion – but it also points out specific features of the project as a product within this mix. The marketing strategy would be based on promotion, when considering only the basic 4Ps, as the financing is given as a constant and the distribution is quite limited by specific region features as the infrastructure of the region or the position of the implementation unit. Therefore communication policy stands the most important place within the classical marketing mix model. The concept of additional „Ps“ is based on involvement of Personalities of the region, which might be the most important regional actors. The sixth P is called Politics in process and it involves the political activation and procession impacts of the government within the regional development. The other, seventh P would be called Participation in region life and it considers the involvement of the project within the improvement of the regional life quality and standards. The last, eighth P might be Project implementation and planning. This model is being analyzed and its summarized conclusions would be presented to the publics in the thesis. The authors apply the model to the praxis at the moment.

## Conclusion

Every modern society, the European modern society, does experience a lot of changes, modernization and income of ideas and knowledge. Regional development has been widely discussed topic in the past months. Since 2004, it has been given a lot of attention not only from the national government but also from the publics. Project management has become very popular and attractive way of gaining the financial support from the EU funds. However, to plan and imply the project means to think not only of the presence, but also the future. It is necessary to prepare not only the project file because that does not guarantee the success. Project must be accepted – in its first, planning phase or the last one. The appropriate marketing support based on the suitable marketing strategy is necessary.

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## Promocja oraz dystrybucja projektów w sferze prywatnej i publicznej

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### Streszczenie

*Zagadnienie wprowadzania instrumentów marketingu do zarządzania projektami nie jest szeroko opisywane w literaturze przedmiotu. Zainteresowanie badawcze Autora, wyrażone w tym artykule, koncentruje się na analizie głównych możliwości wprowadzania instrumentów marketingu do realizacji projektów tak,*

*żeby ułatwić ich dystrybucję i efektywną promocję, co umożliwi ich łatwiejsze i szybsze dotarcie do grup docelowych i społeczeństwa. W artykule opisano główną podstawę perspektywy marketingu w zarządzaniu projektami, w powiązaniu z grupą docelową, dla której projekt byłby zdefiniowany w sposób bezpośredni lub pośredni. Główny cel badania to analiza możliwości przygotowania projektu jako produktu i wprowadzania do niego efektywnego marketing mix, ze szczególnym uwzględnieniem polityki promocyjnej i dystrybucyjnej.*