

THE SPECIFICS OF MARKETING MIX STRATEGIES IN TELEVISION

Elisabeta Andreea Budacia*

Abstract

The concept of marketing mix was discovered by Neil Borden in 1964 and perfected by McCarthy in 1979. We notice the perspective of authors like Valerie Zeithaml, Mary Jo Bitner, Adrian Payne, Christopher Lovelock, Monique Lejeune and others who have gradually extended the concept. Starting from these aspects, regarding the services in the audiovisual domain, we'll take into account, on the one hand, the classical components of mix marketing, namely the product, the price, the investment and the promotion, and, on the other hand, concepts from modern theories such as the personnel (and especially celebrities and the anchor of the respective TV station), the viewer and the relation with the audience.

Keywords

Marketing mix, marketing strategies, product policy, television

Introduction

The concept of marketing mix was discovered by Neil Borden in 1964 and perfected by McCarthy in 1979. The differentiation regarding products and distribution determined the extension of mix-marketing components. Therefore, we notice the perspective of authors like Valerie Zeithaml and Mary Jo Bitner, who extend the concept to seven components by adding the following: the human component (the personnel and the customer), the material support and the process of creation and delivery. Adrian Payne also uses seven elements but he replaces the material support with the relation with the customers. Christopher Lovelock has a modified variant of mix marketing; he proposes a unified approach of distribution and product and he separates the price from communications and customer services. Monique Lejeune considers that within the framework of services, a series of modified variables appear and adds three new components: ambience, personnel and customer. Eric Langeard and Pierre Eiglier consider mix marketing in terms of the supply of services, the communication policy, the price policy and the network marketing.

* Elisabeta Andreea Budacia is Associate Professor of Marketing at the Romanian American University in Bucharest.

Starting from these aspects, regarding the services in the audiovisual domain, we'll take into account, on the one hand, the classical components of mix marketing, namely the product, the price, the investment and the promotion, and, on the other hand, concepts from modern theories such as the personnel (and especially celebrities and the anchor of the respective TV station), the viewer and the relation with the audience.

1. The product policy

Satisfying the viewers' needs is accomplished through the consumption of services which are created and offered by TV stations through a complex process that involves numerous human, material, financial and informational resources. The set of actions that a TV station takes in order to establish its objectives, choose its strategies, program and develop clear measures represents the product policy. In practice, it represents the behavior of the TV station in relation with the environment in which its activities take place regarding the dimensions, structure and evolution of the services which are in fact the objective of its activities.

The concept of product is defined as “the set of elements which trigger the demand expressed by the consumer”¹. The approach to services imposes a proper perspective concerning the product, a perspective which is mirrored in the concepts of global product and unitary (partial) products. This aspect is present in the audiovisual services field.

The global product refers to the interaction between different components, to their effect and utility for the consumer/viewer. Basically, it refers to the actions through which utility is created. These actions take shape in a series of unitary products which are of several types: basic, auxiliary, supplementary and potential.

The basic product represents the result of the activities which generate utilities meant to satisfy a certain need; in the case of audiovisual services we refer especially to the need of information and entertainment (these are the most important functions of the Romanian televisions identified by viewers). Basically, in the audiovisual domain the main product is the TV show.

The auxiliary product is generated by activities without which the basic product couldn't exist or its quality would be affected in one way or another. In the case of services provided by TV stations, the quality of the broadcasting signal is an auxiliary product. Obviously, the signal quality influences the way in which viewers perceive a certain TV show.

¹ Florescu C. (coordonator), *Marketing*, Ed. Marketer, București 1992

Supplementary products enhance the utility of the basic services and represent an important differentiating element with respect to competition. The price is not an issue on the Romanian audiovisual market where the only pay-TV station is HBO.

Potential products are generated by activities which ensure originality and are the expression of a high flexibility; usually, by paying, viewers receive personalized services which respond to individual needs different from the basic ones. In the audiovisual field, personalized services represent an impossibility because a television addresses to vast masses of people. However, the need of a certain separation appeared on the market and so, the specialized TV stations emerged.

The strategic objectives of the global product policy refer to several essential aspects: quality, productivity, differentiation and balance of market-oriented actions.

The quality of audiovisual services is essential; but who decides whether a TV show is good enough: the public or the producer? This is an up-to-date issue on the Romanian market given the fact that the audiovisual offer abounds in TV shows which promote bad taste and ignorance. The TV stations' excuse is that "this is what the public wants", but the public can be educated so that TV shows of this kind are left out and replaced by high quality ones.

Productivity in the audiovisual field can be measured through the market share which attracts the publicity budgets of enterprises, hence the TV stations' desire of having a high market share.

Being different from all the other competitors should represent a permanent objective of TV stations, given the fact that there is a high risk of imitation. In this sense, innovation is very important.

Certain strategies concerning the global product should be established in terms of the realization process of the respective service, the vision according to which this process is developed and its degree of complexity. Two main orientations can be noticed regarding the vision mentioned above: the product orientation and the market orientation. The former concerns aspects such as resource management and permanent quality enhancement of the TV shows. But quite often such an approach leads to "poor sighted marketing" which means remaining in the background of the viewers' needs. The latter centers around the consumer of audiovisual services and his/her needs. Unfortunately, this represents a frequent excuse of TV stations for the low level of quality of their TV shows. Reducing the complexity of a complete strategy means product orientation through low costs. Enhancing a strategy's complexity presupposes adding supplementary activities in order to increase the quality and to reach a certain differentiation from all other competitors.

Table no.1: Strategic alternatives to the global product policy in the audiovisual domain

Development of the TV production process	Characteristics of the TV production process	
	a) divergence degr	b) complexity degree
Market oriented (customer/viewer)	Low	Low
Product oriented (producer/TV station)	High	High

2. The price policy

Establishing prices, price competition and the way in which consumers perceive the respective prices represent an important issue.

On the Romanian audiovisual market, the price issue is practically inexistent because TV stations do not require taxes for broadcasting their TV shows. In Romania, the only pay-TV station is HBO.

The public television has been frequently blamed for the fact that, even though citizens pay an obligatory tax (with certain exceptions, of course), it still broadcasts publicity and therefore it has more access to financial resources.

Practically, the only price that Romanian viewers pay in order to have access to the TV shows broadcast by TV stations is 30 RON per month.

3. The distribution policy

According to the classical definition, distribution represents a set of activities which take place in a certain space and time that separate production from consumption¹. The inseparability and intangibility of services might leave the impression that distribution is almost inexistent in this domain. In reality, the producer and the consumer are often separated in time and space; they may meet because of certain activities. Therefore, distribution represents a set of activities which take place in a certain space and time that separate the producer and the consumer².

In the case of audiovisual services, the producer and the consumer can meet anytime without restrictions because the material support (the TV set) is present in the consumer's home. However, there are exceptional situations in which the encounter between the demand and the supply on the audiovisual market cannot take place; this may be the case of some cable firms or of the company Electrica.

¹ Florescu C. (coordonator), *Marketing*, Ed. Marketer, București 1992

² Olteanu V., *Marketingul serviciilor- o abordare managerială*, Ed. Ecomar, București, 2003

SNR is the company that makes the connection between the operators on the audiovisual market and the viewers or listeners. SNR is one of the main operators on the Romanian communication market. Its basic activity is to broadcast national programs on the radio and on television across the country. This company has recently changed its identity and it is now called Radiocom. The new visual identity aims to update the image of the company, making it more competitive on the communication market. Radiocom means 85 years of history and leadership on the Romanian broadcasting market.

In the case of services offered by TV stations, we cannot talk about the classical fluxes of distribution because here there is no actual sale and, implicitly, there are no negotiations, transactions, etc.

4. The promotion policy

As a variable of the mix marketing, the term of “promotion” suggests the set of activities that impulse the penetration of products/services on the market and in consumption and that stimulate sales¹. The characteristics of services can change the activities of promotion. Hence, a series of elements which strongly influence the promotion activity emerge, because it is very difficult to present an intangible offer and which may vary between the moment of promotion and the moment in which the respective offer comes into force. Some of these elements are: exterior elements (landscape, architecture, geographical position, etc.), interior elements (ambience, personnel, etc.), symbols and interpersonal relations.

Given the fact that the offer on the Romanian market increased very much, the services offered by companies in the audiovisual field depend on the promotion activity. The viewers’ perception of the TV station and its programs has the most important role in the promotion activity.

A television’s communication system represents the main focus in order to achieve success on the market; the most important elements are the physical aspects, the other environments and the personnel.

The communication realized by a TV station should be conceptually well organized in terms of its two components: internal and external communication. The former refers to communication within the respective television and among its employees. The latter refers to visual symbols, public relations and especially to the media and even to the external architecture.

Any TV station should have some strategic objectives regarding its promotional activity. The general objective of a TV station is to obtain a high market share in order to attract the publicity budgets of powerful companies.

¹ Florescu C. (coordonator), *Marketing*, Ed. Marketer, București 1992

Strategic alternatives of the promotion policy in the case of audiovisual services refer to some main aspects such as: offer, demand variability, the role of the promotion activity and the way in which it is developed in time. The offer, viewed as a differentiating element of the promotion strategies, refers to the manner in which the program offer of a TV station is tackled within the framework of the promotion program. Therefore, we distinguish: the strategy of the general offer (used especially in autumn and spring – the two moments when TV stations put forward their new program offers) and the strategy of promoting only certain TV shows (this strategy is more frequent because the message is more easily conceived). Demand variability is visible on the audiovisual market, given the fact that during summer the market share decreases. Depending on the evolution of the demand, the TV stations' offer changes accordingly. The role of the promotion activity is more obvious on a highly competitive market. The offensive strategy is typical of powerful TV stations which have large budgets and use diverse methods, techniques and instruments for a better promotion which often becomes aggressive. The defensive strategy is used by those who wish to maintain a certain level on the market or in certain circumstances like the apparition of a new competitor. The way in which the promotion activity develops in time is another differentiating criterion. A permanent promotion activity is difficult and expensive not only for the TV station but also for the viewer who feels annoyed by so many messages. The intermittent strategy takes into account seasonal phenomena, certain circumstances and the evolution of the market share.

Table no. 2: Strategic alternatives in the promotion policy of television companies

Offer	Demand variability	The role of the promotional activity	Development in time
- general offer promotion strategy	- temporary differentiation strategy	- offensive strategy	- permanent promotion activity strategy
- promotion of certain TV shows strategy	- temporary undifferentiating strategy	- defensive strategy	- intermittent promotion activity strategy

5. Celebrity marketing

Philip Kotler remarks the importance of personnel particularly in the domain of services. The success of a company of services depends on the quality

of its staff. In the case of companies in the audiovisual domain this aspect is even more conspicuous. The quality of the staff's activity determines the quality of the audiovisual services. Primarily, we should take into account the personnel that comes in direct contact with the public, those persons who host TV shows and are considered to be "celebrities". Certainly, the quality of the TV shows does not depend only on the evolution of these celebrities, because, behind the scenes, many others contribute to their success. TV stars are important for a TV station because they usually represent the respective TV show and TV station and because they "sell". A clear and well organized personnel policy is an important element for the success of a TV station. In order to achieve the best results, a television company has to take into account certain aspects such as: selecting and hiring the most competent candidates, permanent training of the staff, forming work teams on the basis of clear criteria, encouraging initiatives and creativity, communication on a formal and on an informal level.

The success on the audiovisual market is the result of team work. So, those who form a team share certain attitudes, feelings, values, abilities and objectives. Cooperation should be based on good communication and trust. The team does not presuppose uniformity; it joins together individuals in order to create a whole which is better than the component parts. Team work is very important for the quality of the audiovisual offer.

Viewers have a direct contact with the hosts of TV shows; quite often they are also the producers of the respective TV shows. Hence, the concept of television celebrity emerged. These kinds of persons are famous and have won the public's sympathy; this is why TV stations invest large sums in the image of celebrities. The main instruments that are used are those of public relations such as: the article, the press conference, sites and special events. TV channels capitalize on the celebrities' notoriety and try to find new TV celebrities. The image of such persons is difficult to build but important because the public identifies with the qualities of these persons. This is why the moral aspect of the problem is also of great importance. Young people usually try to imitate the models offered by television and unfortunately they sometimes imitate false models.

Every TV station has the qualified personnel to handle the celebrities' PR problems. In this sense the relation with the media is vital in order to convince journalists to write positive things about the respective channel's stars. There are situations in which the work contract of a public person interdicts apparitions at events which are organized by rival TV stations or press interviews. Celebrities are also promoted on the internet.

The first who have created a real cult for TV celebrities are from the PRO trust. They have created the first anchor on the Romanian audiovisual market, namely Andreea Esca. An anchor is TV celebrity who is associated with the TV station that he/she represents. In order to maintain his/her notoriety the

respective person's behavior has to be flawless. The anchor participates at important events and is involved in image campaigns. TVR also has an anchor, namely Andreea Marin. Antena 1 did not apply the same strategy, but tried to build the image of TV couples such as: Radu Coșarcă- Mona Nicolici, Alessandra Stoicescu – Lucian Mândruță, Andreea Berecleanu- Andrei Zaharescu.

To sum up, let us mention the main strategies applied by TV stations concerning their celebrities:

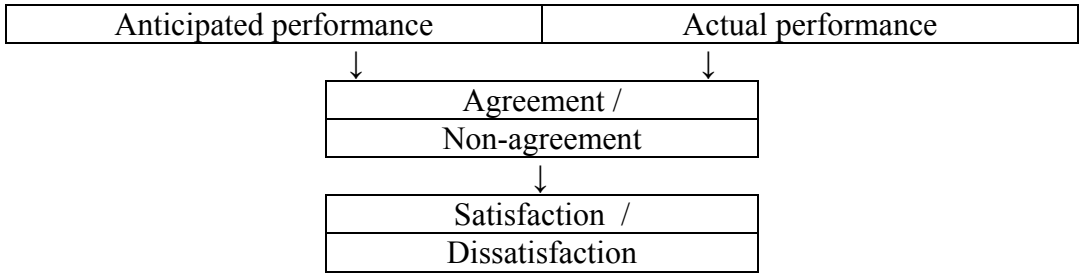
- The anchor (or the main celebrity) strategy: a television concentrates its efforts in order to promote a single celebrity so that the public associates with the respective television;
- The anchor and other celebrities strategy: the television promotes the anchor but also encourages other celebrities;
- The TV couples strategy: those who form a couple on TV do not necessarily form a couple in real life, but the main idea is that the two persons have to complete each other;
- The celebrity building strategy depending on several domains: news, sports, weather, etc.; specialists try to build the image of many celebrities who have to represent the respective TV channel.

6. The viewers and their needs. The TV channel – public relation

According to the marketing viewpoint, the whole process of offer realization should be based on the viewers' needs. An anticipative analysis should take into account the following aspects: the consumer's level of satisfaction or dissatisfaction, the consumer's behavior towards the media product, the contact with the product and developing a sense of fidelity towards the TV shows of the respective TV channel.

Satisfaction or dissatisfaction – generally, it is thought that if a consumer is satisfied with the audiovisual services, then he/she will continue to watch the respective TV shows and, moreover, he/she will share his/her positive experience with other consumers. If a consumer is not satisfied, then he/she will change the product and the respective TV channel. Satisfying the viewers' needs is the main objective of a TV station; permanent research takes place in order to identify the public's preferences.

Table no. 3: Model for satisfying the audiovisual consumer



The non-agreement between expectations and actual performance can be:

- Positive – when the actual performance is better than what is expected;
- Negative – when the actual performance does not raise to the consumer’s expectations and generates the consumer’s dissatisfaction;
- Neutral – when the actual performance is the same as the anticipated performance.

Research regarding the audiovisual consumer’s dissatisfaction and his/her reactions lead to the following conclusions:

- Dissatisfied consumers come from upper social classes;
- There is no obvious connection between the consumer’s personality and his/her dissatisfaction;
- The consumer’s complaints are more and more intense depending on the level of dissatisfaction;
- If the TV station is interested in the consumer’s feedback, the probability of complaints increases;
- When the dissatisfaction is not the consumer’s fault, the probability of complaints increases;

The audiovisual consumer’s behavior towards the proposed offer refers to the contact between the viewer and the proposed TV shows. The contact may be direct (the respective person watches a certain TV shows) or indirect (friends, neighbors, media, etc.).

Another important aspect is the viewers’ fidelity towards TV brands. Nowadays, under the influence of certain factors such as the offer’s variety, information about offers, similarities between audiovisual offers and time pressure, the consumer’s fidelity towards a certain brand decreased.

A viewer is loyal to a certain TV show if he watches it repeatedly and he/she is convinced of its value. Brand fidelity in the audiovisual field represents the consumer’s inner commitment to watch a certain TV show repeatedly.

Fidelity differs from repeated watching; the latter refers to a mere manifestation and lacks motivation.

The characteristics of the audiovisual product can influence the viewer's behavior, such as:

- Compatibility – represents the way in which the audiovisual product corresponds to the consumer's beliefs and system of values;
- Advantages for the consumer – the consumer receives certain advantages which influence him/her to watch the respective TV show;
- The relative advantage – represents the fact that a certain TV show has a major competitive advantage in relation to other similar TV shows; this relative advantage is an important characteristic which determines whether the viewer will watch or not the respective TV show or even watch it again and so, becoming loyal to its brand;
- Symbolism includes the significance of the audiovisual product for the consumer and his/her experience in watching the respective product; research shows that watching certain TV shows actually depends more on their social and psychological significance than on their real utility.

References

- I. Cetină, R. Brandabur, *Marketingul Serviciilor*, Ed. Uranus București 2004
- P. Dăculescu, *Cercetarea de marketing*, Ed. Brandbuilders, București, 2006
- N. Guéguen, *Psihologia consumatorului*, Ed. Polirom, București 2006
- M. Ionică, *Economia Serviciilor abordări teoretice și implicații practice*, Ed. Uranus, București 2006
- V. Olteanu, *Marketingul Serviciilor*, Ed. Ecomar, București 2003
- M. Papuc, *Cercetări de Marketing*, Ed. Universitară, București, 2007
- N. Stanciu, P. Varlam, *Managementul Televiziunii*, Ed. LIBRA VOX, București, 2001