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### **MODERN INTERNET TECHNOLOGIES IN MARKET PROMOTION OF DAIRY PRODUCTS AND MILK**

*Under the conditions of reduced demand for milk and dairy products, milk processing enterprises of Ukraine need to step up the marketing communication policy by using affordable and effective channels of information distribution. Efficiency of advertisement and sales promotion on preference the milk product of PJSC Ternopil Dairy Factory by consumers of Kiev is investigated. It has been determined that in present-day conditions the Internet is an important channel of communication between milk producers and consumers. On the basis of primary marketing information analysis it was found that Internet-based advertising campaign of PJSC Ternopil Dairy Factory resulted in significant increase of the percentage of consumers who chose the dairy products of the company. With this aim in mind, a visual communication strategy of PJSC Ternopil Dairy Factory with its target audience (young mothers) has been worked out for further recommending of the MOLOKIYA brand by this group. Effectiveness of the strategy implementation has been determined.*

Keywords: milk market, marketing communications policy, information distribution channels, visual communication strategy.

**Problem statement.** The fact that dairy products constitute common basis of our daily nutrition increases producer's responsibility for providing consumers with complete, safe and healthy foodstuffs. Rise in prices for dairy products in Ukraine combined with the reduction of incomes lead to diminution in demand for dairy products. Under these circumstances dairy plants need to streamline the system of their products promotion with an emphasis on safety and usefulness of these products for consumers. Modern technologies offer new opportunities in promotion of dairy products and milk on the market at the same time does not require significant funds.

**Recent studies and publications analysis.** A lot of scientific publications are focused on the research of the market of dairy products and milk. Specifically, the author of [1] outlines basic trends and priorities of its development, substantiating the ways of improving the competitive capacity of producers by improving the quality of raw materials, optimization of pricing and marketing policy. Another source [2], based on the research of Ukrainian milk and dairy market (of Lviv region in particular), defines the ways of increasing manufacturers' competitiveness by adjusting potential components of their elasticity (flexibility), such as price, quality, range of products, flexibility of delivery, etc. All of the above mentioned shows that researchers have overlooked such an important part of marketing activity of milk processing enterprises as a system of promoting their products on the market. Such an important component of the marketing of milk business as a system of promotion their products on the market has the insufficient attention by academics. The authors of [3] analyze the promotability and economic feasibility of market launching of pascalized milk which has

high nutritional value and extended shelf life. At the same time, the peculiarities of its promotion on the market through formation of separate components of producer's marketing communications have not been discussed. The importance of marketing communications in the enterprise has been considered in the source [4, p. 486]. They are called the "voice" of the brand and are defined by the authors as means of dialogue and relations with consumers. Having investigated the marketing communication policy of dairy market producers, S.V. Sendetska [5] has established its features, such as focus on organic naturalness, traditional character and ecological cleanliness of the product; use of children's themes and BTL-advertising activities; need for publicity. Nowadays, however, when promoting products on the market, there is also a need for extensive use of interactive marketing events [6]. In this respect, the Internet provides great opportunities for interaction between consumers and producers [7]. Yet, as a rule, it is not widely used for food products due to the limited access of consumers to the Internet [8, p. 197].

**Setting the objectives of the article.** This work is aimed at determining the feasibility of using the Internet to promote milk and dairy products on the market and as well as the efficiency of visual communication of PJSC Ternopil Dairy Factory via the Internet.

**Main part of the research findings.** It is noted [9, p. 17] that today there is a growing demand for organic and natural dairy products in the world and consumers switch their preferences from exotic dairy products (bifidobacteria products) to traditional ones (milk, kefir, cheese). As a result, milk processing enterprises have to enhance their product range with natural products, concentrating their efforts on them within the framework of marketing communications policy.

PJSC Ternopil Dairy Factory is a successful regional dairy producer. It has been operating for about 15 years in the segment of drinking milk. The Company philosophy is: "We appreciate the health of everyone and guarantee our product quality and safety for all". For 10 years the Company was selling unbranded products, but starting from 2009 it launched MOLOKIYA brand expanding its distribution on the domestic market. In order to become the best dairy enterprises in Ukraine, PJSC Ternopil Dairy Factory developed the strategy of "Fresh milk: from the cow to the store" aimed at providing consumers with natural, high quality, fresh milk on a daily basis. The core element of the proposed strategy is introduction of Fresh Milk Technology, which keeps the raw material as close to freshly drawn milk as possible.

In order to provide consumers with fresh products every day, sales offices of PJSC Ternopil Dairy Factory with their own warehouses, refrigeration equipment and transport fleet were established in each region, where PJSC Ternopil Dairy Factory provides retail sales. Gaining access to new geographical markets is a complex and high-cost process for the Company discussed here as it requires spending significant funds on construction of storage facilities, purchasing necessary refrigeration equipment and vehicles. Year 2014 was the turning point for the Company when it decided to enter the market of Kyiv. The MOLOKIYA branded products, which had already been well known in the Western Ukraine, remained unknown to the consumers in the capital city of Ukraine.

PJSC Ternopil Dairy Factory faced the problem the need to inform the consumers of Kyiv about the value of the brand and its main advantages. Taking into consideration the fact that the budget for promotion in the new region was limited, a thorough study of consumer behavior of the target audience has been conducted in order to select the best means of promoting the milk on the new market.

The results of the market research showed that consumer confidence in Kiev was rather

pessimistic. The positive result for PJSC Ternopil Dairy Factory is that firstly, consumers are not willing to skimp on essentials; secondly, the groups that belong to “average” and “average+” segment tended to be more optimistic. Moreover, percentage of such consumers in the city of Kiev was higher than average for Ukraine.

Analysis of the primary marketing information shows that in regional perspective residents of big cultural centers, including the city of Kyiv, are ready to experiment with products and to pay higher price for packaging (plastic, glass, etc.). The target consumer for MOLOKIYA brand is a socially responsible person, who values the interests of a team and/or family. The consumers of traditional products range are more careful and thrifty; they want to have everything in order, trying to adhere to a healthy diet. The consumers of more marginal products are assertive; they estimate prestige, yet the major values for them are family and healthy diet as well.

During the marketing research it was found that young mothers are the most relevant audience for the set objectives. They tend to switch from usual range of consumer products, to influence the opinion of others and they may find the information about Fresh Milk Technology important.

To quickly obtain reliable information on product selection an online survey of 200 respondents was conducted. The sample volume for each measurement was represented by women aged 25-45 with children, living in key cities of three regions: Kyiv, Vinnytsia and Lviv. The measurements were conducted in two research stages – prior to the promotion campaign and after it. This approach allowed estimating the effectiveness of advertising by analyzing the changes in metrics important for the brand.

The main factors that influence the choice of dairy products by young mothers have been analyzed: advertising on television and on the Internet (Figure 1), promotional campaigns in retail stores (Figure 2), opinion of relatives/friends (Figure 3), recommendation of sellers/consultants (Figure 4) and information on the Internet (Figure 5).

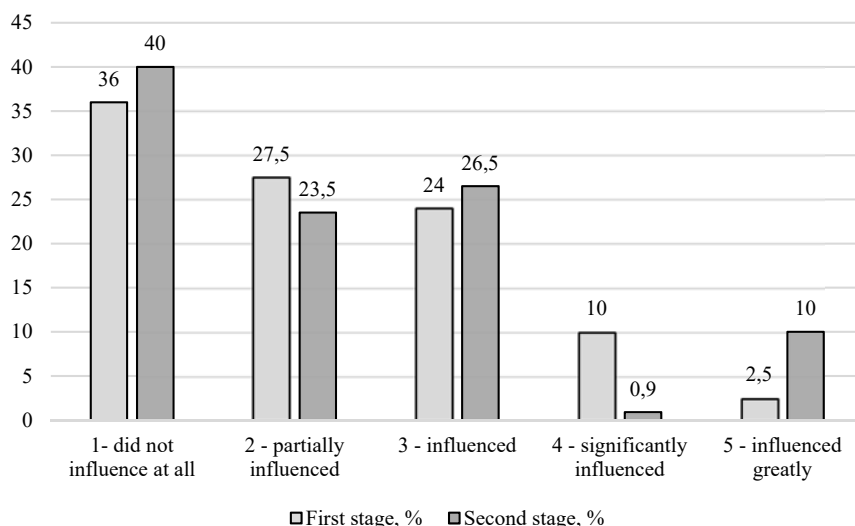
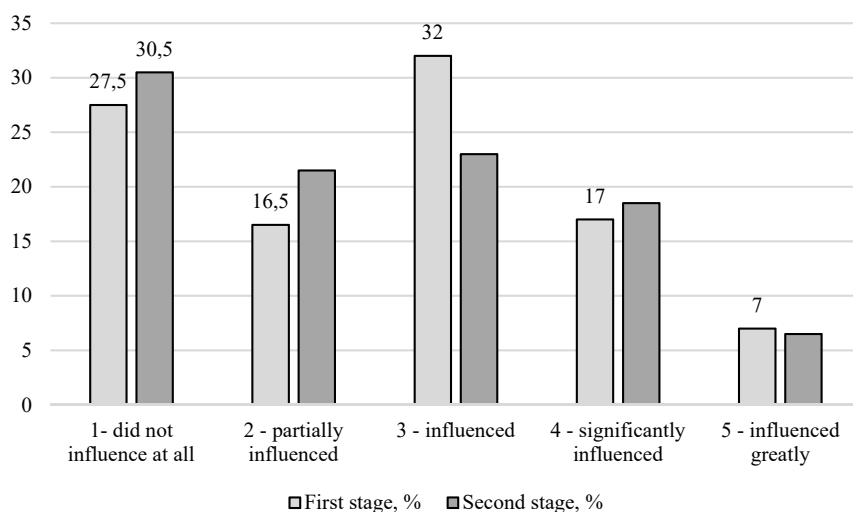
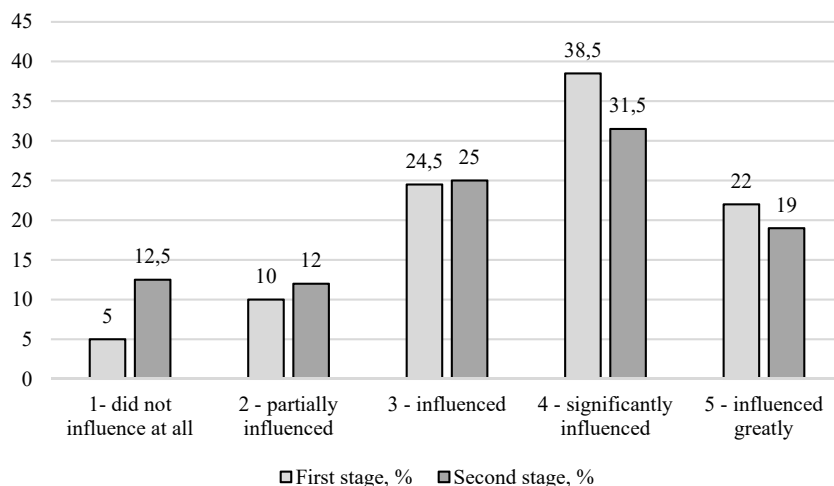


Figure 1 – Advertising on television and in the Internet (based on the survey [10])

Analysis of Figure 1 shows that during the second stage of questioning, advertising on television and in the Internet is seen by consumers as an information source, which significantly influenced (10% of respondents) the choice of dairy products by young mothers. Analysis of Figures 2 and 3 shows that the most trustworthy for the target audience was such influencing factor as opinion of relatives and friends, their recommendation, which can also be spread via the Internet.



*Figure 2 – Promotion campaigns in chain stores (based on the survey [10])*



*Figure 3 – Opinion of relatives / friends (based on the survey [10])*

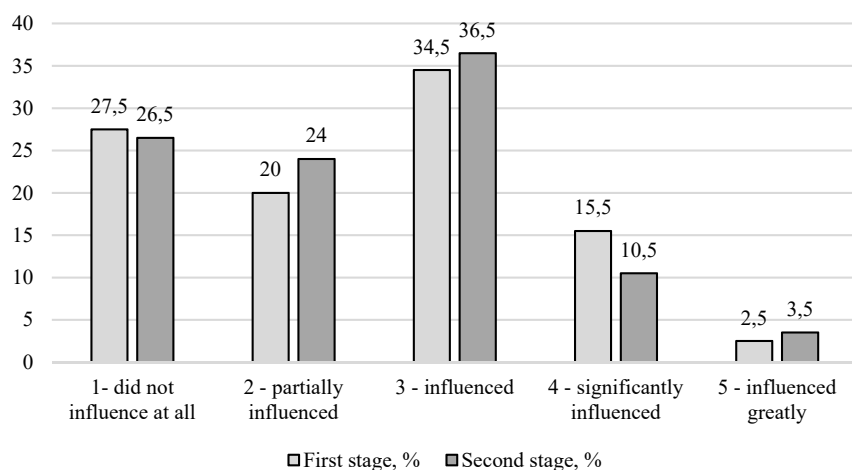


Figure 4 – Recommendation of a seller / consultant (based on the survey [10])

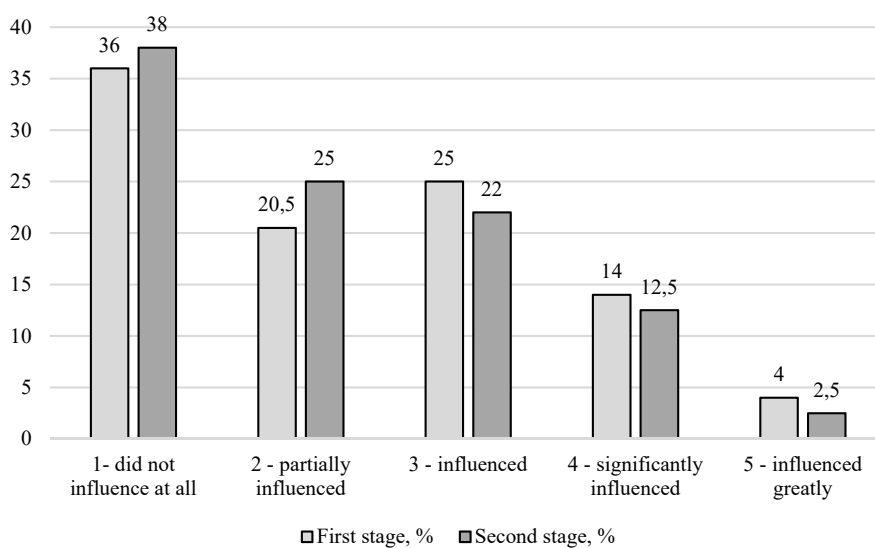


Figure 5 – Information in the Internet (based on the survey [10])

The key challenge for PJSC Ternopil Dairy Factory in working out communication strategy with target audience was to create the association between milk and processibility. The unique selling proposition was based on sophisticated technological features, and the nature of the product is family-oriented, traditional; thus, young mothers are not ready to comprehend complex technological terms and to focus on nonrelevant information for a long time.

To address this issue the Internet was selected as a channel of communication and the main tool was audience segmentation.

When planning digital strategy the main task was to enter consumer's daily consumption menu by differentiation through visual communication and generating of WOM for further recommending of MOLOKIYA brand.

Word of mouth (WOM) technology is a viral information spreading technology with the help of "buzz" marketing. Interested by particular information, people tend to talk about it with their friends, acquaintances and relatives, discussing it on the Internet, in message boards and social networks. By generating WOM, PJSC Ternopil Dairy Factory hoped to convey the unique advantages of MOLOKIYA milk to the target audience. Young mothers readily react to things their children like and willingly share with each other the "secrets" of nutrition and care, trust the advice of other mothers. So, they may become brand communicators and generate further spread of positive information to the target audience. That is why it was important to convey the information about Fresh Milk Technology in the format that would be appealing to mothers and babies.

Differentiation through visual communication was carried out with the help of the following tools:

1. Specialized website – [www.freshmilk.com.ua](http://www.freshmilk.com.ua) – which is aimed at "training" the audience on Fresh Milk Technology. It features the information relating to milk that is useful and important for young mothers: types and characteristics of drinking milk and raw materials from which it is made, processing methods, parameters of quality and adulterated drinking milk.

To stand out from the clutter, the emphasis on creative and visual part of the site was made: complex technological information is presented in the most accessible to the target audience form – promotional games with music and animation support.

2. Media activism on Google Display Network.

To provide a deeper study of the product and the benefits of the Technology on the website, the task of informing the target audience about its existence came up. An advertising campaign on Google network was launched in order to solve this task. With this aim in mind an animated children-oriented video was created: two animated cows and a burry German professor, chosen to strengthen the German origin of the technology, were talking kiddingly about Fresh Milk Technology. The advertising had a link to the website – [www.freshmilk.com.ua](http://www.freshmilk.com.ua). Using Google Display Network tools, the campaign was mostly focused on young mothers, who were discriminated not only by socio-demographic characteristics, but also by behavioral indicators. Targeting was done by gender, age and behavioral (parental) interests. Urban female population aged 25-45 with 2-10 year-old children were the main target audience. Special attention was paid to mothers living in the city of Kyiv and in Kyiv region. Their interests include online social networks, video-sharing websites, trading sites (OLX, Rozetka), message boards on paternity and other services (weather, email). Taking into consideration the fact that the effectiveness and advertising recall depend not only on creativity but also on the right approach to the media, when planning the media campaign main attention was focused on the following indicators:

- placement format visibility. On average, after showing for the first time a banner was noticed by 30% of audience, while video was noticed by 100% of viewers, as video was the content which consumers came for;

- frequency of contact. Effective frequency depends on the period of product purchasing: according to studies, one effective contact per one cycle of purchase is sufficient. Given that

the objective was to launch the brand and to build a general store of knowledge about the new product on the market, it was recommended to increase the frequency of impressions of up to 4 video showings for a unique user;

– sufficient coverage for building the knowledge – flexible targeting by age, gender and location;

– the cost of contact with the target audience – payment for impressions, clicks or interactions.

To build trust in the information received during the campaign, WOM-generating Internet activity was launched at the same time. Through connecting Fresh Milk Technology to infant food, WOM and trial were generated among the target audience. Within the framework of communication platform, PR materials were placed in corresponding discussion forums, blogs and social networks.

However, the message was focused on the value a mom would get from consumption of products made under Fresh Milk Technology: “German Fresh Milk Technology helps to keep useful elements of milk and destroy all potentially harmful ones; the milk having beneficent properties makes a child healthier and a mom – happier”. Target audience reacted positively to the new information, sharing it in social networks, actively discussing it on message boards. The digital campaign reached 1,118,000 users.

The analysis showed that the website was visited by 132,651 users who studied the content attentively. The users were actively involved; they acted on the website after click through: 72,64% of all visitors viewed additional information. The commercial video on YouTube had been viewed 1,246,013 times by the end of the promotion campaign. Video click through plan was exceeded by 73%; viewing rate was almost twice higher than planned, which suggests a very high user engagement.

A research among the target audience was conducted to determine the impact of the digital campaign on brand performance. It was determined that consumers understood the main idea of the campaign (Figure 6), there were no users who disliked the ad (Figure 7), advertising campaign encouraged the audience to taste the product (Figure 8).

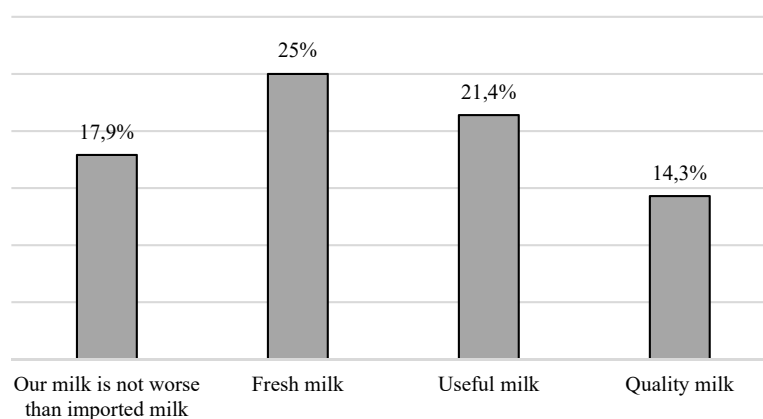


Figure 6 – Information evaluation of the main idea of the advertising of “Kazkove” milk (based on the survey [10])

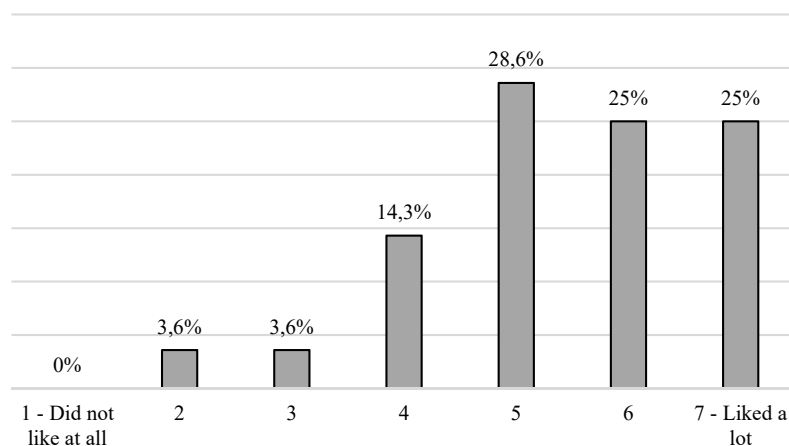


Figure 7 – Evaluation of the advertising of “Kazkove” milk (based on the survey [10])

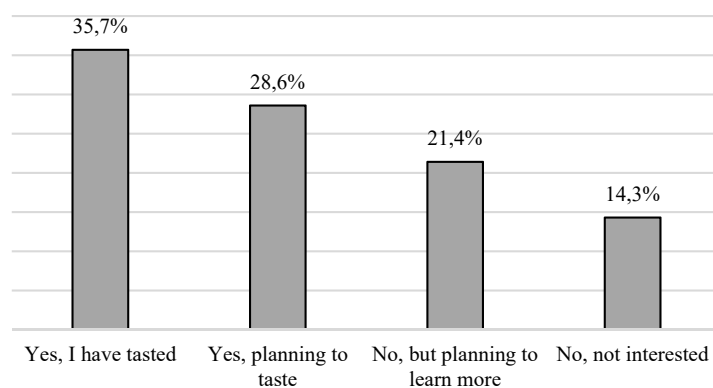


Figure 8 – Drive of the commercial to taste “Kazkove” milk (based on the survey [10])

As a result of the Fresh Milk Technology communication campaign of MOLOKIYA brand the sales plan of PJSC Ternopil Dairy Factory was exceeded by 78%; the top-of-mind indicator rose from 4,7% to 10%; the last purchase index increased in 4 times (from 2,5% to 12,5%).

**Conclusions made from the study.** The analysis shows that nowadays active promotion of dairy products is a topical issue for milk processing enterprises of Ukraine. The work has studied the effectiveness of the impact of different channels of information about dairy products dissemination on consumers. Internet-based visual communication strategy with the target audience of young mothers was created by PJSC Ternopil Dairy Factory; WOM was generated for further recommending of MOLOKIYA brand; the effectiveness of the strategy implementation was determined. The prospect for further research is the analysis of the impact of different channels of dairy products and milk promoting on customer loyalty formation.



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**Є.В. Крикавський, О.М. Стець.** Використання сучасних технологій у просуванні молока та молокопродуктів на ринку

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#### **Використання сучасних технологій у просуванні молока та молокопродуктів на ринку**

*В умовах зменшення попиту на молоко та молокопродукти для молокопереробних підприємств України важливо активізувати маркетингову політику комунікацій із використанням доступних за ціною та ефективних каналів поширення інформації. Досліджено ефективність впливу реклами та засобів стимулювання збуту на вибір споживачами м. Києва молокопродуктів ПрАТ “Тернопільський молокозавод”. На підставі збору первинної маркетингової інформації встановлено, що рекламна кампанія ПрАТ “Тернопільський молокозавод” з використанням мережі Інтернет привела до того, що її вплив на вибір споживачами молокопродуктів суттєво зріс. У напрямі використання мережі Інтернет була розроблена стратегія візуальної комунікації досліджуваного підприємства з цільовою аудиторією – молодими мамами – для подальшої рекомендації бренду “Молюкя”. Визначена ефективність її реалізації.*

Ключові слова: ринок молока, маркетингова політика комунікацій, канали поширення інформації, стратегія візуальної комунікації.

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#### **Использование современных технологий в продвижении молока и молокопродуктов на рынке**

*В условиях уменьшения спроса на молоко и молокопродукты для молокоперерабатывающих предприятий Украины важно активизировать маркетинговую политику коммуникаций с использованием доступных по цене и эффективных каналов распространения информации. Исследована эффективность воздействия на потребителей молочной продукции разных составляющих маркетинговых коммуникаций их производителей. На основании сбора первичной маркетинговой информации установлено, что рекламная кампания ЧастАО “Тернопольский молокозавод” с использованием сети Интернет привела к тому, что ее влияние на выбор потребителями молокопродуктов существенно выросло. В направлении использования сети Интернет была разработана стратегия визуальной коммуникации исследуемого предприятия с целевой аудиторией – молодыми мамами – для дальнейшей рекомендации бренда “Молюкя”. Определена эффективность ее реализации.*

Ключевые слова: рынок молока, маркетинговая политика коммуникаций, каналы распространения информации, стратегия визуальной коммуникации.

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