VILNIUS GEDIMINAS TECHNICAL UNIVERSITY

FACULTY OF BUSINESS MANAGEMENT

DEPARTMENT OF INTERNATIONAL ECONOMICS AND MANAGEMENT

Justina Vinkevičiūtė

PRODUCT PLACEMENT ON THE TELEVISION

PASLĖPTOJI REKLAMA TELEVIZIJOJE

Master Thesis

Business Management Study Programme, State Code 62403S121

Marketing Specialization

Study Area of Management and Business Administration

Vilnius, 2009

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Supervisor Prof. Dr. Eugenijus Chlivickas _____ _____
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(Degree, Name, Surname)   (Signature)   (Date)

Vilnius, 2009

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Product placement on TV: the research / Pasleptoji reklama televizijoje - tyrimas projections: product placement in the overall marketing strategy / Projekcijos: pasleptorios reklamos vieta marketingo strategijoje

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Pavadinimas: **Paslėptoji reklama televizijoje**

Autorius: **Justina Vinkevičiūtė**   Vadovas: prof. dr. **Eugenijus Chlivickas**

Kalba

	lietuvių
X	užsienio (anglų)

Anotacija

Baigiamajame magistro darbe naginėjamos problemos, sietinos su paslėptąja reklama televizijoje. Pastebėjus tendencingą jos naudojimo augimą, atsirado susidomėjimas išsiaiškinti, kokį poveikį ji turi vartotojų elgesiui, taip pat, ar marketingo teorijoje jai skiriamas dėmesys priimant strateginius marketingo sprendimus.

Atlikus marketingo literatūros analizę ir sisteminimą, buvo pasiūlyti keli paslėptosios reklamos televizijoje taikymo būdai rengiant marketingo strategiją. Buvo atliktas kiekybinis tyrimas, pagrįstas statistiniais duomenimis ir klausimynu. Pagal gautus rezultatus buvo parinkta ir patvirtinta viena iš galimybių, kuri labiausiai atitiko realią situaciją. Ši galimybė buvo įtraukta į visą marketingo strategijos rengimo procesą tam, kad būtų atskleista jos vieta marketingo strategijoje ir įrodyta jos svarba.

Vertinant teorinius ir praktinius paslėptosios reklamos aspektus televizijoje, buvo atskleista jos svarba bei nauda.

Kad darbo rezultatai būtų patikimi ir teisingi, buvo naudojami prognozavimo, koreliacinės analizės ir imties plano sudarymo įrankiai.

Darbą sudaro 7 dalys: įvadas; veiksniai, sąlygojantys tyrimą: problemos; paslėptosios reklamos vieta marketingo teorijoje; paslėptoji reklama televizijoje: tyrimas; projekcija: paslėptosios reklamos vieta marketingo strategijoje; išvados; literatūros sąrašas.

Darbo apimtis – 93 p. teksto be priedų, 45 iliustr., 20 lent., 54 bibliografiniai šaltiniai.

Atskirai pridedami darbo priedai.

Prasminiai žodžiai: atsitikimas, įtraukimas, marketingo strategijos rengimo procesas, paslėptoji reklama, rėmimo priemonės, strateginiai sprendimai.

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Business Management study programme master thesis

Title: **Product Placement on the Television**

Author: **Justina Vinkevičiūtė**   Academic supervisor: **Prof. Dr. Eugenijus Chlivickas**

Annotation

In the final master thesis there are analyzed marketing problems connected with product placement on the television. As it was noticed the growing use of it, emerged a great attention if it really has a notable influence on consumers behavior. Also, if it has his own place in the overall marketing theory when making strategic marketing decisions.

After the analysis and filing of the marketing literature there were found a few possibilities of the product placement's used on TV position in the marketing theory. By implementing the research grounded with the statistical data and the questionnaire, one of the possibilities suiting the reality in the practical way was chosen. This possibility was incorporated in the overall marketing strategy planning process in order to unfold its position there and to clarify its significance.

Following the theoretical and practical aspects of product placement on TV it was exposed its actual importance and use.

For the research results to be exact and true I have used such tools as prognosis making, correlation analysis and sample size calculation proceedings.

Structure: introduction; factors encouraging the research: the problems; product placement's position in the marketing theory; product placement on TV: the research; projections: product placement in the overall marketing strategy; conclusions; references.

Thesis consists of: 93 p. texts without appendixes, 45 pictures, 20 tables, and 54 bibliographical entries.

Appendixes included.

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INTRODUCTION

The majority of us are getting tired of the usual ads seen on television, billboards, magazines, busses, and newspapers, the Internet or heard on the radio. The tendency of product placement, as noticed in the article of Neer K. F., "is to move away from in-your-face ads, where the product is the star, to mini-movies or quasi-documentary vignettes that feature "real-life scenarios" with the product(s) hovering in the background". The products are "visible within a scene, but not a focus…they need to fit, almost seamlessly into the shot and context of the scene". So, all the definitions come from this above-mentioned simple understanding of product placement.

As it is quite simple to imagine how product placement works on products, it seems to be more confusing when speaking about intangibles – services. Everything seems quite the same, but the service must be incorporated in the movie or some scene in a special way in order to be noticed.

Another important fact is, that even if there are some marketing scholars whose attention was focused on product placement, its position in the marketing theory seems to be undefined. Also, it is unclear if this tool must be involved when making strategic marketing decisions or, more precisely, if it plays some role when setting marketing strategy and if should be intended.

The topicality. The use of product placement in the television in the marketing field is noticed to be growing. Marketers already realize that people are highly trying to avoid the usual tools used for delivering the messages about the products. For this reason they are trying to find new ways in order to catch consumers attention and to awake their feelings for the product. Product placement on TV is really useful tool for that. It is quite simple to excogitate various means to promote goods. More complicated is with services. As it was also noticed, some service firms already using product placement in their activities and it seems to be effective. But promoting intangibles is always more complex.

The objective. The purpose of this paper is to find out product placement's position in the services marketing theory and estimate if it should be covered when making strategic marketing decisions. As this tool is used quite widely in practice, almost no marketing scholars are trying to incorporate it to the whole marketing system and modify it theoretically. In this paper attention is given on the product placement involved in television.

The tasks. In order to achieve the objective of the paper I have raised the tasks:
- To analyse the concept of product placement.
- By reviewing the literature to try finding out product placement's position there:
    ~ To examine the schemes of the process of setting services marketing strategy offered by different American scholars in order to find out if marketing mix is involved.

- To analyse services marketing mixes offered by different authors in order to prove promotion's as one of the main element's importance.
- To analyse the promotional marketing tools mix in order to notice if product placement has some meaning there.
- To offer the possibilities of product placement's position in the services marketing theories.

- To implement the research and to validate if the findings of the literature analysis are dependable:
  - According to the collected statistical data analysing product placement occurrences on the television, to ascertain if the use of it is notable.
  - To ground which possibilities of product placement's position in the services marketing theories mostly conform the reality.
  - To offer the scheme of the process of setting marketing strategy systemizing all analysed offers of different authors and combining the findings of the research in order to underline and explain where and why product placement plays some role in all the process when making strategic marketing decisions.

In order to achieve the goal of the paper and to embody the tasks of it, I have invoked some special *methods*:
- The analysis of scientific literature, its systemic and logical synthesis;
- The practical research: analysis of the statistical data and the data collected with the use of the questionnaire;
- Logical and systemic generalization of the data obtained.

For the proceeding to be clear and consistent I decided to section it into *4 main parts*. In the first part there are described the factors, encouraging the research. I have called it the problematic part, because the main problems, connected with the product placement involved in TV and the ones mostly actual for my wanted and planned analysis are discussed there. The second part is devoted for the analysis of the scientific literature: how the understanding of product placement is disclosed there and what position it captures. Also, some conclusions systemizing this analysis are offered in this part. The third part of the thesis is assigned for the research: the statistical data analysis and the description of the research implemented. I have also held some hypothesis in this part, which help not to digress from the main objective of the paper. And the last, the fourth part, is awarded for the projections. By using the systemized information, collected during the time of the proceeding and by invoking some visual tools such as figures, I have unfolded and displayed product placement's involved in the television, position in the overall marketing theory and portrayed its importance when taking strategic marketing decisions.

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1. FACTORS ENCOURAGING THE RESEARCH: THE PROBLEMS

The majority of us are getting tired of the usual ads seen on television, billboards, magazines, busses, and newspapers, the Internet or heard on the radio. People are trying to avoid these kinds of direct advertising, because it creates the undesirable feeling of irritation of being prescinded from the free time and because of unwanted insertions into their everyday lifes. At the same time, the advertisers, when being not only representatives of the companies, but also the clients of the other businesses feel the same. For this reason, the need of the delivery of such advertising which does not creates the mentioned feelings becomes one of the crucial goals for most of the businesses. Product placement is really useful tool for delivering the indirect message.

The tendency of product placement, as noticed in the article of Neer K. F., "is to move away from in-your-face ads, where the product is the star, to mini-movies or quasi-documentary vignettes that feature "real-life scenarios" with the product(s) hovering in the background". The products are "visible within a scene, but not a focus…they need to fit, almost seamlessly into the shot and context of the scene". So, all the definitions come from this above-mentioned simple understanding of product placement. From the table 1 becomes clear that people have some interest in product placements. It follows that this mean of advertising must have some special and quite new effects on the potential customers' buying decisions.

Table 1. Consumer interest in advertising in alternative media

CONSUMER INTEREST ADVERTISING in ALTERNATIVE MEDIA	% Who Report "Considerable"/"Some" Interest				
Q. How much interest do you have in the advertising that appears in these places?	All Adults	Age 18-24	Age 25-44	Age 45-64	Age 65+
Billboards	49.3	54.9	51.6	47.5	42.9
Product placement in TV shows	43.5	51.7	45.9	39.7	39.0
Ads at sports or entertainment events	35.8	46.7	38.7	31.6	27.7
Ads at the movies	33.2	50.0	37.8	26.3	20.0
Product placement in movies	31.2	46.7	35.5	25.0	18.8
Ads on buses/trains	26.7	32.8	28.9	23.7	22.1
Ads at bus stops or train stations	24.7	32.5	26.8	20.8	21.3
Ads on postcards	23.1	25.7	23.6	22.0	22.1
Ads on elevators	21.1	27.5	23.5	17.8	16.5
Product placement in video games	20.8	33.6	23.2	14.4	11.9
Ads on top of taxis	17.6	24.3	20.3	13.8	13.3
Ads sent to a cellphone or other mobile device	17.0	27.8	18.3	12.6	11.2
Ads inside taxis	15.9	23.3	17.8	12.6	11.3
Base: Adults Who Have Seen the Particular Form of Advertising					
Source: MRI's Spring 2007 Survey of the American Consumer. Field Dates March '06 to April '07					

As it is noticed, product placement mostly is used by foreign well-known companies such as Apple, Nestle, Mc Donalds etc. Smaller companies refuse this kind of advertising because it requires quite a lot of investment and great relationships. As so, the influential groups of people must work with that. But even if there exist quite a lot of shoals, it could be noticed that the use of product placement grows.
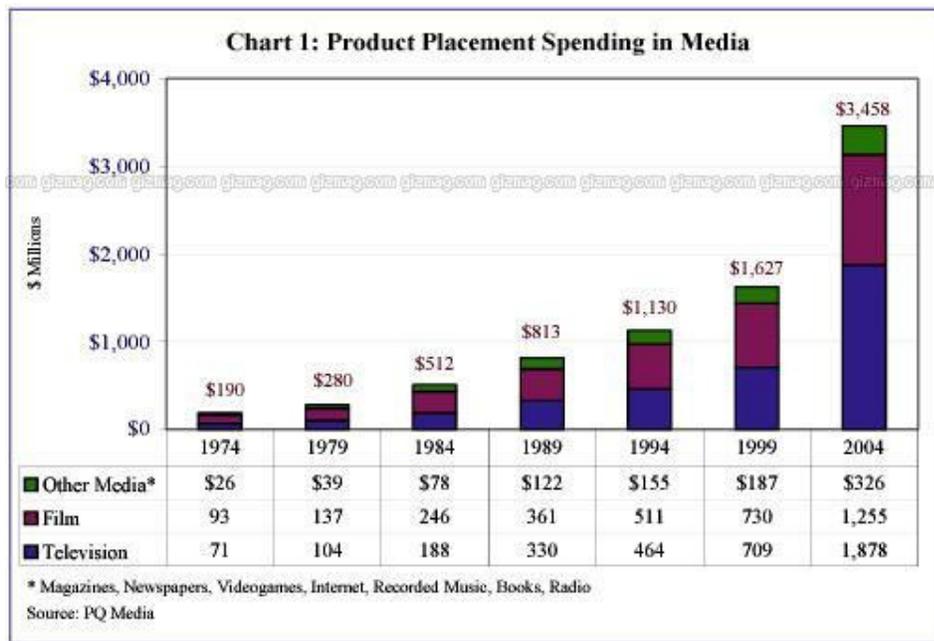
Figure 1. Product placement spending in media

The figures 1 and 2 show the changes of spending for product placement during the years. Starting from the 1974's and going to 2009'swith the projections of the mentioned spending, it could bee seen that it seemed to be always growing.
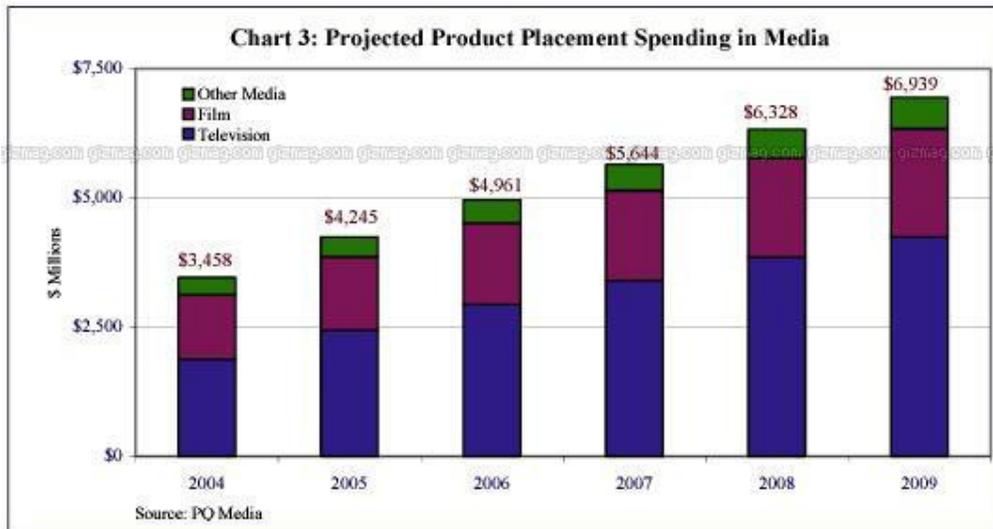
Figure 2. Projected product placement spending in media

If the spending for product placement in media is growing continuously, it means, this form of advertising plays a great role in marketing theory and it really has the influence for the buyers in making their decisions about the company or the product. If the companies notice that, why then, the product placements position in the marketing theory is still not defined by marketing scholars? There are mentioned some of the facts about it in the textbooks of foreign scholars, but still it is not analysed deeply. It seems, that these companies itself are creating the theory of marketing and, maybe after some time if the use of it continue to grow, the readers of the marketing literature will be able to find

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more and more facts about it. In the Lithuanian textbooks it is impossible to find any information about this form of advertising. The reason maybe is that Lithuanian companies are still avoiding or do not have enough money to invest in it. But even some bigger of them or these of foreign capital ones step-by-step are approaching this form of advertising. Between them could be mentioned such companies as Utenos alus, Lithuanian airport or Baltic airlines etc.

So, there is really a need to analyze product placement and to find its place in the marketing theory. This research may be considered as the beginning input into that.

The first step should be the analysis of the process of setting marketing strategy as it is the real background of all the forthcoming strategic decisions. Further, the examination of the advertising concept and marketing mix in order to find out where in the marketing theory the background of the product placement lays. After finding it, there should be made a special research which helps to find out if the product placement really has as great influence for the buying behaviors as the other tools used for marketing communications.

If analyzing all possible forms of product placement, it will take a lot of time and there will be a possibility to write a great book. For this reason, when writing this work, I defined somehow in which special spheres of products and placement of them I will concentrate.

As product placement on TV is used mostly by different companies but still not deeply analyzed by marketing scholars, I decided to concentrate particularly on this field. Figure 3 shows the occurrences of the product placement on the TV (shows) in the first quarter of the year 2008. These are really great numbers which also tell that product placement need more intense attention.

Indirect Marketing
Network shows with the most product placements in the first quarter of 2008

Program	Network	Number of occurrences
The Biggest Loser	NBC	3,977
American Idol	FOX	3,291
The Apprentice	NBC	1,646
Deal or No Deal	NBC	1,603
Extreme Makeover Home Edition	ABC	1,011
Big Brother 9	CBS	1,011
CW Now	CW	929
Pussycat Dolls Present	CW	805
America's Next Top Model	CW	574
One Tree Hill	CW	557

Source: Nielsen Media Research

Figure 3. Product placement's ocurences on TV (shows)

After finding and determining the place of the product placement in the marketing theory, I will make a research which will help to realize what influence it has on the people.

As it could be noticed from the figure 4 product placement helps in creating positive brand feelings and makes TV programs more enjoyable even if used without other spots. But what feeling exactly are evoked and what behavior is arisen that moment when product placement is noticed?

The Effect of Program Enjoyment
on Positive Brand Feelings for Placement,
Spot, and Placement + Spot
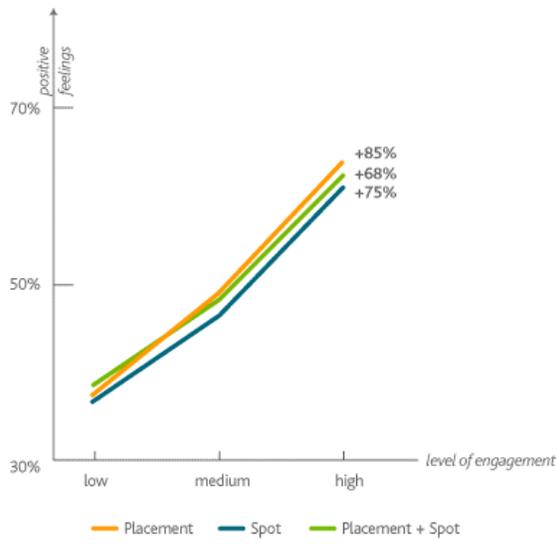
Figure 4. The effect of product placement

The research of product placement's influence for buying behaviors will also be as one of the means helping to find product placement's position in the marketing theory. After analyzing and systemizing the opinions of different scholars there will be discovered more than one theory. The research may help to choose one of the theories and it will work as the grounding tool for achieving the paper's goals.

As it is quite simple to imagine how product placement works on products, it seems to be more confusing when speaking about intangibles – services. Everything seems quite the same, but the service must be incorporated in the movie or some scene in a special way in order to be noticed. At the same time, the services companies use this tool more rarely than those for the tangible goods. For this reason, I will be analyzing the placement of the services in order to prove that it has the impact for the potential buyers and defined target groups.

So, the forthcoming result of this paper is to prove that product placement has a great influence in making the buying decisions and it should be described in the newest literature as the part of the marketing theory and strongly considered when setting marketing strategies.

2. PRODUCT PLACEMENT'S POSITION IN THE MARKETING THEORY

2.1. Setting Services Marketing Strategy

Starting to speak about marketing services it is really important to mention, that the traditional marketing which is used in production companies can not be easily adopted for services. That is for many reasons, and not only because of the special characteristics of the services. Another really important factor in this field is that usually the sellers of the simple products just produce them and are waiting for the customers to buy them. While the quality of every service (even if these services are considered to be the same) differs and is less secure because of the heterogeneousity of them.

So, before setting the marketing strategy for services company, some additional factors should be importantly reflected:

1. the levels of the marketing strategy in the service company;
2. different forms of marketing in the services company.

If speaking about the levels of the services marketing strategy, as it is mentioned by Bagdonienė L. and Hopenienė R. (Bagdonienė L., Hopenienė R., 2004) after making the analysis of some special literature, there could be offered concentrated, undifferentiated and differentiated marketing strategies. Normally, of course, services companies refuse undifferentiated or concentrated marketing because in some time this company looses its innovation and attraction of the customer as the competitors are able to follow such companies and be better. Another thing, that the needs of the customers change continuously and this kind of strategy becomes useless. In some cases, of course, small companies still use concentrated strategies as they are not able to satisfy the needs of many segments and they choose the special small and rarely changing ones and try to readjust their strategies as the needs of customers change.
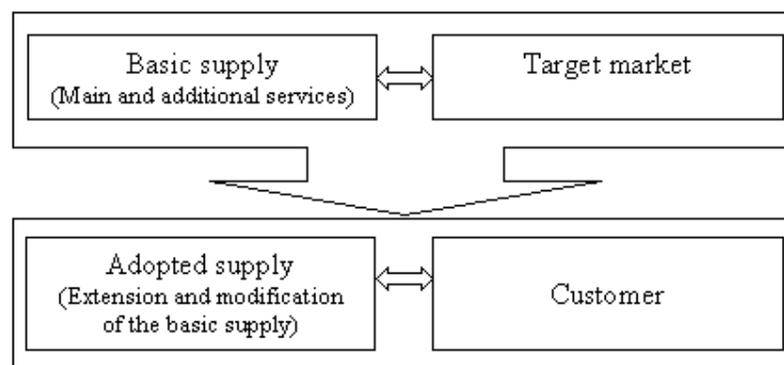
Figure 5. The levels of the services marketing strategy (Bagdonienė L., Hopenienė R., 2004)

Normally differentiated marketing strategies are used when offering different packages of the service supply to every different segment. The levels of this kind of strategies are shown in the figure 5. Here the basic concept of the service is prepared after evaluating the needs of the customers, and

this basic concept is improved by offering additional services. In this case the needs of few different segments, which should importantly be compatible and possible to segregate, may be fulfilled. On the second level the decisions about relations with customers are ordered. The essential role here comes for the attendants, but, of course, other functional relations are also very important.

From the explanation of these levels of services marketing strategy, the conclusion is approached, that services marketing has more forms than the traditional one (figures 6 and 7) as it is mentioned by Pranulis V. et al (1999) and Gonroos Ch. (1982): inside, outside and interaction marketing.
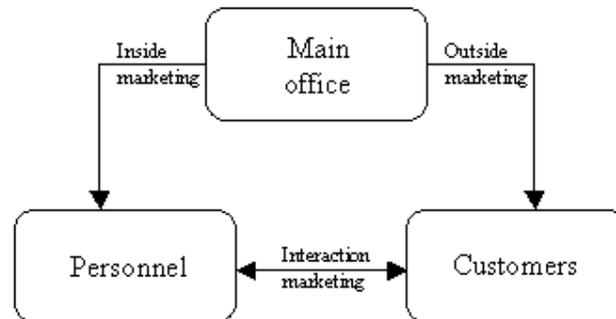
Figure 6. Forms of services marketing (Pranulis V. et al, 1999)

Outside marketing is understood the same as traditional marketing used for production companies. Inside marketing is the philosophy and special instruments used for the personnel of the company, so that all people in the company were competent to supply the special service. Interaction marketing is applied to the communication between the seller and the buyer of the service. As here is very important relation between the quality of the service and the way it is supplied: this interaction between seller and buyer plays a great role for the customers choice and satisfaction.
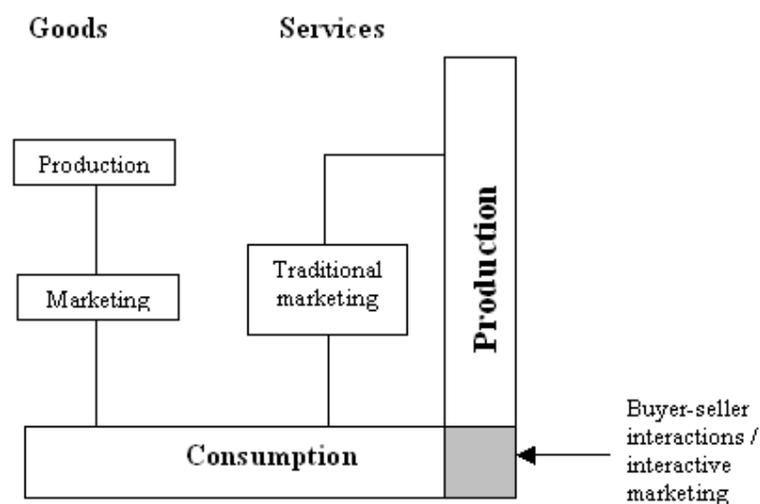
Figure 7. Relationships between production, marketing and consumption (Gonroos Ch., 1982)

Gonroos Ch. (1982) explains that "the objective of marketing should be to manage all resources that influence the market's preferences towards products and services on the market". As it is seen

from the left part of the figure 7, for the consumer goods these resources are managed by marketing department as a bridge between production and consumption. While the right part of the same figure demonstrates how the preferences of a service consumer are influenced. The consumers' opinion of the firm and its services and his future buying behavior are determined by what happens in the buyer-seller interactions of the simultaneous production and consumption.

Just after analyzing and having in mind the above-mentioned factors the services' marketing strategy is to be set. Normally, there are many different scholars who analyzed the processes of setting marketing strategies for services. Some of them did not highly distinguished between production and services marketing differences and offered kindly the same strategies or just one for both types of business. Here I chose American marketing school's scholars who analyzed services marketing and offered some of the possible ways to set the marketing strategies for this kind of businesses. American authors were chosen not occasionally. As the firs product placements were noticed there, and there are not so much literature about it offered by other that American marketers, I made the assumption that this schools' representatives publications will be the best to analyse in order to have integral connections in the marketing theory from the very beginning of the research to the end until making the conclusions.

According to the scholars, there could be abstracted some common stages of the strategic marketing planning:
 - SWOT analysis;
 - Target markets;
 - Strategic goals;
 - Distinction of the strategies to achieve above-mentioned goals.

But of course, as always, the opinions of the authors vary and if speaking about detailed plans for setting marketing strategies, all of them offer slightly different schemes. Deeper analysis could be seen from the table 2. Some of the models of the possible strategic marketing planning analyzed in this table are shown in the appendixes. As it is also very important to mention, it does not highly depend on the period when offering strategies – this period varies from 1960's to the year 2007. And it is just impossible to state that offerings are completely the same or different. The opinions vary. Only the main blocks in some cases remain almost the same.

Most of the authors whose offerings of the setting of marketing strategy were chosen to analyze in the table 2, offer to start this process from the situation analysis (Assael H. (1992), Doyle & Stern (2006), Hartley S. W. et al (1992), Carthy J. E. (1960)). This analysis comprise the inside exploration of the company's state, not only marketing but all the business deals. It means, finding where the organization has been and where it is now taking a careful inventory of the strengths and weaknesses of both the markets it serves and the array of competing organizations in those markets. Also,

projecting where the firm is headed with existing plans through the analysis of the company's threats and opportunities, SWOT analysis. Segmentation, selection of the target markets and positioning, acquirement of competitive advantage should be also discussed in this step.

Kotler Ph. & Keller K. L. (2006) offer to start this analysis from the formulation of the mission of the company and only after moving to the situation analysis. As the third step they exclude the settlement of the goals for the overall business that must correspond to the main mission statement. Hartley S. W. et al (1992) goal setting consider as the 2nd step of the overall process, omitting the mission statement. If speaking about the choice not to mention the mission statement, it is understood, the goals and tasks of the company should always correspond to the main mission statement, so it is clear even without mentioning it that the whole strategy of the business (not only marketing one) should be close to it.

Still, some of the authors after analyzing the situation of the company offer to pass straight to the marketing affairs.

Winer (2007) starts the process of setting marketing strategy (A appendix) straight from the formulation of marketing goals. For these goals to be achieved the segmentation and targeting of the market must be exercised. Later on for the every chosen target market the means for attainment of competitive advantage should be designed. The most important component of the marketing strategy, after the scholar, is the value offering for the consumer. And the marketing mix should be equipped when endeavoring actualize marketing strategy. So, the step of marketing mix selection here goes to the very end of the settlement of the marketing strategy – implementation. For this reason the offered scheme highly differs from all others analyzed. Also, Winer accents that successful implementation of the marketing strategy highly depend on the relations between the company and its customers. Here is also unfolded the important factor of the interaction when speaking about services marketing strategy.

According to Doyle and Stern (2006) marketing strategy is prepared in order to actualize marketing goals, for this reason they offer this as the second step. After having these goals some of the possible strategies may be chosen. For these strategies to be implemented and the goals achieved, the budget should be amounted. The implementation of the marketing strategy, upon the authors, mostly depends on organizational composition of the marketing division, the allocation of the functions and relations with the customers. Here is the commonality with the scheme offered by Winer (2007) and this point is extremely important in setting marketing strategy for the services. Mainly because of this it differs from this process for the tangible goods.

Table 2. Setting marketing strategy: offerings of different authors (made by the author)

Priority of the elements	Kotler Ph. & Keller K. L. (2006)		Assael H. (1992)		Winer (2007)		Doyle & Stern (2006)		Hartley S. W. et al (1992)		Carthy J. E. (1960)	
	Mission	1										
	Goals	3							Goal setting	2		
					Marketing goals	1	Marketing goals	2			Mrketing plan	2
					Target market	2						
					Competitive advantage	3						
	Situation analysis (inside and outside, SWOT)	2	Situation analysis (SWOT)	1			Situation analysis	1	Situation analysis	1	Situation analysis	1
	Setting marketing strategy	4	Setting marketing strategies	2	Setting marketing strategies	4	Setting marketing strategy	3			Sales plan	3
	Setting marketing program (Marketing Mix)	5	Setting marketing program (Marketing Mix)	3			Marketing Mix	4	Marketing program (Marketing Mix)	3	Advertising & Promotion (Marketing Mix)	4
			Prognoses	4								
							Actions plan	5				
							Budget	6				
	Implementation	6	Implementation & control	5	Implementation (Marketing Mix)	5	Marketing division	7	Implementation	4	Feedback	5
	Verification & control	7							Control	5		

Doyle and Stern (2006) the organization of the marketing mix and the selection of these elements are considering being the separate step in the process of settlement of the marketing strategy (A appendix). Their offer is single and individual – none of the other scholars did offer this.

Assael's H. (1992) offer seems to be very simple and easy to understand, but there are shown very important facts in it (B appendix). He offers to start the process from the situation analysis, which determines the expansion of the markets. This analysis enables to identify some marketing characteristics such as intensity of the competition, needed investments, product presentation etc. He says that there should be created such marketing possibilities for the product, that are based upon evaluation of the need of the customers, advantages and disadvantages of the competition, and other factors. The analysis of the opportunities and threats is based upon the information about competition in the market, behaviors of the customers and their needs, macro-environment. The analysis of strengths and weaknesses is based upon the inside repositories of the company and product market possibilities. Only after the evaluation of the marketing potentials, the marketing strategy is to be set. It should match the goals of the product. Marketing strategy is comprised of two main elements: choice of the target markets and product positioning. This step is followed by the settlement of the marketing program comprising marketing mix. So, it is seen that marketing mix here plays a really important role and should not be missed when decreeing strategic marketing decisions. After special prognoses are made (sales, profit etc.) the program might be implemented and must be controlled.

Kotler and Keller (1996) the process of setting marketing strategy consider as one of the marketing management elements. For the marketing strategy to conform to the goals of the business a deep analysis is needed (inside, outside and SWOT) together with segmentation, selection of the target markets and positioning, acquirement of competitive advantage and preparation of the competitive strategy, settlement of the marketing strategy by following the marketing mix, its implementation and control. Marketing mix here is suggested to be analyzed in the 5th step, when setting marketing strategy after all other analysis are made. Only then it is worth to choose the elements of the mix according to the business or special product and to prepare kind of separate programs for each of them. The scheme of the offered process to set the marketing strategy is shown in the A appendix.

Hartley S. W. et al (1992) offer really simple scheme. After the analysis of situation and goal setting as it was described above, they offer to set the marketing program. Here they accentuate the "who" and "how" parts. The "who" part of the strategic marketing process is distinguishing which consumers to focus and what needs to try to satisfy. The "how" part involves developing the proper marketing mix and the budget. Marketing strategy according to these authors "is the means by which marketing goal is to be achieved, characterized by a specific target market and a marketing

program to reach it". So, the execution of the marketing program is being considered as the implementation of the marketing a strategy according to them. The essential decisions, called marketing tactics, are detailed every-day operational decisions, which are the essentials for the overall success of the marketing strategies. Through these decisions control might be exercised.

To analyze the process of setting marketing strategy offered by Carthy J. E. (1960) was chosen in order to prove that the main blocks offered by the American schools scholars do not highly change during the years. As it was mentioned before, the author offers to start from the situation analysis – not only as it was described, but he also mentions marketing research and forecasting as really important factors here. Further, he steps to the mastering of the marketing plan, which involves establishing the objectives of the business, determining product line, identifying market, selecting sales channels and formulating policies. This one step comprises lot of other smaller ones, which were distinguished as separate and substantive ones as offered by "younger" American marketing scholars. The third step offered by this author is mastering sales plan, which might be understood the same as the independent step of setting particular marketing strategy or choosing the combination of some of them. Advertising and promotion through the use of the marketing mix elements helps to implement the strategy chosen. Here also come together such factors as sales training, service, and personnel. The last step – feedback. As all the process starts from the situation analysis, which is mostly connected with customers, the feedback is also generated from them according to the author.

As it could be seen, all the authors give the really great importance for the SWOT analysis. Also, all of them notice, that the feedback is important in order to avoid great and critical mistakes.

After analyzing some more different opinions of American marketing scholars the before mentioned stages of the strategic marketing planning must be supplemented with some more additional step and look like this (substantially):
- Inside and outside environmental analysis;
- SWOT analysis;
- Segmentation, targeting and positioning;
- Selection of the strategies for acquirement of competitive advantage;
- Strategic goals;
- Distinction of the alternative strategies to achieve above-mentioned goals;
- Formation of marketing mix;
- Implementation and control of the marketing strategy.

2.2. Promotion's Significance in Services Marketing Mix

All the background of analyzing marketing as an independent discipline lays on the studies of marketing mix (except of the analysis of the concept itself). This theory may be even identified as a dominant marketing management paradigm. It is always considered as the fundamental concept, as the starting-point of all other theories and analysis. Even if trying to start from something else, when speaking about this discipline, there could be noticed a step-by-step approach to the marketing mix, because all the elements at the end have to play their crucial roles when implementing and using marketing theories and strategies.

As this paper is most concentrated on advertising there is a really great importance to show, which place in the marketing theories the advertising concept may take. For this reason, some of the marketing mixes are analyzed and compared. This allows understanding that during the evolution of marketing theories, advertising always played an important role.

None of the authors eliminate promotion from their chosen bunch of elements – some of them just express this concept in some other ways. As Graham Hughes and Fill Chris say (Hughes G., Fill Ch., 2007): "Considered to be one of the 4Ps of the marketing mix, promotion has remained a central element". For this reason, to come closer to the advertising itself, it is very useful analyzing marketing mix.

Another important thing to mention here is that in this paper the concentration of analysis comes to the services marketing. It is quite easy to understand how a tangible product may be advertised (or promoted if speaking in a broader perspective). With services it is more challenging just because of the features of the services and their differences from the products, as Constantinides E. says (Constantinides E., 2006): "The services marketing domain gradually acquired a distinct position among other marketing sub-disciplines". The features and supply peculiarities of services necessitate the importance to frame the different marketing mix than is formulated for tangible goods. For this reason the concentration of this part of the paper stands for marketing mix of services analysis in order to show the importance of advertising in the marketing theory.

If analyzing the concept and elements of the marketing mix, it could be seen, that just like everything is the world, this concept also has its own evolution, which could be noticed by reviewing articles of different authors. This means that 4Ps (for tangible goods) and 7Ps (for services) mixes changed over years until there was decided that these are the most generalized and describe all the most important characteristics for the marketing. But the academics may have their own opinions and offer other mixes, better than these traditional ones. Still, most of the scholars remain near these traditional mixes. Though, the aim of this part of the paper is to analyze services

marketing mix and to show the promotions importance during the years as one of its elements. Later on, after making this analysis everyone may choose the best mix of his or her opinion.

Lots of authors are analyzing different offering of services marketing mixes of other scholars. But the most interesting fact is that all of them stand for 7Ps complex for services marketing: product, price, promotion and place (the common mix for tangible products) and additionally they are involving participants (people), physical evidence and Process. I am not going deeply into analysis what means what, because it is really easy to find this information in the textbooks of marketing. The concentration here is the analysis of different offerings of services marketing mixes.

There is a really great analysis of the evolution of different kind of marketing mixes made by Constantinides E. (2006). This time I am concentrating on the services marketing. During the times there came quite a lot of offerings which marketing elements to use in services. Not only foreign scholars (for ex., Constantinides E. (2006)) but also Lithuanian ones (for ex., Vitkienė E., (2004)) mention or cite Booms and Bitner (1981) as the beginners to analyze this concept and Cowell (1984) who proceeded this offering. They offered the simple extension of the common marketing mix by adding 3 more additional elements as mentioned above. This was grounded with the reasoning that 4Ps mix was developed for manufacturing companies and it is not inclusive enough for the needs of practitioners in the service sector. And this offering became the traditional one for services marketing. It is understandable that Lithuanians are always using this offering and citing it in their writings, because Lithuanian literature is still considered as secondary source of literature. But the strange fact is that while reading the newest articles or books of foreign authors and marketing classics, their opinions stay the same (Kotler Ph. et al (1999), Leithalm V. A., Bitner M. J. (2003), Fisk R. P. et al (2008), Palmer A. (2008), Melewar T.C., Saunders J., (2000), Bennet R. Et al (2003)). They are not offering some other services marketing mixes. Everyone is speaking about internationalization and markets expansion, consumers differentiation and their growing needs and wants, but no one is offering to change marketing means which help to successfully tackle these global changes and be the best in the markets. If during the times (say, starting from 1981) the world live in the enduring changes and there were always newer and newer theories offered, why then nowadays scholars are not following this example and not offering the better theories? The world is still changing. Sometimes it seems that science (especially in Lithuania) is fossilizating. I mean only practice gives new knowledge, but these practitioners are not writing their new theories down – because knowledge has especially big price today. For this reason we still need to believe and follow the theories offered before…

But as it could bee seen promotion takes place in this common theory. It could be already made a conclusion that if today it is one of the elements of the marketing mix – it means its really important, especially if we are considering it as communication with the potential client. As it will

be noticed in the further discussion, promotion always participated in the marketing mix for services.

The 1989's come with Brunner's ideas that "marketing mix elements must be extended to include more factors affecting the services marketing thus becoming mixes themselves", that means he offered the mix made of some other mixes. He stayed with the model of 4Ps mix, just changed formulations of the elements by offering these ones: Concept mix, Cost mix, Channels mix, and Communication mix. Kotler Ph. (2002) also mentions this decision of the marketing mix variables by stressing that the sellers' 4Ps should correspond to Customers 4Cs (this was not noticed by Brunner). Actually, Kotler Ph. follows this suggestion after Robert Lauterborn. He says, "winning companies are those that meet customer needs economically and conveniently and with effective communication. The difference between the offerings of Brunner and Kotler are that the first author dedicates his theory to the services marketing while Kotler combines it with the common tangible products mix (table 3).

Table 3. The sellers' 4Ps corresponding to the buyers'4Cs (made by the author)

4Ps	4Cs
Product	Customer solution (Concept mix)
Price	Customer cost (Cost mix)
Place	Convenience (Channels mix)
Promotion	Communications (Communication mix)

As it is seen from the above mentioned theory promotion takes place in the marketing mix for services offered by Brunner (1989). It is understood as the communication to the customers by using some special mix. Actually, promotion is the one-side communication at the beginning, when the seller kind of appeals to the buyer and is waiting for his response. The response is the buyers "awakening" and the raise of his want to have the promoted product or service. As it will be noticed in further analysis – this offering of Brunner is still being used but in some other way – every element offered is implemented through its special mix. So, even if Brunner's idea did not stay in the theory of marketing in its pure form, it made a beginning for some other theories.

Heuvel (1993) in the marketing mix concept introduced personnel. He explained (Heuvel 1993) that the great importance should be paid to the interaction between the customer and those delivering the service. It has a direct influence on the quality of the service and the quality's perception of the consumer. Quality as an important factor in the services sphere is also mentioned and deeply analyzed by quite a lot of authors, especially by well-known scholars such as Kotler Ph. (1999) and Gonroos Ch. (1982). Gonroos (1982) even offered a model of services quality, where total quality of a service is a function of 3 different components such as corporate image, technical

quality and functional quality. By following this offering some special function can be noticed as shown in the formula 1 field.

$$f(TQ) = k_1 f(Ci) + k_2 f(Tq) + k_3 f(Fq) \qquad \text{Formula (1)}$$

TQ – Total quality
Ci – Corporate image
Tq – Technical quality
Fq – Functional quality
$K_{1,2,3}$ – dominance coefficient

To have the better visual view and to remember these components better, Gonroos Ch. also offered a simple scheme, which is shown in figure 8.
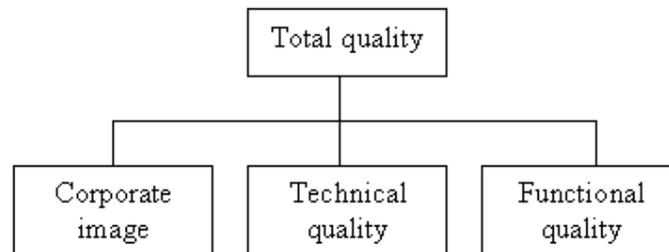
Figure 8. Model of Service Quality (Gonroos Ch., 1982)

Of course, there it is really difficult to measure the quality and value (real and perceived) of services because this is an intangible product. But there are some scholars daring to do that with great number of formulas and complex countings. One of these academics is Žvirblis A. (2007) – but there is no importance to go deeply into his reasonings. The quality of the services (after analyzing the article of Žvirblis (2007)) also depends on the personnel – for this reason it should be allowed to integrate somehow the theories offered by Heuvel (1993) and Gonroos (1982).

Again, promotion also takes place in the theory offered by Heuvel (1993). But in my opinion, this time promotion goes closely with personnel, because personnel is also able to promote the service. Quite often, nowadays, people are tending to choose those firms, which are offering really great service quality created by the personnel itself (that is knowledge of the personnel, behavior etc.). So, I presume to state, that in this theory incorporating new variable in the services marketing mix – people, reinforced the attention to the promotion.

Besides, Gonroos Ch. (1982) also offered a model of services marketing mix by offering 5 elements: service, price, place, promotion and relationships. As it could be seen, he does not use the common work "product" in describing the marketing mix. It is understandable, because of the services and the tangible goods differences. To the common 4Ps marketing complex he adds relationships that can be understood as people if comparing to the nowadays-used 7Ps model of services marketing. Relationships may be also considered as the part of promotion. But most likely, this author by introducing the mentioned element had in mind the direct interactions between the seller of the service and the buyer. Later on, Judd R. (1987) concretized the variable of

communications (information from the textbook of Bagdonienė L.and Haponienė R., 2004), by offering to change it with the concept of "people". Still, both authors do not miss the promotion and mentions it as an important variable.

Irons K. (1996) also offered the 5 elements marketing mix model for the services: users, personnel, core service, image and delivery. It seems to be really different from those others of 5 elements and even from the one of the 7Ps. The author is not mentioning promotion directly (but it may be understood as image, because image may be created through different tools of advertising), core service is the same as product, participant from the 7Ps are excluded and divided into users and personnel, delivery may be understood as processes (or relationships if following the theory of Gonroos Ch., 1982). Beside, image in this model may be considered to comprise promotion and physical evidence (because both these factors may help in image's formation). All the collisions are shown in the table 4.

Table 4. Gonroos (1982) model compared with traditional 7Ps of services marketing (made by the author)

7Ps by Booms and Bitner (1981)	Gonroos Ch., 1982
Product	Core service
Price	
Place	
Promotion	Image
Participants	Users + Personnel
Physical evidence	Image
Process	Delivery

Witers. J. and Wipperman C. (1987) offered the 6 elements model: service, price, place, information (about services), users, delivery (selling). Service here stands for the product. Price and place also are agreed from the 4Ps marketing mix. Information about services here could be understood as promotion and delivery of the service (selling of it) correspond the concept of process in the 7Ps marketing service model. Again, the concept of promotion is reformulated and offered the new one – information about services. In my opinion, both term express the same, so why then should we use the longer one?

Doyle (1994) has accepted the 4Ps as the elements of the services marketing mix. But he identified some special difficulties in promotion and place and offered to replace them accordingly with the terms of communication and distribution. So his offering looks like this: product, price, communication and distribution. That seems understandable, because not all the promotion tools, which are used for tangible products, may in the same way used for the services. Actually, here the most important factor is word-of-mouth communications, where mouth-to-mouth advertising and buyers' and sellers' face-to-face contact raise the greatest feelings for the service. Price also plays an important role, but today's clients are always ready to pay a bit more in order the service will really meet (or a bit exceed) their expectations. Place for the service also does not play the big role, for this reason this term may be changed with distribution. Because the word place is kind of

fossilized if speaking about services. The services most of the time do not have their permanent place- they may be provided in some different places – customers' home, plane, train, office etc. or there may be even some combination of the places – if the service starts in the office and is continued in the plane and later on in some other office or hotel.

In Doyle's (1994) theory there is also shown a great importance for promotion (replaced with the term of communication). It is seen that this element is really important for the services as one of the business sector. This author is even trying to make it more concrete and to fit the services sector in the better way in order to unfold specialized articles that are not typical for tangible goods.

Melewar T. C. and Saunders J. (2000) to the traditional 4Ps marketing mix and the 7Ps services mix added the 8th element – publications. They explained (Melewar T. C., Saunders J., 2000): "The corporate visual identity (CVIS) is the basis of the corporate differentiation and the core of the company's visual identity". This extra P, according to the authors "covers the remaining CVIS components: stationery, forms and general publications". Promotion in this theory stays as it is and is not explained in some other words or there is not tried to give some additional value and unfold extreme importance of it.

As there was mentioned above, Fisk R. P., Grove S. J. and John J. (2008) of services marketing mix today think as of the 7Ps. But in 2000 in the book "Services as Theatre, Guidelines and Implications" these authors offered to add 4 more Ps to the extended services marketing mix suggested by Booms and Bitner (1981). These additional elements were: actors, audience, setting and performance. So, they offered the model of the 11 elements by explaining (Fisk R. P., Grove S. J., John J, 2000) that "services marketing can be compared to a theatrical production. *How* the service is performed is as important as *what* is performed. Critical factor is therefore the customer experience".

Promotion in the theory of Fisk R. P., Grove S. J. and John J. also stays as it is. But still, in my opinion, the element offered by these authors double with the ones offered by Booms and Bitner (1981). Actors and audience represent participants (or people) in the theory, because actually people comprise those who are delivering the service and those who are buying it. Setting (explained as surrounding, situation, context) matches physical evidence, which demonstrates environmental factors. While performance here is the same as the process: the process of performing the service. All these collisions are shown in the table 5. In my opinion, after some time the authors noticed these collisions, for this reason in 2008 they decided to stay next to the traditional 7Ps services marketing mix.

In 2001 Beckwith offered completely new understanding of the services marketing complex by giving the argument that (Beckwith H., 2001): "Marketing services in a changing world requires focusing on increasing the customer satisfaction and rejecting old product paradigms and marketing

fallacies". He suggested such elements: price, brand, packaging and relationships. But his understanding did not catch to the marketing theories. Brand, packaging and relationships are inside elements of the traditional 7Ps complex. Brand may remain the same product but in a broader perspective – not a single good or service but together with all the companies understanding (or the

Table 5. Theatrical 11 elements compared with traditional 7Ps of services marketing (made by the author)

7Ps by Booms and Bitner (1981)	+4Ps by Fisk R. P., Grove S. J., John J. (2000)
Product	
Price	
Place	
Promotion	+
Participants	Actors + Audience
Physical evidence	Setting
Process	Performance

mix of the services). Packaging may be one of the tools of promotion (ore better – advertising – as the packaging nowadays is more and more becoming important for the marketing) or it may be the part of the product (by not fulfilling just marketing functions but also having some additional ones such as logistical). Besides, it is difficult to imagine how services must be packaged up. Relationships refer to people (seller and buyer) in one way and to the promotion or advertising in another way. All these collisions are shown in the table 6.

So, in the theory of Beckwith (2001) promotion also stays important factor even if it is not segregated as the distinct variable.

Table 6. Modern marketing elements compared with traditional 7Ps of services marketing (made by the author)

7Ps by Booms and Bitner (1981)	Modern marketing 4Ps by Beckwith H., 2001
Product	Brand + (packaging)
Price	Price
Place	
Promotion	Packaging + Relationships
Participants	Relationships
Physical evidence	
Process	

Just like a theory of Fisk R. P., Grove S. J. and John J. (2002) the one of Beckwith H. (2001) was damned to evanesce because of the unconsidered collisions.

One more outstanding theory, which was developed by Dow R. B. (1971) tells that all the Ps of services marketing mix are "people". He offers 7 elements: product, price, place, promotion, public relations, politics and philosophy. In my opinion it is kind of clever decision, because in the services marketing completely everything depends on people as the performers of the service (Vitkienė E., 2004): service (product) is delivered during interaction of seller and buyer, value of the service (price) is created by both the seller and the buyer, the buyer is directly involved in the delivery process (place and time), the seller and the buyer are also involved in the communications

system independently of their will, sellers (the whole company) must find and keep the relations with the buyers and partners, the needs and wants of people, the evaluation of their requests and meeting of their requirements comprise the whole philosophy of the company. But in this theory, actually, politics and philosophy repeat the meaning of physical evidence as offered by Booms and Bitner (1981). Public relations may be considered as one of the tools of the promotion. Additionally, politics may also refer to the processes. All this is shown in the table 7.

Table 7. 7Ps of services marketing by Booms and Bitner compared with Dow R. B. (1971) offering (made by the author)

7Ps by Booms and Bitner (1981)	7Ps by Dow R. B.	
Product	Product	
Price	Price	
Place	Place	
Promotion	Promotion + (Public relations)	PEOPLE
Participants		
Physical evidence	Politics + Philosophy	
Process	(Politics)	

Lovelock Ch., Vandermerwe S., Lewis B. (1999) to the traditional 7Ps services marketing model added additional P-productivity and quality. The mix then became 8Ps. Actually, before noticing this theory, I was thinking of adding this element to the traditional mix. That could be mine input after the analysis. But someone did this before. Of course, as was mentioned before, the quality of services is a very important factor. It is not enough just to formulate the features of the planned service from the sellers' position. The aim here is analyzing consumers' expectations and offering the service that they are thinking of. So, this 8th element is as important as all others and it should not be forgot and missed.

All the analyzed theories of the services marketing mix are systemized in the table 8. As the main factors triggering the discussions concerning different offerings of the services marketing complex are (after Constantinides E., 2006):

- Human element, which may be considered as the key factor distinguishing services marketing from the tangible goods marketing. The element of human factor, as it could be seen from the analysis made, is included as a new parameter by every author.
- Interaction and quality were noticed as the missing 4Ps framework elements. These two require special attention when speaking about services marketing.
- Two more factors noticed as fundamental elements for the services marketing are communication and relationships. In the 7Ps marketing mix for services they are somehow included, even if scholars' opinions differ when speaking about proper words used to express these two elements.

- Nowadays (as noticed in the newest readings) all the authors tend to admit the proposition of the 7Ps services marketing mix as offered by Booms and Bitner (1981). Still, some foreign scholars try to argue and offer new complexes (and that is advantageous, because discussions bring to all the best solutions). Sadly, Lithuanians are not offering anything new and interesting (they are just analyzing the theories formulated by foreigners).

Table 8. Different authors' offerings of the services marketing model (made by the author)

Author (s)	Proposition of the services marketing mix	Quantity of elements offered
Booms and Bitner (1981), Kotler Ph. et al (1999), Leithalm V. A., Bitner M. J. (2003), Fisk R. P. et al (2008), Palmer A. (2008), Melewar T.C., Saunders J., (2000), Bennet R. Et al (2003), Cowell (1984)	Product, price, place, promotion, participants, physical evidence, process	7Ps (nowadays used)
Gonroos Ch. (1982)	Service, price, place, promotion, relationships	5
Judd. R. (1987)	Service, price, place, promotion, people.	5
Witers. J., Wipperman C. (1987)	Service, price, place, information (about services), users, delivery (selling).	6
Brunner (1989)	Concept mix, Cost mix, Channels mix, Communication mix	4 Cs mixes
Irons K. (1996)	Users, personnel, core service, image, delivery.	5
Lovelock Ch., Vandermerwe S., Lewis B. (1999)	Service, price, place, promotion, people, process, physical evidence, productivity and quality.	8Ps
Melewar T. C., Saunders J. (2000)	Product, price, place, promotion, participants, physical evidence, process, publications	8Ps
Fisk R. P., Grove S. J., John J. (2000)	Product, price, place, promotion, participants, physical evidence, process, relevance, response, relationships, results.	11=7Ps+4Rs
Beckwith H. (2001)	Price, brand, packaging, relationships	4
Heuvel (1993)	Personnel, Product, price, place, promotion	5Ps
Doyle (1994)	Product, price, communication, distribution	4
Dow R. B. (1971)	product, price, place, promotion, public relations, politics and phylosophy } PEOPLE	7 (people)

Still at the end I dare to state, that nowadays used 7Ps services marketing model is appropriate. As during the analysis I was making some small tables, which showed, how the offerings of some authors might be assigned to some elements of 7Ps model. The most important factor of this analysis was to show that despite different opinions of the services marketing mix

model should be, promotion always took part. In some cases this element was expressed in other words or narrowed, but always had his place in the model.

Table 9. Authors' offerings of the services marketing model (differences and commonalities) (made by the author)

	Booms and Bitner (1981)	Gonroos Ch. (1982)	Judd. R. (1987)	Witers. J., Wipperman C. (1987)	Brunner (1989)	Irons K. (1996)	Lovelock Ch., Vandermerwe S., Lewis B. (1999)	Melewar T. C., Saunders J. (2000)	Fisk R. P., Grove S. J., John J. (2000)	Beckwith H. (2001)	Heuvel (1993)	Doyle (1994)	Dow R. B. (1971)
Product	X	X	X	X		X	X	X			X	X	X
Price	X	X	X	X			X	X	X			X	X
Place	X	X	X	X			X	X	X			X	X
Promotion	X	X	X	X			X	X	X		X	X	X
Participants	X							X					
Physical evidence	X						X	X	X				
Process	X						X		X				
Relationships		X							X	X			
People			X			X							X
Information				X									
Users				X		X							
Delivery				X		X							
Concept mix				X									
Cost mix				X									
Channels mix				X									
Communication mix				X									
Personnel						X					X		
Image						X							
Productivity and quality								X					
Publications								X					
Relevance									X				
Response									X				
Results									X				
Brand										X			
Packaging										X			
Communication												X	
Distribution												X	
Public relations													X
Politics													X
Phylosophy													X

As from the table 8 may be seen more explanation, I offer also the table 9, where all the information is delivered more technically and in more visually clear way. There, the links between different offerings are delivered and because of that table the differences and commonalities of the

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authors' opinions may be clearly noticed. In this table, all the elements mentioned of all the authors during mine analysis are introduced in order to clearly notice, which of them are extremely important, to show, that services marketing mix really is just the improved mix of the tangible goods, and the most important, point to unfold the promotions significance in the services marketing mix.

The real truth is that when dealing with services there is strongly forbidden to use the traditional 4Ps marketing mix, which was adopted for the tangible goods. Even if there is no single opinion which elements should be involved in the services marketing mix, most of the authors agree that it should be extended from 5 to 8 elements. If to believe in the words of Kindurys V. (2003), the Western services companies are using 5-6 elements when constructing the strategies for the services marketing depending on the specific situation.

2.3. The Promotional Mix for Services

Service firms need to distinguish themselves clearly from other firms in the industry and try to carve a special niche in the consumers' minds. The service provider needs to identify target consumers' expectations. Meeting or exceeding these expectations is the key. Once the positive image is created, it is crucial to maintain it through different kind of communications. Achieving this goal may help using the proper mixes of communications. Here I will be concentrating on the promotional mixes for services offered by different authors.

Promotion, according marketing specialists, combines various forms and methods of communications in the market between services providers and consumers. To say in other words, promotion communicates the company's positioning strategy to its relevant markets, including consumers, employees, stockholders and suppliers. The promotion of services needs to place a particular emphasis on increasing the apparent tangibility of the service. For this reason the promotional mix for services is wider than for the tangible goods and at the same time more complex. As it was told by Bennet R. et al (2003), "these communication tools need to reflect the different characteristics of services and the importance of emotion and the 'whole experience'".

The main aim of this part is to analyze the promotional mixes offered by different authors in order to find out if there is someone offering to use product placement as one of them. Product placement is very rare topic (especially in Lithuania) that is seems no one is using it. Still, there are lots of well-known companies (not only foreign, such as "Coca-cola" or "BMW", but also Lithuanian ones, such as "Utenos alus" or "Vilnius airport"), which are using this technique. After this analysis there will be unfolded some information about it.

The traditional promotion mix includes various methods of using messages to communicate the benefits of a product to potential consumers. Normally, all these methods can be adjusted to

services also. But speaking about services, for some of them the level of importance changes (meaning that for promotion of tangible goods the most important tools may be considered as a, b, c… by following their productivity while for the services this priority may change and some of the tools must even be improved).

As it was mentioned by Bovée C. L. and Thill J. V., (1992) and Stanton W. J. (1991), the key promotional mechanism for service providers is *personal selling* which plays a dominant role. Most of the services are performed by people who must be able at some point to switch from the sales to service if he does not want the customer to turn off. The one who is selling the service has an eye-to-eye contact with the customer and he must be able to answer to all his or her questions. So, in this way all the promotion depend on the one who is delivering the service – if he will be able to keep the consumer (and the best – to make him come back) it means the personal communication was successful. As was also mentioned by Fisk R. P. et al (2008) and Bennet R. et al (2003), personal selling is an active tool for informing or persuading customers about complex or expensive services that require demonstration, customization or explanation. It is kind of the truth, because if speaking about simple and almost every-day services, people already know about them enough and they are already going to the company chosen in advance. But if the speech turns to complex and expensive services, it takes a long time for the consumer to choose and to visit many different companies. He will come to the one, where his expectations were met or better, exceeded – that may be described with quality of information, strong reasonings, available price etc. In order to meet these wants the salesperson must be asking a lot in order to give a proper information – the one the customer really needs. Many authors (most known marketing scholars such as Kotler Ph. and Keller K. L.) mention personal selling as one of the tool of promotional mix.

Some of the authors do not mention personal selling, but in their offerings the place is given for sales force (Kotler Ph., 2002) or salespeople (Leithalm V. A. and Bitner M. J., 2003). The strange fact is, that while reading both sources of literature there could be also noticed the mentioning of personal selling (it depends on the chapter). For this reason I dare to state, that by telling sales force or salespeople these authors had in mind personal selling, because it depend on the people who are delivering the service – how they look, talk, are able to listen – how do they perform.

Bennet R. et al (2003) and Palmer A. (2008) also mention *word-of-mouth* as an independent promotional tools. Bovée C. L. and Thill J. V. (1992) are using the term 'referrals' to describe the same tool. This communication channel derives from non-marketing sources – the messages are originated from outside the organization (Palmer A., 2008) because it could be defined as (Bennet R. et al, 2003): "conversations by consumers about product or service". Technically, word-of-mouth is not a part of marketing communication mix, but it can be highly influenced by other

marketing activities. Personal selling, in my opinion, makes the greatest influence on this tool. As speaking about services, all the start-point for delivering the service is communication between the seller and the buyer, which is stimulated by personal selling. If this tool is used properly, it gives the background for the further positive promotion outside the organization – word-of-mouth. For the services it is really important, because they are intangible and most of the time should be well described in order to sell them.

In some cases it may be understandable why marketing scholars do not want to distinguish word-of-mouth as a separate tool (non-marketing source of message), but if speaking about the promotion of services it starts playing a really great and important role, especially if personal selling is successful.

Another common tool highly mentioned by every marketing scholar is *publicity and public relations*. As it is told by Fisk. R. P. et al (2008) it is an "excellent mean for promoting services, particularly new or high-risk offerings". The service providers in order to create awareness, foster relationships and provide relevant information about the service use this tool. As it is defined by Leithalm V. A. and Bitner M. J. (2003) public relations and publicity mean "building a favorable company image with a firm's publics through relations with the news media and community events". Stanton W. et al (1991) calls this type of tool indirect type of promotion, because service providers (for ex., physicians, lawyers, insurance agents etc.) have the possibility to participate in the community affairs and get their names before public. It is the process of managing communications for a positive outcome. Without the use of personal selling here the potential customer is introduced about the service offered. Actually, this could be as the first step to catch this customer, to awake his or her feelings about the service. Later on, when the interest is already created, the consumer comes straightly to the service provider and then all the efforts must be put in the personal selling. As it could be seen, one toll changes another.

As there could be used some different means for creating publicity and public relations, none of the author mentions product placement. Actually, this even could not be attributed to one of the mix for the analyzed tool, because using product placement does not deliver as many information for the customer as publicity is used for. But in this part of the paper still is very important to analyze if the product placement is mentioned somewhere. As now, it is clear that for publicity and public relations it is not used and could not even be attributed.

As going further through the traditional promotional tools elements, then *sales promotions* should be analyzed a bit. It is a shot-term incentive that directly stimulates a sale and is usually offered at the point of sale. Actually, it is quite difficult to imagine, how could it be used for services. But as told by Bennet R. et al (2003), that there is little evidence of such promotions being used by service organizations. Actually, as most of the authors agree, sales promotions may be

useful for the services that experience seasonal demand and it may also be a mean for introducing some excitement. There is not too much will that these tools help to create long-term relationships, but if combining it with the other tools – it may. Besides, the loyal customers will have some excitement, as mentioned before, and this will make them even more loyal. The new potential customers may come back once again after knowing that the particular company is able to offer something exciting and not so traditional as the buyer may get everywhere. The speech here is going on about exceeding the clients' requirements for the service (because not only the final result is important in the service market, but all the process of delivering it).

Direct marketing could be used for services as simply as for products. While using this tool the direct response from the particular consumer is wanted. Actually, this tool is irritating. There should be the close relationship between the consumer and the firm before using this tool. As I have heard from some clients, it is even the question of principle if someone is irritating you with mails, phone-calls, fax etc. and it is taking your time. Especially telephone. But in the other case, when speaking about loyal consumers, they may be really satisfied if someone is giving the information about the companies new products, services or special offerings. If this information is given personally then the loyal customer starts feeling as a part of the company and becomes even more loyal and starts spreading the positive information (word-of-mouth).

All the authors are mentioning direct marketing as one of the traditional tools, but none of them is stressing that it is really suitable for services. It may be suitable, but it is irritating most of the time.

Another quite close to the direct marketing form of promotion is online marketing as defined by Palmer A. (2008) or internet/electronic communication as defined by Bennet R. et al (2003). In some cases this tool may be considered as a part of direct marketing, but as nowadays Internet is becoming a bigger part of people's life, it seems really useful to exclude it as a separate tool for communicating consumers. Actually, the firms which have their web-sites are tend to attract more consumers, because most of the time the selection of the service providers starts by searching for the possibilities on the internet. Then, of course, some special links or banners in the other sites are also useful. Most of the authors speak of the online marketing as the tool of an advertising mix. But in that case just simple logos (banners) with a few of information might be seen on the different sites in the web. Online marketing might be excluded just in that case, when a company has its own well-develop web-site full of information about the service, all contacts etc.

Bovée C. L. and Thill J. V. (1992) in the promotional mix also includes so-called internal promotion. While Palmer A. (2008) calls this technique front-line staff. Internal promotion refers to the process of communication with employees for the purpose of increasing customer satisfaction. It is highly important for the services marketing and stands closely with the personal selling.

Actually, internal marketing's outcome is successful personal selling. If employees are well informed by the heads of the company with the questions concerning information about their service and offerings of competitors, pricing strategy of the company, also taught how to deal with potential customers, how to speak with them, what information to give firstly etc., these employees will be able to sell then. If internal marketing's programme is successfully organized, then outcomes are for sure affirmative: sellers have prosperous face-to-face communications with clients and then, the company has positive referrals from the customers about their services.

Keller K. L. (2001) in the promotional mix also includes event marketing, which is aimed at creating positive associations with the company, its image and brands. It is an attempt to co-ordinate the communications around the created or sponsored event. The event here is an activity that gathers the target group in time and space. It is a meeting in which an experience is created and a message communicated. The service company itself may organize the event. Or the company may sponsor some special event (another promotional tool – sponsorship mentioned by Keller K. L., 2001 and Bennet R. et al (2003)). If speaking about the pure event marketing, then most of the time the event is being organized by the company itself (for ex. Lukoil rally), when the company has the right to call event its name and promote itself as the main sponsor. If speaking about sponsorship, the maintaining company in some special way helps in organizing the event (it may be money donation) and has the right to show it name during the event (as one of the sponsor). It may be quite

Table 10. Mix of Promotional tools for services offered by different authors (made by the author)

	Stanton W. J. et al (1991)	Bovée C. L., Thill J. V., (1992)	Keller K. L., (2001)	Kotler Ph., (2002)	Leithalm V. A., Bitner M. J., (2003),	Bennet R. et al (2003)	Fisk R. P., Grove S. J., John J., (2008)	Palmer A., (2008)
Personal selling (sales force, salespeople)	X	X	X	X	X	X	X	X
Word-of mouth (referrals)		X				X	X	X
Publicity	X			X		X	X	
Public relations (indirect type of promotion)	X			X	X	X	X	X
Sales promotions	X		X	X	X	X	X	
Direct marketing			X	X		X	X	
Advertising	X	X		X	X	X	X	X
Online marketing					X		X	
Internal promotion		X						X
Event marketing					X			
Sponsorship			X			X		
Product placement			X					

useful for the service firms, but the decisions should be taken after careful considerations. Still, these events may be organized in order to collect the public of potential customers, as other tools of communications may be not so successful for the providers of the services.

After analyzing the promotional tools offered by different authors, they are systemized in the table 10.

As it could be seen from the table 10, just Keller K. L. (2001) is mentioning product placement as one of the independent promotional tools.

Speaking about product placement as one of the promotional tools for services there could be a few opinions why authors are not mentioning it. First of all when using product placement it should be carefully planned and considered how and were could it be used. Maybe most authors do not think that this tool is suitable for services at all? As going further during the research it will be proved that it is possible and may be useful. If looking from the other perspective, even if marketing scholars are presenting these tools for tangible products, they are still missing product placement. To think once again, product placement is used with the help of special media. So maybe the authors are considering it as a part of advertising mix (advertising is a tool of promotion mix but it can be operated through its own mix of tools). For this reason it becomes highly important to also analyze the tools of advertising in order to find out if this phenomena used by many companies is also more or less appreciated by marketing scholars and offered as possible to use.

Before passing to the analysis of advertising tools I would like to mention that every author has his own opinion in offering promotional tools for services. As I would like to express my own that actually all the tools that are used for promoting tangible goods could also be used for intangibles. Before starting promotional programme, first of all, the service must be considered carefully, the situation of the whole company must be analyzed and only then the best promotional mix should be chosen. Is used properly and carefully it will lead to success without any doubts.

Further, as it was mentioned before, the advertising tools will be analyzed in order to realize if product placement has its place in marketing theories proposed by different marketing scholars. As it was seen before, Keller K. L., (2001) considers this tool as a part of the whole promotional mix. Hudson S. and Hudson D. (2006) also noticed that product placement by some other authors is assumed as an element of promotional mix. The analysis of advertising tools is needed additionally, because product placement is delivered through different media, which is considered to be used just for advertising. So, maybe I will discover product placement to have its place in the bunch of advertising tools.

Actually, as many marketing scholars we have, all of them are offering different mixes of advertising. Also, as many different companies we have and as people in their marketing departments are creative, they may also offer some additional and new advertising tools. For this reason, trying to collect and systemize all the possible offerings is really hard and confusing job.

I will rely on the research and offerings made by Hughes G. and Fill Ch., (2007). This research is newly made concerning the date of its publication. The authors are analyzing

communications mix impersonal – just how it really is. All the promotional tools after to them are divided according to how they reflect the use of direct and indirect media. They explain that direct media do not involve third parties in terms of message delivery: it is characteristically owned and managed by the company itself. While indirect media are owned by the third parties and some kind of rentals are necessary for their services.

Speaking about product placement these authors bestow it to the indirect media channels. Actually, I agree with the offering that product placement as an indirect tool for the delivering the message, because most of time it happens that the potential consumer does not even notice it (but this is the topic for the further researches).

2.4. Defining Product Placement: Involvement in TV

There are no researches made in Lithuania concerning product placement. Maybe that is just because it is not so popular in this country. But even here the use of it is growing. It is even mentioned in the Lithuanian Republic Law of Advertising – there is given its definition, but when analyzing more deeply it could be noticed that it is not very appropriate. So, despite of unavailable literature, in Lithuania there even in no proper definition of this mean of advertising. For this reason it is just one-way for analyzing it – reviewing American one where product placement took its first steps. But even if in Lithuania this technique does not attains the attention, it should, because as Hudson S. and Hudson D. (2006) explain that in other countries "several researchers have indicated the importance of product placement as an additional element of promotional mix, and there is growing body of research concerning its practice".

In the article of Simon and David Hudson's (2006) there are made really great analysis of the evolution and the definitions of product placement. The best way to start is the analysis of the definitions in order to understand what it is.

Definition of product placement like its practice, have changed over the years. It is really normal, because when analyzing all other techniques or methods, their definitions have changed many of times until the one was decided to be the best. But even then there could spring up some other scientists who may argue and offer the new and more appropriate ones.

The majority of us are getting tired of the usual ads seen on television, billboards, magazines, busses, and newspapers, the Internet or heard on the radio. The tendency of product placement, as noticed in the article of Neer K. F., "is to move away from in-your-face ads, where the product is the star, to mini-movies or quasi-documentary vignettes that feature "real-life scenarios" with the product(s) hovering in the background". The products are "visible within a scene, but not a focus…they need to fit, almost seamlessly into the shot and context of the scene". So, all the definitions come from this above-mentioned simple understanding of product placement.

As analyzed by Hudson S. and Hudson D. (2006), the most often used early definition is formulated by Balasubramanian who "defined it as the planned entries of products into movies or television shows that may influence viewers' product beliefs and/or behaviors favorably". Later on it was noticed that product placement might occur in other media than just TV. After the d'Astou's and Segun's attemptions to classify different types of product placement the word "integration" was started to use in the definitions of the scholars (Hudson S., Hudson D., 2006). While Marcinkienė M. and Petukienė E. (2006) in the definition of the analyzed technique tend to mention that this form of advertising is paid-for in order to place the firms branded product(s) or the logo into the audio or video means of public conveyance.

The other important fact needed to be mentioned here is the relation between this form of advertising and entertainment (Figure 9). As it is mentioned in the article of Hudson S. and Hudson D. (2006) "branded products are no longer just "placed"; they are woven into entertainment content making a stronger emotional connection with the consumer". The product is integrated into the storyline of the program or film. "Making brand intrinsic element of plot lines, distinguishes branded entertainment from the traditional use of product placement" (Hudson S., Hudson D., 2006). So, here comes the very important fact clear, that the simple placement emerges and is becoming the part of entertainment. "Critics claim that entertainment content is becoming more (and more) commercialized" (Nelson M. R., McLeod L. E., 2005). With the really short and clear definition come Russel A. C. and Belch M. (2005): "product placement is the purposeful incorporation of a brand into an entertainment vehicle". This one reflects the inclusion of the mentioned entertainment and the fact that product placement in not restricted just with the television and movies, but "also occurs in radio shows, songs and music videos, video games, plays and even novels" as was mentioned above (Russel A. C., Belch M. 2005). And when speaking about this technique, it is really very important to notice and remember some facts and ways of product placement.
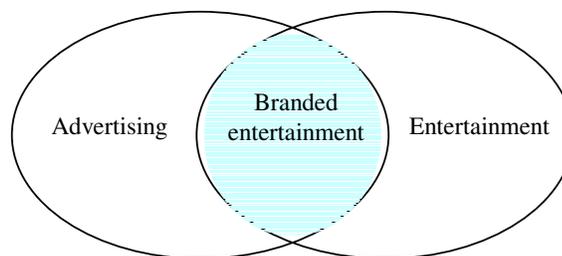

Figure 9. The Convergence of Advertising and Entertainment (Hudson S. and Hudson D., 2006)

Neer K. F. in her article distinguishes realistic and arranged forms of product placement. Realistic one is when product placement just simply happens. It comes when someone from the crew members think that some brand or product will enhance the project: "usually this has to do

with boosting the level of credibility or realism of the story being told". The company then may not even be approached about the use of its product.

Arranged product placement falls into two categories (the same article of Neer K. F.):

- Trade-off of integration or placement for a supply of product (when a certain amount of the product serves as compensation – it is simple exchange of the product for the placement);

- Financial compensation for placement or integration (when money powers the deal of placing the product).

Marcinkienė M. and Petukienė E. (2006) noticed that during the years foreign scholars distinguished three main types of product placement:

- Visual product placement: when a product/service or the logo may be simply noticed by the audience while thinking that it appeared on the screen occasionally;

- Spoken product placement: it may have two categories. Oral one – is the phrase or dialogue, advertising the product/service or the firm. Phonic one – when the special sound common for the product is heard in the shot;

- Usage product placement: is the most popular one and it is understood as the combination of the visual and spoken product placement. It works as the interaction of the actor and the product.

It is also noticed in this article, that the specialists appreciate visual product placement's and verbal its form's combination rather than just demonstration of the single logo (as the less effective instrument).

Also, Marcinkienė M. and Petukienė E. (2006) have made an analysis of the marketing means' sets for which the product placement is the main accent:

- Product placement/integration: inofficiously integrating the advertised product into society's conveyance means. The main character is using that product in the main action. The scenarios are written, the actors are hired according to that product – the preparation starts from the very beginning. Most of the time the producers of the product are also the subscribers of the shows, movies, serials etc. It also happens that the product advertised does not comes into the center of attention or its appearance does not come up with the situation and does not give any effects;

- Cross-promotion: allows organizing big campaigns because the premier of the movie is widely announced and advertised. For that postures, brochures, pampers etc. may be used. Most of the time the main character is shown there with the advertised product. Sometimes even the promotional clip may be used from the unused shots of the movie. In this way both the product and the movie are advertised;

- Merchandising: is a complex of actions, executable at the selling points and pointed to the promotion of the good by using the main character's portrayals or extracts from the writings. The good produced may carry the portrayals of the characters (especially it is common in the toys industry). That is very effective if the consumer is positive about the movie or the character;

- Financial maintenance: when the company organizes promotional programs (f. ex., maintain movie's demonstrations on TV, premiers in the cinemas, organizes presentations, promotional tours of the actors etc);

- Talent relations: when popular and/or talented people are participating in the promotional campaigns of the product;

- Licensing: when the company redeems all the rights for producing the good with the main characters' portrayals or the scenes of the actions. That is also very common in the toys industry.

Important fact mentioned here is that although product placement may seem very complex process requiring lots of parties, yet in the practice it is less expensive than usual advertising: "In terms of cost-per-contract…placement is said to cost less than traditional advertising" (Chisnall P. M, 2006).

Table 11. The goals of the product placement (after Marcinkienė M., Petukienė E. 2006)

Placement	Characteristics	Goal	Example in movie
Product	Advertisement of the good or its logo.	To show the good is saleable and popular. To associate the good with the special life-style.	Vodka "Smirnoff" in the movie "Tomorrow Never Dies".
Brand	Glorification of the company's image or its service.	Glorification of the company's name of service.	On the dance floor shining panel with the name of the company in Miller Brewing's movie "Dirty Dances".
New product	Placement of the good, which just entered a market or is just being prepared to enter it.	Formation of the image of the new product. Characters of the movie most of the time take part in the advertising campaigns of the product.	Motorcycle BMW Cruiser R 1200 I the movie "Tomorrow Never Dies".
Country or region	Touring resorts, tax deductions or other advantages' advertising.	Formation of the image of the country.	Thailand island is called the island of James Bond in the touring booklets just because the movie "The Man with the Golden Gun" was shoot there.
Idea	Substantial explanations of an idea.	Advertising of new laws advantages, commercial or political ides, insurance or medical services.	In the series "ER" the tax, insurance, medical laws were explained.
Neutral	Inactive presence of the good.	The life-style is being shaped and the goods dependence for that style.	Smoking advertisement/impossible to prove, the scene with Sharon Stone in the movie "Basic instinct".
Product integration	The good advertised is participating together with the main character in the prime scenes.	Product's, service's or idea's main qualities are shown during all the work, carrying advertising for both the product and the work.	Toys of the firm Hasbro Inc in the animated movie "Small Soldiers".

It is mentioned the really important fact in the article of Marcinkienė M. and Petukienė E. (2006), that the aim of the product placement is the same as for the traditional advertising, but while having in mind the capabilities of the new mass-media, it is possible to state that the particularity of product placement settles by affecting the audience. And subjecting to the chosen type (or combinations of these types) of product placement different kind of problems can be solved (as shown in the table 11).

At the very beginning the researches concerning product placement were noticed in the US, for this reason the greatest amount of the surveys was made with the population of Americans. Later on some other countries were introduced in the surveys, but just the ones, where brands play highly important role for the society. It may be even stated, that this kind of researches were made in the well-developed and rich (industrialized) countries, but not the ones that are called developing ones. The reason is that the members of these different societies are able to buy different kinds of products. And in the developing countries the brands do not play so great role for the people. So, maybe for this reason in Lithuania was no need to pay so much attention to the product placement of the well-known brands, because they are expensive. But as today more and more producers come to the Lithuanian market with more or less adopted prices, the importance of the product placement also grows. And even Lithuanian firms take these examples and try to use this technique. There are lots of doubts that these Lithuanian companies are following the researches – most of the time they are taking the examples from the well-developed, huge international companies saying themselves that if these big companies are doing so, then it means it is useful. But the reasons Lithuanian companies are coming up with product placement may be analyzed in additional research. For this moment the possible effects of this technique for Lithuanians is important. But to start with, as it was mentioned before, the experiences of the other countries should be analyzed.

First of all it is highly important to mention, that in all the analyzed articles after making the researches were announced, that the verbal product placement combined with the visual one had the greatest effects: "placements that combined verbal and visual brand references were better recalled than placements that enjoyed one or the other" (Pokrywczynski J., 2005). Or separately, the verbal one has the greater effects than single visual. But the visual one has really great effects when used in computer or online games: "Studies suggest that well-designed placements in games are more effective than placements on television or in films, because in game's immersive environment, players can interact with the products they see" (Edery D., 2006). As it is noticed by Glass Z. (2007): "Video games have many elements that make them ideal platforms for advertising".

Another really important fact is that "ads shown in creative media induce more positive feelings about the brand and more credibility for the ad" as noticed in the article of Glass Z. (2007) who made some analysis of the other authors' researches. While La Ferle C. and Edwards M. S.

(2006) after analyzing some other researches of different authors also confirm the statement that "consumers do not really mind seeing products placed in motion pictures". It could be simply understood, because during the time of entertainment nothing interrupts the participant, he may do what he is doing. And the products used for the placements then may even support the involvement. These placements bring participants into real life where companies and brands are competing. In the other way, some people may do not want to stay in reality during entertainment – they may want to escape from it, to relax. Then, if product placement is not too strong and irritating (to choose the other form of entertainment), it may be not noticed by eyes but somewhere in the consciousness stays the remainder of the good time spend during entertainment and some details of it come into the mind. One of these details may be before seen placed brands or goods/services. So, the main researches are (could be) made to explore the impact of product placement on (as proposed by Balasubramanian S. K., Karrh J. A., Patwardhan H., (2006)):

- Brand typicality/incidence;
- Brand recognition/identification;
- Brand portrayal rating;
- Purchase intension;
- Brand choice;
- Brand attitudes;
- Brand recall;
- Brand salience;
- Brand reinforcement.

The possible effects of product placement in movies is highly influenced by some special forces such as media used, brand characteristics, regulations etc. All of them are shown in the figure 10. Depending on the intension of these forces, product placement could be considered as a mean lying close to the simple advertising either as a separate promotion tool with high effects on the
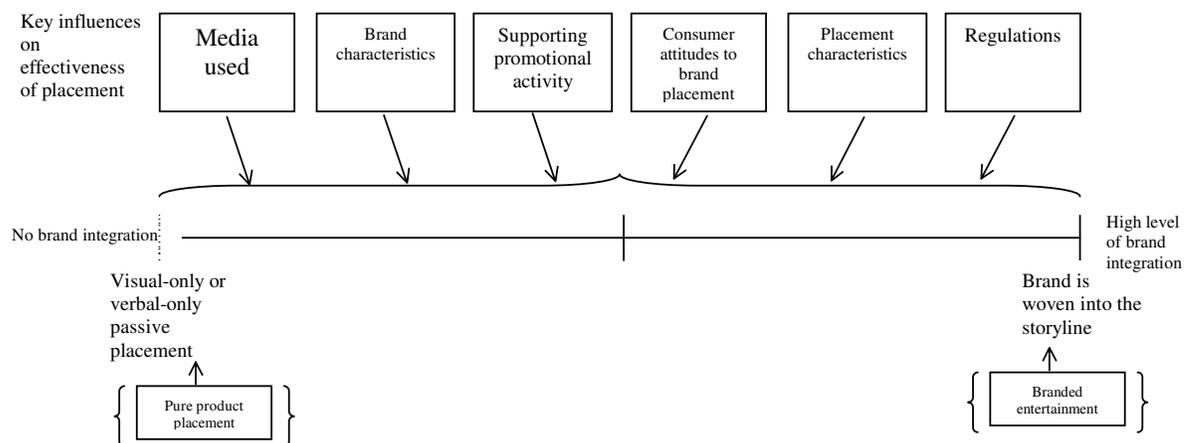
Figure 10. The Product Placement – Branded Entertainment Continuum (Hudson S., Hudson D., 2006)

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potential consumers consciousness. Making a movie is a great possibility to deeply involve product placement as a promotional tool for some special service. It only needs to be thoroughly analysed ad the best scenes must be chosen to have wanted effects. To tell shortly, all the main 6 key factors influencing the success of product placement and shown in figure 10 must be considered and balanced for succeeding in the goals settled.

As it was noticed by Pokrywczinski J. (2005), "Processing product placements becomes part of processing the movie content". Author relies on the Elaboration Likelihood Model offered by Hence, Petty and Caciopppos (1983) which suggests that products placed in more highly involving scenes should produce more elaborate cognitive processing, increasing the chances that brand awareness and knowledge would be processed compared to products in less involving scenes. This model is shown in figure 11.
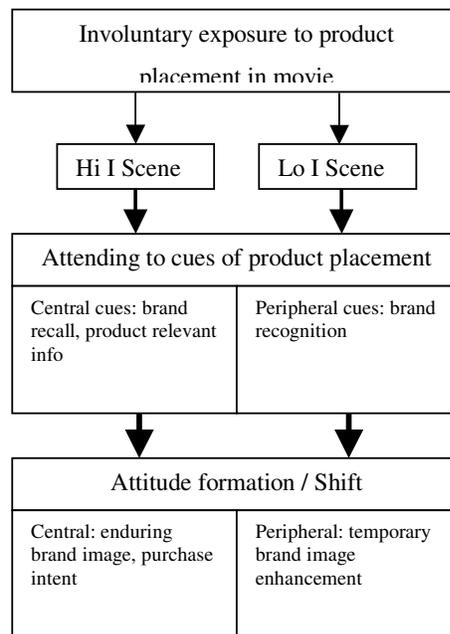
Figure 11. Elaboration Likelihood Model. Role of involvement (Pokrywczinski J., 2005)

In turn, more highly involving scenes/placements are predicted to lead to different attitude outcomes, with more enduring brand attitudes occurring in high involvement conditions than in lower involvement ones. Although brands can still be enhanced in low involvement conditions because processing is still occurring, albeit a peripheral type, the effect is more likely to be short term. The length of this enhancement could be as short as the end of the movie, or as long as the next purchase decision. However, length of term is beyond the scope of the above-mentioned model.

2.5. Generalization of the Theory Analyzed

There are many different offerings and opinions of the marketing mixes suitable for services. Generally, the number of the elements used for some particular service may be determined according to the goals, mission and vision of the company. If speaking more precisely, every manager of the company is free to choose marketing elements, but there are some to which attention must be paid mostly. In my opinion, as the background should be kept these 7 elements offered by Booms and Bitner (1981), and the attribute of quality should be also evaluated. This mix may be augmented with special additional elements that may seem important for that particular service. I refuse all other suggestions of services marketing mixes, because most of the authors are offering more or less elements but most of the time they converge to the nowadays-used 7Ps. Besides, these 7 elements describe all the most important factors having influence in marketing the service.

After making the analysis of the different marketing mixes offered by different marketing scholars in different periods, it may be told that promotion, as one of them, always played an important role. Some authors did not use this term to express this meaning, but the understanding and functions of it remains. So, the analysis I made unfolds the importance of promotion in marketing theory as being one of the most important factors influencing potential consumers. Besides, even if services most of the time are defined as complex field of business because of some special features and especially their intangibility, promotion for them is also very important and plays significant role in creating potential (or existing) consumers' attitudes, recalls and reinforcements.

In order to figure out the product placement's position in marketing theory, I have also analyzed the concept of it. It is important in order to find out if it is better to assume it as a promotional or advertising tool (when advertising is considered as a promotional tool itself). Most marketing scholars agree and cite Balasubramanian who defined it as the planned entries of products into movies or television shows that may influence viewers' product beliefs and/or behaviors favorably.

After the analysis of potential promotional mixes for services and the concept of product placement it became clear that there exist various opinions about its composition. As it was also noticed, product placement as one of the tools for promoting services also has its position in this theory. After examination of different opinions of marketing scholars I have decided to summarize all these theories by offering a few models which help to unfold product placement's positional (meaning – place) in the marketing theories.

Of course, before daring to offer the mentioned schemes the understanding of the product placement itself must be delivered as was done in the third part of the paper. After having the full understanding I have ordered 3 options (A, B and C – accordingly figures 12, 13 and 14) by delivering special schemes, which were derived from the statements introduced by the authors mentioned in the paper (they could also be seen in the list of references).
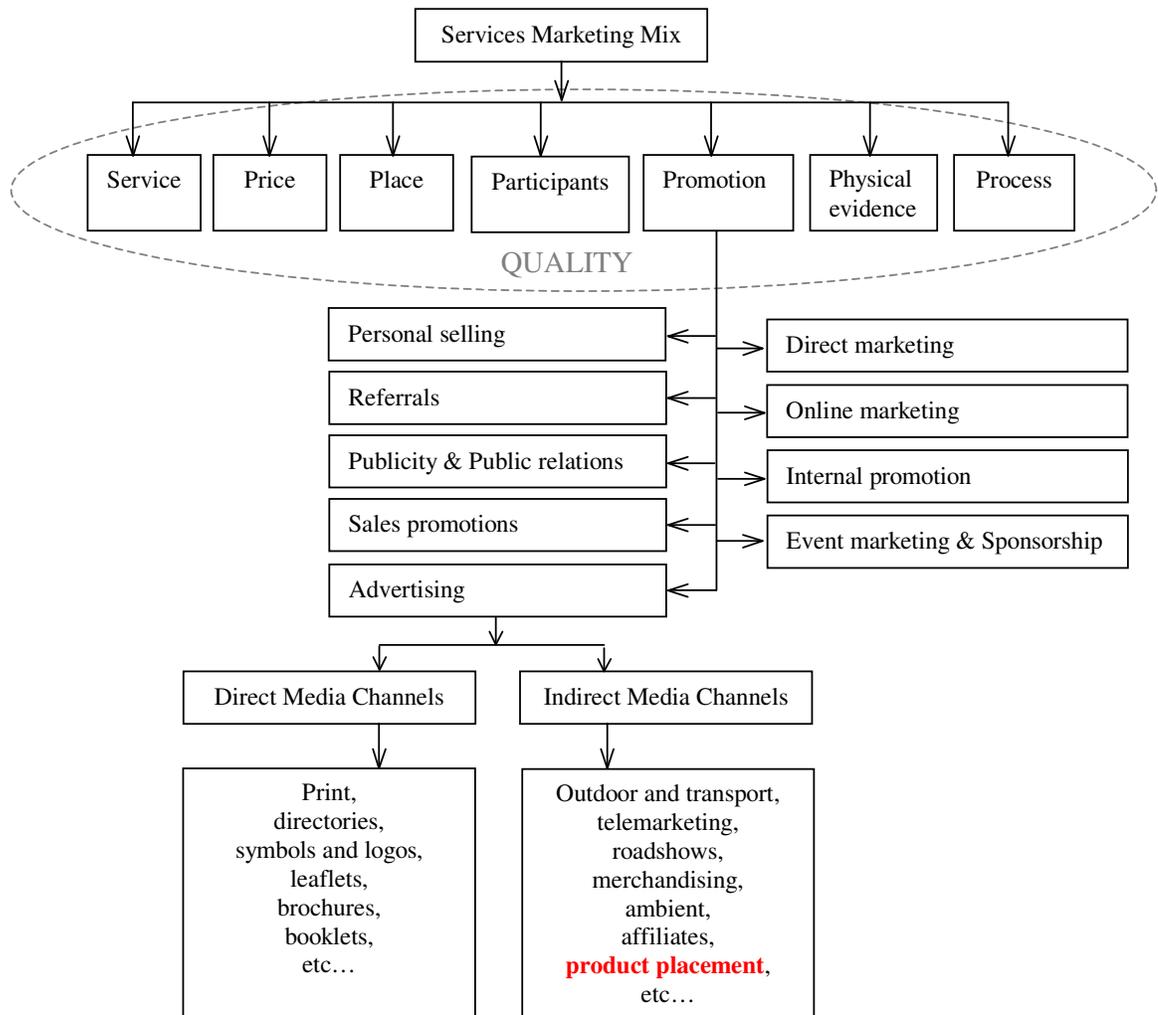
Figure 12. Product Placement's position in the Marketing Theories (Option A) (made by the author)

If starting with the option A, it could be seen that product placement may be considered as tone of the tools of advertising. These tools, first of all, are divided into direct and indirect media channels. Product placement should be accredited to the indirect ones as it is presented to the potential consumer through the media that is owned by third parties and in order to have the right to advertise in this media, the special kind of rentals (financial or natural) must be paid to these parties.

In my opinion, option A is more suitable for advertising tangible good, because it is quite usual tool, especially nowadays. Potential consumers most of the time are kind of expecting such tools to be used in the movies, games and books, because they are more often and often noticing that and already admit as a normal advertising form.

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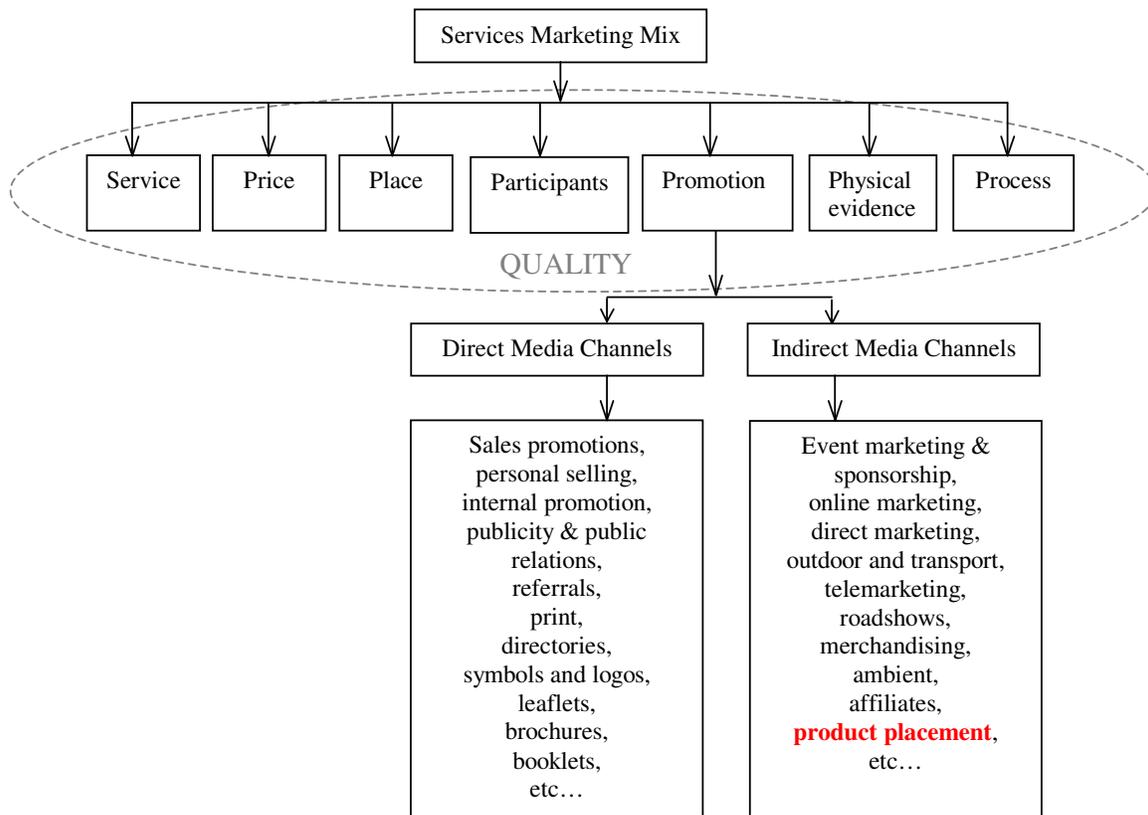
Figure 13. Product Placement's position in the Marketing Theories (Option B) (made by the author)

Speaking about option B it should be noticed, that there are not excluded some special tools of promotion – there is made kind of mix from all the tools, which comprise different means. Actually, some of these tools are even collapsing, for example, if speaking about telemarketing and direct marketing (the field of indirect media channels in the figure 13) – they are doubled, because telemarketing is considered to be as a part of the direct marketing in some cases.

As it could be seen from the option B, product placement is considered as promotional tool delivered through indirect media channels.

The most appropriate option of schematic offering in my opinion is C (Figure 14). when trying to reach consumers and to arouse their feeling according some service, the promotional tools should be considered and chosen extremely carefully. Product placement is not a traditional simple advertising – it is an indirect tool for reaching the potential consumer. While using this tool, the particular service may be already demonstrated and there could be even given some more specific information in words in order to strengthen relationship with the potential customer. In some cases it may be quite close to the personal selling.

As promotion of services becomes more complex and needs more careful analysis before making a decision, possible tools for doing that should not be divided according to the relations between some parties, first of all. Also, these tolls should be distributed according to their specificity. Some not so traditional ways should be found out in order to attract potential

consumers, because all this activity should also be entertaining. For this reason I offer to choose option C while trying to outline product placement's position in the marketing theories. All the specific tools may have their own special place here. There are, of course, some usual forms of advertising and they should be then mentioned as a mix of advertising tools. Product placement is something more and extraordinary special. If considered carefully it could become a really great tool for promoting the service and catching the first attention of the potential consumers, to make existing consumers to remember about the company and its services, or to reinforce their good choice of the particular service. Especially because services is the really special field of business and it must be promoted in unusual and entertaining ways in order to be noticed.
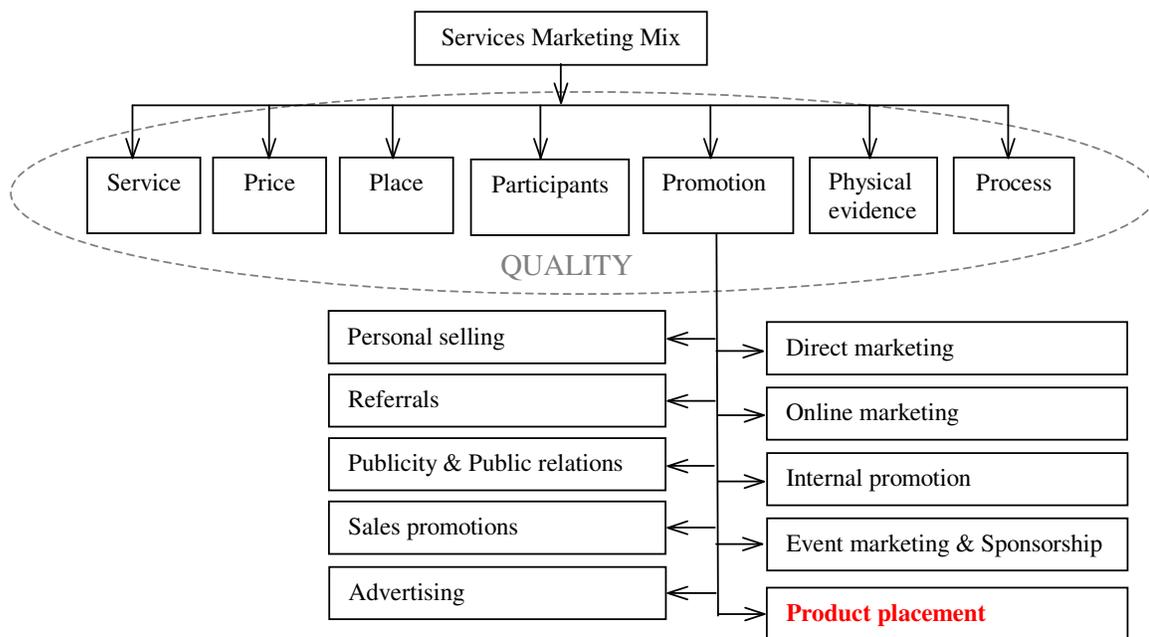
Figure 14. Product Placement's position in the Marketing Theories (Option C) (made by the author)

If speaking about strategic decisions and setting of marketing strategy I would like to agree with the combination of the schemes offered by Kotler Ph. and Keller K. L. (2006) and Rachman D. J. These could be integrated together and one quite deep but simple layout may be offered (Figure 15). This must be adapted to the services as a product and involve special strategic decisions important while planning them.

First of all I offer to start from the analysis of the whole business: setting the mission statement, goals and tasks of it. All the further planning must answer to this first step and during all the process remain derivative task. As follows, the marketing goals should be also set in order to start the particular and correct planning by not deviating from the whole business as was planned and characterized before. These both steps are highly affected by the micro and macro environments, which should be also analyzed before setting all the goals. Without this special analysis it could almost be impossibly sure that the goals are likely to be achieved.
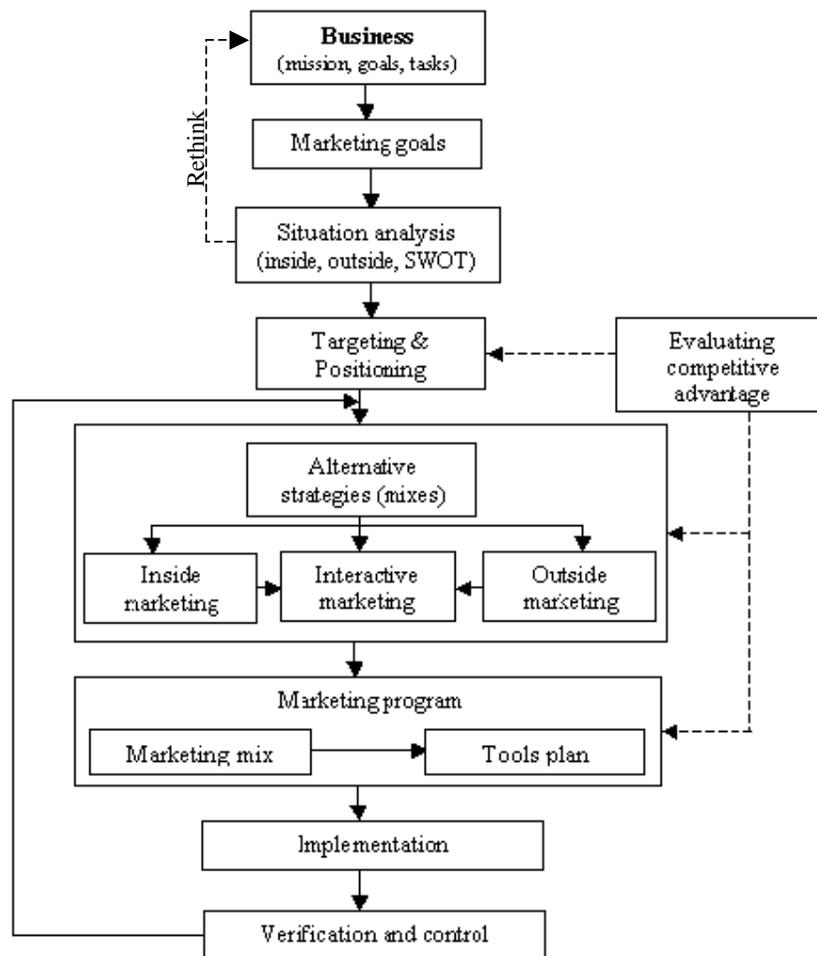
Figure 15. Setting services marketing strategy – combination scheme (made by the author)

The third step should be bestowed for the situation analysis (inside, outside and SWOT). This is important in order to realize the possibilities of the company for making further decisions: if it will able to realize all of them or some should be refused or somehow reformulated. After this analysis, the mission of it may be corrected or some goals changed if noticed they are impossible to achieve.

While preparing the programs for other 3 steps, some influence is made by the factor of gaining competitive advantage against rivals. Here strategic marketing decisions are started to decree and the chosen actions should help achieving it.

As follows, preparing special programs for targeting and positioning in the market. The company must be creative and innovative in order to be more interesting and attractive for the customers, or to find special niches or targets for their services to satisfy the needs of particular customers (new niches, special ways of positioning etc.).

After, exclusive alternative mixes of the marketing strategies must be offered in order of precedence. Paying attention to services marketing forms comprises these mixes: outside marketing (the traditional one), inside marketing and the interactive marketing, as was described before in the

paper. Marketing program should be prepared for every separate alternative strategy. Here the marketing mix and tools already come in the game. The strategy might be implemented only through the program. For every element of the marketing mix should be chosen special tools. If speaking about promotion, its realization tool is promotional mix. One of them, after my offerings, is product placement which must be thought of namely in this step. And quite a great importance should be given to it, as product placement, as mentioned before, is unusual and entertaining tool.

When choosing the mixes of alternative strategies and preparing marketing programs, the factor of competitive advantage again has some influence. The reason is the same as before: all should be prepared in order to better than rivals are and to offer more that they can offer.

And the last two steps are implementation and control. If the particular strategy set does not help to reach the goals of the business, the other mix of alternative strategies and their programs may be applied. Or something in the further steps may be changed or improved by not changing the chosen strategy.

It is absolutely clear that the appropriate choice of the marketing (promotional) tools mix helps for the company to gain competitive advantages against the rivals. Product placement is one of them and it may play a great role when achieving this goal. The forthcoming research will help to show if this tool is useful and conductive in gaining competitive advantage by attracting more potential customers and enhancing their behaviors against the particular services.

3. PRODUCT PLACEMENT ON TV: THE RESEARCH

This part of the paper comprise of 2 sections. In the first one the statistical data collected through the research period is analyzed in order to find out the importance and frequency of product placement on TV. In the second section the research carried by myself is described and the results collected are analyzed in order to find out product placement's position in the marketing theory, its influence on the buyers' behaviors and the potential effects on the moment when it is noticed.

Before making the exploratory analysis and descriptions some hypothesis were held. They help to concentrate on the most important facts of the research organized and also help to solve the problems described in the first part of this paper. Also, to find the cohesion and subjection of the problems mentioned on each other and on the other factors that may emerge during the process.

H_1: *Product placement, as a promotional tool, is used similarly for tangible goods and services.*

It is clear, that for the tangible goods and for the services different promotional tools or their modifications are used. Of course, placing services on TV require much more concentration and adoption, but still it is useful and the effects of it might be noticed.

H_2: *The use of product placement will grow in the year 2009.*

As in different literature the authors emphasize the growth of the use of product placement and the growth of spending for it, it is really interesting to know about the situation for the year 2009. Especially when the real results will reach the audience only at the end of this year. It is not such a long time left to find the real situation. But this moment it is interesting to know how is it going to change.

H_3: *Product placement should be considered as a separate and independent promotional tool in the marketing theory.*

As it was noticed after my analysis of the marketing theory, there could be three different options for the product placement's position in it. Different authors put it in the different position, some of them even do not mention it as one of the advertising possibilities. But it is obvious that such a tool exists and it must have its place here.

H_4: *The effect of product placement on buying behavior directly depends on consumer's gender, age and education.*

Things in the real life highly depend on the factors such as person's gender, age, education and specialty. And all these factors are connected between each other. First of all, the thinking of men and women is psychologically different, it depends on the persons age highly. The thinking is also influenced during the process of education starting from the parents nurture and finishing with the scholastic training at school, university or other institutions. This not only influences the

psychological processes and acceptances but also the person's knowledge itself. The simple machinal knowledge and understanding depends on the specialty gained. This also influences the environmental impacts and remarks.

H_5: Product placement has direct effects on (services) buying behavior.

It is very important for the marketer to know if his service/product could be advertised using one or another promotional tool. These may differ depending on the notoriety of the service itself or the notability of the brand. Different tools might be used for the service or the company that is known in the market and others for the ones that are just being introduced for the potential buyers. This hypothesis helps to find out either where and when product placement should be used to gain the greatest effects, or it should be refused because of some particular reasons.

3.1. The Analysis of Statistical Data

There was a problem to find the statistical data of the product placement in Lithuania. Even the biggest and well-known company TNS GALLUP does not gives this info. I have contacted the responsible person from this company and she told me, they are not making any researches concerning product placement. They analyze such factors as advertising on TV, radio, billboards, Internet... So, it might be understood they are concentrating only on advertising forms when advertising is understood as a separate tool of promotion. No other promotional tools are involved in their program. Here comes the *first predicable of the hypothesis H_3*.

Normally, because of the unavailability of statistical data in Lithuania, i have concentrated on this data from the United States. Again, the reason is the same as when choosing the authors for the literature analysis: product placement firstly occurred in US and is still popular and highly used there even by the world-known companies.

This part of the paper is expected either to affirm or to disprove the hypothesis H_1 and H_2.

It is always kind of simple to promote the tangible good on TV, especially when speaking about product placement. If someone wants to promote beverage – it is simple to give it to someone to drink, if someone is cooking – lets make it with some specially chosen domestic appliances, if someone is traveling – he can do this with the chosen automobile marque etc. And these tangible goods are very easy to adapt to the scene of the movie, show or some other TV genre: if artistic director notices that there is some place for the product placement in the scene and he knows a company or its product to be placed there – the deal may succeed.

Of course, almost the same may be with services. But the problem is, that services are intangible goods and must be placed in the scene in some special ways to be noticed. The character can't touch and hold it in order to show for the audience. And here comes the problem.

According to the previous theoretical descriptions of product placement, it should be noticed, that the important role in placing services plays verbal placement. In the scene there can be shown the LOGO of the company providing the service, it could also been shown how the character is using the service. But always the action must be strengthened with the verbal phrases. Normally this is also much more effective also for the tangible goods, using not only visual one. But the difference is that the technical characteristics of the tangible good may be reflected more precisely than the ones of the services. The actor also plays the important role here: how he communicates the feeling derived from the service with his voice tone and mimics.

Lets take two simple examples: the vehicle (tangible good) and the SPA Services. In the action movie the actor is driving some special vehicle: the technical characteristics might be not only shown there, but also discussed. And normally, every time the character goes somewhere he can drive the same vehicle. The effects of product placement are continuing to stay intense during all the motion. Speaking about the SPA services, it is almost impossible to show the technical characteristics of it: the beauty and softness of the skin, the smell, the inside feeling which is most of the time the most important after such procedures. And showing only the LOGO of the company is not enough, because there are lots of such companies. The character who was "involved" in these procedures can only express the feeling by acting and speaking (sharing his experience with other character, reporting the parts of the technical characteristics of the procedure, for example, trying to describe the herbs and smells used…)

After the examples described above it becomes clear why service companies most of the time are afraid to invest money in product placement as one of the promotional tool. They are never sure if the placement will have effects, how to make it work, which scenes to use etc. For this reason, when analyzing the TOP brands placed on TV the services never are on the first place. Also, when analyzing the frequencies – services are not so often noticed as tangible goods.

Table 12. Top-10 brands appearing within TV in the US between 01.01.2006-31.12.2006 (http://blog.nielsen.com)

Priority	Brand	Total number of times brand appeared on TV
1	Coca-Cola soft drinks	3355
2	Chef revival apparel	1592
3	Nike apparel	1307
4	24 hour fitness centers/clubs	894
5	Chicago bears football team	604
6	Dell computer systems	556
7	Cingular Wireless telephone services	533
8	Nike sporting footwear	497
9	Starter apparel	496
10	SLS electronic equipment speakers	489
	TOTAL:	10323

Here comes the need to compare tables 12, 13 and 14 which describe the TOP-10 of product placement brands in 2006 (table 12), 2007 (table 13) and 2008 (table 14) appearing on TV in the

United States. The tangible goods and the services here are not excluded one from another – these tables comprise both of them.

The services in the tables 12, 13 and 14 are marked in gray. It is really difficult to calculate the occurrences of the placements on TV, so I have no doubt these numbers given are not exact 100 %. But still, they can be used as milestones in this analysis.

Table 13. Top-10 brands appearing within TV in the US between 01.01.2007-31.10.2007 (www.brandcurve.com)

Priority	Brand	Total number of times brand appeared on TV
1	Coca-Cola soft drinks	3126
2	Chef revival apparel	1257
3	24 hour fitness centers/clubs	1114
4	Pussycat dolls lounge night clubs	1079
5	Nike apparel	703
6	Chicago bears football team	669
7	Dell computer systems	665
8	Nike sporting footwear	549
9	Hewlett-Packard computer systems	546
10	Mack commercial truck	418
	TOTAL:	10126

As it is shown in the Top-10 of the table 13, most of the placements are intended for the tangible goods. Only three rows are designed for the services. The same situation can be also noticed from the table 12. But even this is not such a bad result, because services take the middle of this top-10 and one of them even takes the third place (in 2007). And the number of occurrences of the services in this table highly differs from the last two rows intended for the tangible goods.

Table 14. Top-10 brands appearing within TV in the US between 01.01.2008-31.06.2008 (http://blog.nielsen.com)

Priority	Brand	Total number of times brand appeared on TV
1	Coca-Cola soft drinks	2990
2	24 hour fitness centers/clubs	1765
3	Chef revival apparel	1308
4	AT&T telephone services-wireless text messaging	701
5	Pussycat dolls lounge night clubs	602
6	Nike sporting footwear	575
7	Freemotion fitness exercise equipment	409
8	Chicago bears football team	383
9	Nike apparel	378
10	Precor exercise equipment	374
	TOTAL:	9485

In the table 14 already four rows are committed for services. In this top-10 service of 24-hour fitness center already climbs to the second position, Pussycat dolls lounge night clubs change its position with the other service – AT&T telephone services. Services in this table also have the middle in the overall top-10 placements and the first three of them highly differ with the number of occurrences if compared with the last positions designed for the tangible goods in the tables.

It is also important to notice, that the football team is considered to be as a service in this analysis, because normally it gives only the special feeling of the satisfaction for the audience. And the buyer here is considered to be a person, loving the football game and hoped to be(come) a fan of this club.

Another factor, which must be also considered in this comparison, is the period of the data collection. In table 12 this period is 12 months, in table 13 - 10 months, while in the table 14 – 6 months. If taking into consideration additional 2 or 4 months, which should be added for the data collection during the year 2007 and 2008 accordingly, all the ratings may change. Chicago bears football team's appearances on TV differs from Freemotion fitness exercise equipment's and the last 2 positions' occurrences very slightly in 2008. For this reason football team might be eliminated from the overall top-10 during the additional 4 months. Especially when in 2006 it took the 5th position. In the other case, the frequency of placement of it does not change if counting the average occurrences during 1 month:

10 months in 2007: 669 occurrences – average monthly occurrence is 66-67 times.

6 months in 2008: 383 occurrences – average monthly occurrence is 63-64 times.

The occurrence of the year 2006 was eliminated, because the number was substantially inconsiderable (5-6 times per month). So, the conclusion is that with the assumption that the brands taking 7th, 9th and 10th positions were not placed very often, the football team may even reach its previous position of the year 2007 in the year 2008.

But normally, no prognoses could be made for the forthcoming year from these results, because the periods of the analysis differ. For this reason, the average monthly occurrences were calculated for the overall top-10 placements on TV and for the services separately. These are shown in the figures 16 and 17.
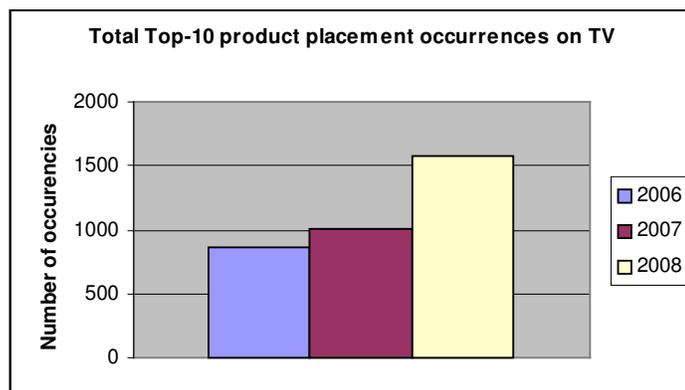
Figure 16. Total Top-10 product placement occurrences on TV (made by the author)

From the figure 16 it is notable that the overall number of product placement occurrences is growing year by year, when the average monthly ones are calculated. The same situation is with

services, when their occurrences are extracted from the overall ones. It is visually shown in the figure 17.

It does not depend either it is a service or the tangible good, the use of product placement on TV to promote them is growing. *It means, that hypothesis H₁ (product placement, as a promotional tool, is used similarly for tangible goods and services) is affirmed.*
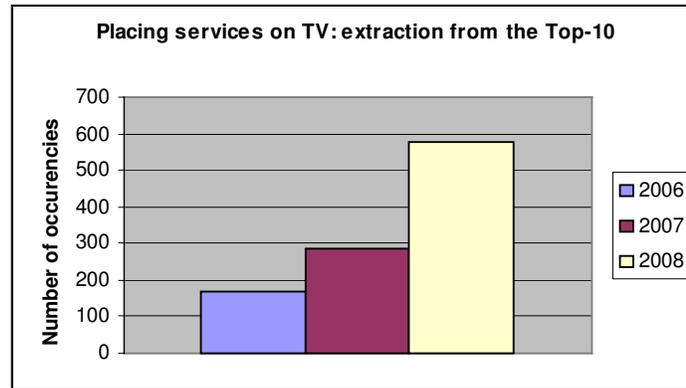
Figure 17. Placing services on TV: extraction from the Top-10 (made by the author)

When noticing such growth of the use of the product placement it is interesting also to find out either this situation is promising for the year 2009. Even if the previous data is not of the very long period, still there is possible to make some small prognosis. I will make it in two ways for the overall product placement on TV and also, excluding the services: (1) 2 months moving average method and (2) exponential equation method.

In order to make more precise prognosis, the average monthly product placement occurrences on TV in the US of the year 2004 and 2005 were also taken into consideration (table 15). The whole tables for these years are shown in the C appendix.

Table 15. Average monthly product placement TV occurrences in US (after http://blog.nielsen.com)

Year 2004		Year 2005	
Total	Services	Total	Services
1909	290	778	233

Formulas used for the prognosis with moving average method:

$$Moving \ average = \frac{the \ sum \ of \ last \ n \ meanings}{n}$$ Formula (2)

$$Error = Fact - \Pr ognosis$$ Formula (3)

$$MSE = \frac{\sum a}{n}, \text{ where n} - \text{error square.}$$ Formula (4)

Formulas used for the prognosis with exponential equation method:

$$F_{t+1} = \alpha + Y_t + (\alpha - 1) * F_t$$ Formula (5)

Where: F_{t+1} – time lines prognosis for the period t+1;

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Y_t – actual meaning of the time line on the period t;

F_t – time lines prognosis for the period t;

α – equation constant (1< α < 0).

$$Error = Fact - \Pr ognosis \qquad \text{Formula (6)}$$

$$MSE = \frac{\sum a}{n}, \text{ where n – error square.} \qquad \text{Formula (7)}$$

1. Prognosis for the year 2009 – the total occurrences of product placement on TV in the US.

    a. 2 months moving average method

Table 16. Prognosis for the year 2009 – total occurrences of product placement on TV in the US: 2 months moving average method (made by the author)

Year	Number of occurrences	Prognosis	Error	Error square
2004	1909			
2005	778			
2006	860	1343,50	-483	233531
2007	1013	819,13	193	37433
2008	1581	936,43	644	415262
2009		1296,72		
SUM:			999,04	1101487,34
Average square error (MSE):				367162,45
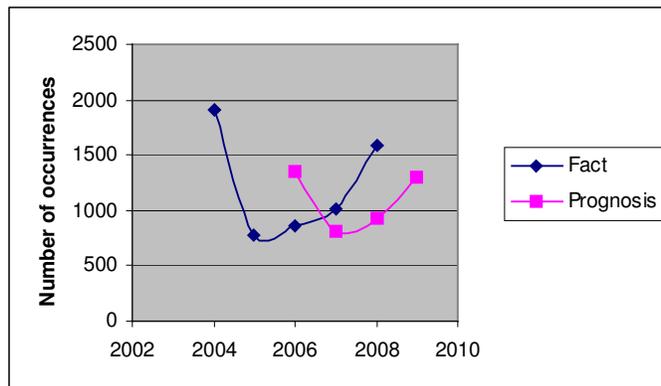
Figure 18. Prognosis for the year 2009 – total occurrences of product placement on TV in the US: 2 months moving average method (made by the author)

    b. Exponential equation method

Table 17. Prognosis for the year 2009 – total occurrences of product placement on TV in the US: exponential equation method (made by the author)

Year	Number of occurrences	Prognosis with α=0,2	Error	Error square
2004	1909			
2005	778	1909	-1131,00	1279161
2006	860	1682,80	-822,55	676588,5
2007	1013	1518,29	-505,69	255722,38
2008	1581	1417,15	163,68	26791,579
2009		1449,89		
SUM:			-2295,56	2238263,46
Average square error (MSE):				559565,86

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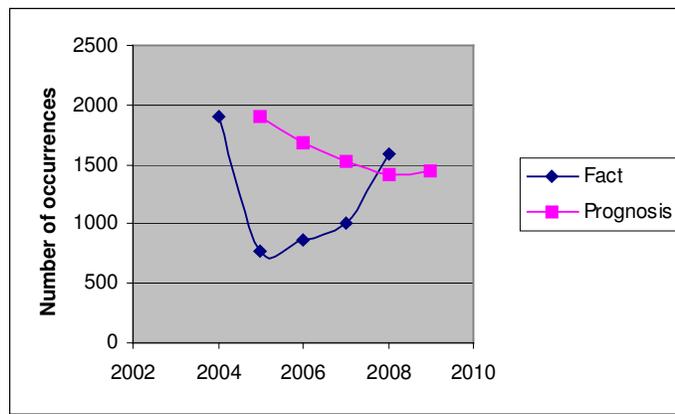
Figure 19. Prognosis for the year 2009 – total occurrences of product placement on TV in the US: exponential equation method (made by the author)

Conclusion: when making the prognosis with exponential equation method, the prognosis is less confident and precise, because the error is greater (MSE=559565,86) than in the case of counting with 2 month moving average method (MSE=367162,45). For this reason I can make a conclusion that in the year 2009 the overall product placement occurrences on TV in US will be 1297 times per month.

2. Prognosis for the year 2009 – the occurrences of services placement on TV in the US.

    a. 2 months moving average method

Table 18. Prognosis for the year 2009 – services placement occurrences on TV in the US: 2 months moving average method (made by the author)

Year	Number of occurrences	Prognosis	Error	Error square
2004	290			
2005	233			
2006	169	261,50	-92	8510
2007	286	201,13	85	7238
2008	575	227,73	347	120716
2009		430,68		
SUM:			687,71	257179,24
Average square error (MSE):				85726,41
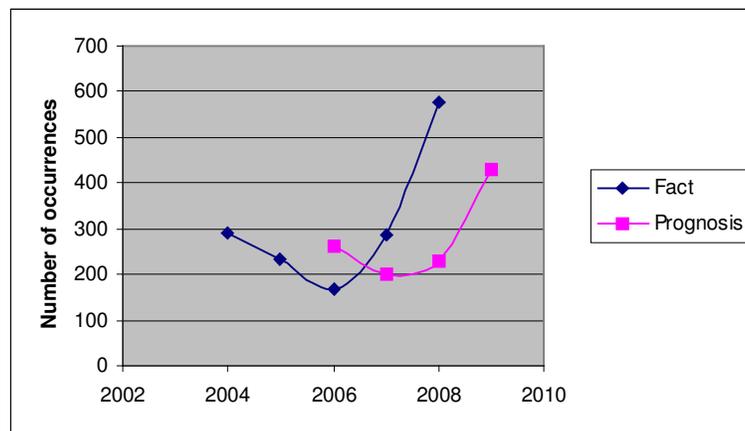
Figure 20. Prognosis for the year 2009 – services placement occurrences on TV in the US: 2 months moving average method (made by the author)

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b. Exponential equation method

Table 19. Prognosis for the year 2009 – services placement occurrences on TV in the US: exponential equation method (made by the author)

Year	Number of occurrences	Prognosis with α=0,2	Error	Error square
2004	290			
2005	233	290	-57,00	3249
2006	169	278,60	-109,35	11957,423
2007	286	256,73	29,47	868,4809
2008	575	262,62	312,54	97682,918
2009		325,13		
SUM:			175,66	113757,82
Average square error (MSE):				28439,46
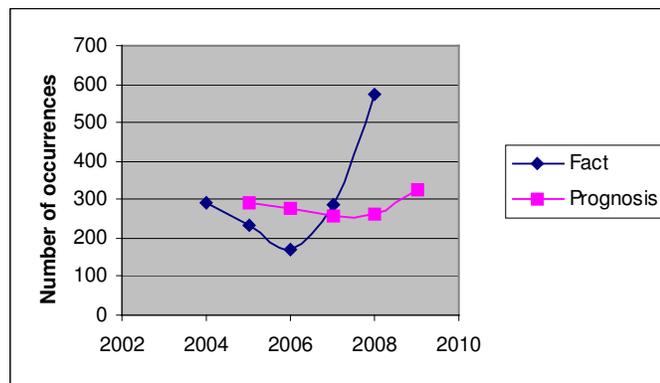
Figure 21. Prognosis for the year 2009 – services placement occurrences on TV in the US: exponential equation method (made by the author)

Conclusion: when making the prognosis with exponential equation method, the prognosis is more confident and precise, because the error is lesser (MSE=28439,46) than in the case of counting with 2 month moving average method (MSE=85726,41). For this reason I can make a conclusion that in the year 2009 the services placement occurrences on TV in US will be 326 times per month.
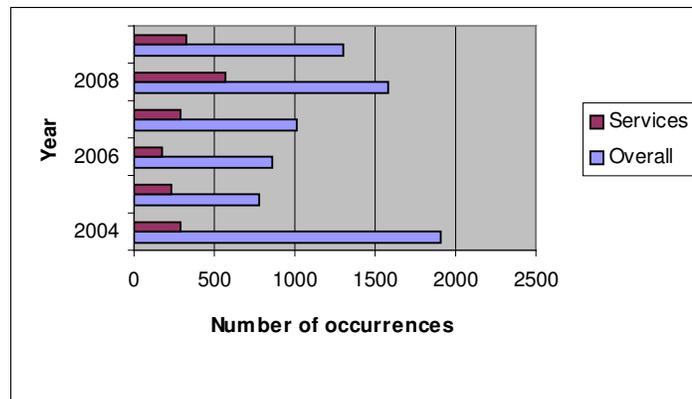
Figure 22. Total changes of monthly occurrences of product placement on TV in the US (made by the author)

Before making the main conclusion about the acceptance or denial of the hypothesis H_2 lets check the figure 22, where the total changes of monthly occurrences of product placement on TV in the US are shown in the bars.

The main conclusion of the prognosis part is that the *hypothesis H_2 (The use of product placement will grow in the year 2009) is denied.* Of course, it could be quite interesting to investigate the reasons of such results. But in the other case it could be considered that these previous numbers announced about the coming economical crisis in the world. After the times of wasting money, people and companies started to save, think and analyze deeply before investing, not using some promotional tools without having the sure affirmation about the use of it, etc. In the other case, someone may argue, that the prime data for the prognosis is pure, the numbers and descriptions of the previous literature analysis informed about totally different possible situation. But I dare to reject this argument, because, as I have mentioned before, the numbers forecasted for the year 2009 are going together with nowadays economical situation. And the previous forecasts were mostly made from the year 2005 for the further periods, while mine prognosis is made from the year 2004 till the year 2008 using already existing data. The economy of the US was on the rise then, for this reason the prognosis was promising. But when the situation came to the more realistic times, it shows different results.

3.2. The Analysis of the Questionnaire Results

This part comprise of 4 additional sub-parts. In the first of them the process of the questionnaire design is described. Every question here has its own important role with the intended results for the forthcoming analysis. All these expectations will be described in this sub-part. The second one is assigned for the description of the process of choosing the TV programme and the broadcast in order to give the realistic examples of the use of product placement on TV in Lithuania and of its effects for the viewers. Calculating the sample size is critical in every research. In the third sub-part this step will be carefully described in order to ground that the questionnaire results are reliable and could be assigned for the whole chosen target. And the last one, the fourth sub-part is assigned for the overall analysis of the collected questionnaire's results. *In this part the hypothesis H_3, H_4 and H_5 will be affirmed or to disproved.*

3.2.1. Designing the Questionnaire

The questionnaire for the research was organized in the particular order. There are 3 main blocks in it. Even if all these blocks are not visibly shown there (see the appendixes D (in Lithuanian) and E (in English)).

The first block of questions (first four) are general ones. They are used in order to get acquainted with the audience responding to the questionnaire. It is always interesting of what age and gender people were examined. It is clear, that especially when analyzing the open question, the difference of answers is evident when the respondent is a woman or a man, when he/she is adolescent or adult. Also, speaking about the education and the specialty, the distinctions of the judgments of different proceedings could be estimated. Because this education also has a great influence on the persons consciousness and actions. Here not only inherent perception and nurture of the family and the life itself is evaluated, but also the acquired knowledge during the process of the obligatory education. For this reason, more psychological suppositions might be done during the whole analysis, combining the answers to the general and other questions.

The second block is comprised of the questions nr. 5, 6 and 7. These questions are designated to find out the product placements position in the marketing theory. There are taken the three examples of promotion: event marketing (as an independent promotional tool), simple usual advertising in the press (as the part of the independent promotional tool advertising) and the product placement (which is still not clear either it could be considered or not as the independent promotional tool). The comparisons of the audiences' answers to these questions will be made together with some additional special analysis. In the case of the product placement's correspondence to the advertising or promotional toll it will be clear where to assign it.

And the last, third block is intended to analyze the broadcast – Lithuanian TV serial "Nemylimi". The last 4 questions are assigned for this analysis. It will be used to find out if Lithuanians notice product placement on TV, if notice – what kind of services or products and what influence this kind of promotion has on their buying behaviors. Also, if the broadcast is suitable for the noticed placements. In that case some opinion about Lithuanian companies will be established – if their marketing people are using the analyzed tool properly, if it gives some use for them.

All these blocks in the further analysis will be discussed separately and also combining them one to another in order to find out the possible subordinations.

3.2.2. Choosing the TV Program and the Broadcast

To gather the answers to the third block of questions in the questionnaire the particular broadcast had to be chosen. First of all, the broadcast had to be available for the audience. Selecting a special feature film it would be too difficult, because it is impossible to force people to watch a chosen movie, for example, even if it a possibility to provide them with CD's. Also, Lithuanians make almost no feature films and the placements of Lithuanian brand its impossible to notice in the films of other countries. Fir this reason I came to easier decision: I decided to choose the Lithuanian

popular TV serial. As this research is made in Lithuania, Lithuanians will be questioned about the Lithuanian brands, this serial should be proper.

The first step was choosing the TV program. With the help of the information provided by TNS GALLUP research company, I analyzed the average day accessibilities of the channels (F appendix) and the structure of the channels according to the time watched (G appendix). I took the monthly data of the period from November 2008 till February 2009 – 4 months at all. The channel TV3 evoked the greatest interest. So, the decision taken was to choose some broadcast shown on this program.

The next step was choosing the broadcast. For this decision to be taken I have also used the data collected by TNS GALLUP. According to their information, the most popular broadcast on the TV3 program was TV serial "Moterys meluoja geriau" ("Women lie better"). It took the first position in November and December 2008.

The time of this serial is 21:00 pm. 1 part continues 30 min. It seems the time for the audience is acceptable, because people are back home from their jobs and domestic jobs are also finished. This time could be dedicated for the short rest before sleeping. But the data of January show completely different results, because this serial was finished and for some period no other was offered instead of this one. While at the end of January the new TV serial was started to broadcast on the same program at the same time – "Nemylimi" ("Loveless") made by the novel of Lithuanian author E. Kaleda. And on January 2009 it already climbed to the 5th position on the rating table. The conclusion that it will become even more popular and climb to the first position of this table is really possible. People's interest is often catched with the broadcasts that are made according to some books of the known authors. Especially when the book was read before and evoked great feelings and attentions.

TV serial is not a movie but something like this. For all the reasons mentioned I think that the choice to offer TV serial "Nemylimi" for the audience is acceptable.

3.2.3. Calculating and Describing the Sample

Before choosing the sample to distribute the questionnaire the whole Lithuanian population was taken in mind. Of course, considering the special age restrictions according to the possible viewers of the above-mentioned TV serial. But it is normal, that questioning all the population is almost impossible, there comes the need of many investments in order to achieve as great as possible number of respondents. As my research was not maintained by any organization and my own finance do not allow me to exercise such a great research, I decided to find the smaller sample which can be valued as representing the whole population of Lithuanians. In this case I went

through the lists of large companies operating in Lithuania. The main criterias for the companies were:

-   Hiring not less than 200 people;
-   Hired people are of different ages;
-   Lots of different working places established;
-   Hired people are of different educations and specialties.

After analyzing and questioning I came to the conclusion that a production company that not only produces goods but also works as the wholesaler and the retailer would be the great choice. So, I chose for my sample stock company SC "Dvarcioniu keramika". This company hires 229 people (according to the 14.04.2009 data). There are really different people working there depending on the working places: starting from the executives of sales, marketing, quality production and others and finishing with the specialists, sales managers, salespersons and people doing unskilled activities in the warehouses. This really requires hiring people with different knowledge, which is obtained during the educational processes.

The next step was calculating the reliable sample frame, which is presentable for the society. For this reason I have calculated the sample size according to the formula 8. I wanted to have the 99% confidence interval, 10% accuracy of estimation and 50% probability.

$$n = \frac{p \times (1-p)}{\left(\dfrac{e}{2,58}\right)^2 + p \times (1-p)/N} \qquad \text{Formula (8)}$$

Where: n – needed sample frame;

Z – confidence of interval (when confidence interval is 99%, then Z=2,58);

p – probability which match the characteristics generating interest of the researcher;

e – accuracy of estimation;

N – the size of the whole sample.

According to mine chosen sample and all the data needed for the calculation of the sample frame to be researched, I have found that my needed size is 97 persons. Here are the calculations:

$$n = \frac{0,5 \times (1-0,5)}{\left(\dfrac{0,1}{2,58}\right)^2 + 0,5 \times (1-0,5)/229} = 97$$

I attempted to split the questionnaire to the needed number of people working in SC "Dvarcioniu keramika", so I have collected exactly 97 opinions of respondents. The general information of the researched sample is given in the figures 23, 24 and 25.
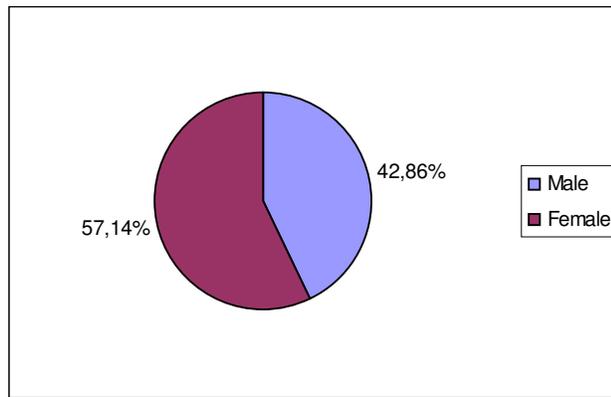
Figure 23. Gender's distribution in the sample (made by the author)
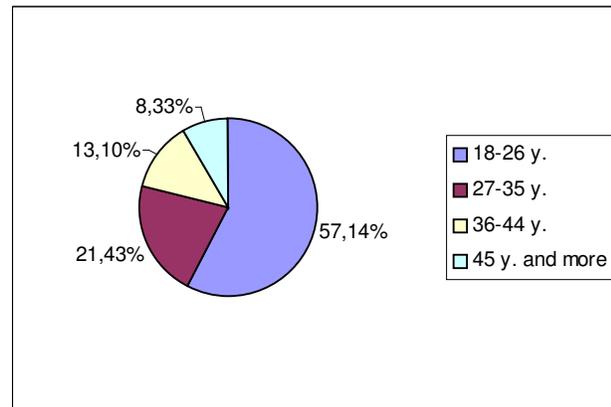
Figure 24. Age's distribution in the sample (made by the author)
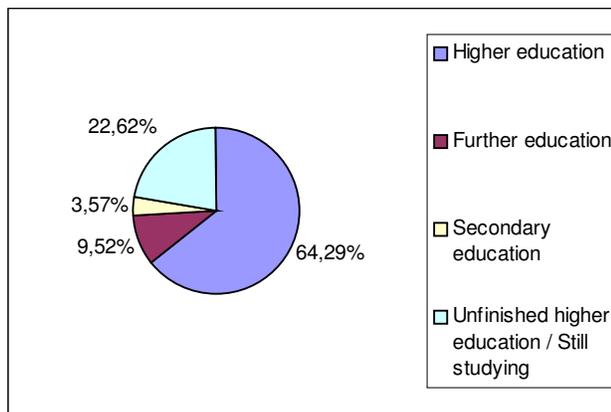
Figure 25. Education's distribution in the sample (made by the author)

Of course, it is also very interesting to find out the distribution according to the specialties. But this is the really difficult job, because lots of different ones people are acquired. Some of the main of them are management (of business, quality, marketing etc.), mathematics and informatics, design, politics sciences, accountancy, sociology, engineering (transport, roads, building etc.), pedagogy. Rare, but also were mentioned such specialties as veterinary, law, artificery, mechanics, history, therapeutics etc. From this entire list it becomes clear that the auditorium researched are of really different knowledge, understandings and persuasions.

3.2.4. Analyzing Questionnaire Results

As it was mentioned before, with the use of the questionnaire there are planned to affirm or disapprove some of the hypothesis. The questions were carefully thought of before distributing it to the audience, because every question here has its own mission. Every question or the combination helps to find the wanted information about product placement, its possible effects and position in the marketing theory.

First of all it was planned to analyze the second block of the questions. They help to define the product placements position in the marketing theory. I have offered three different options in the part of the theory generalization. Option B was rejected at a dash, because it is kind of silly to straightly allocate all the promotional tools to direct or indirect channels. Because normally some of them work as independent tools halving their own effects for the potential consumers behavior. Of course, some of them might be attributed to direct impact tools, while others as indirect one later on. Advertising works also as an independent promotional tool, but it comprises several elements that are originating kind of the same emotions and behaviors.

For these reasons mentioned above I have decided to compare independent promotional tool's (event marketing), the elements of advertising (simple advertising on press) and product placement's influence on the buying behaviors and in this way to determine product placement's position in the marketing theory.

There were used Likert scales in the questionnaire to gather wanted results. There were chosen 6 similar attributes for every tool and the respondents had to mark their influence for them (1 – meaning negative effects to 5 – meaning positive effects). After gathering this information, there were calculated which level of the influence was chosen by the respondents for each attribute. The number of respondents who chose the same levels was also calculated afterwards. In order to make the comparisons I have made 6 different diagrams (see figures 26-31). One figure is dedicated for one attribute. All 3 mentioned tools, which were decided to be used for the comparison, also reflect in the same figures in order to clearly notice their effects: differences and commonalities. Also, the nearness of the people's perceptions about these effects could be better noticed in the diagrams.

According to figures 26-31 I have eliminated the level number 3. Because most of the time this one is given for people, who are really wavered and normally do not have any concrete opinion about the fact. So, in my analysis I decided to remove such answers, because they are not giving any results, most of the time the choices of this level comprise majority and no plausible and specific decision could be made according to this level.
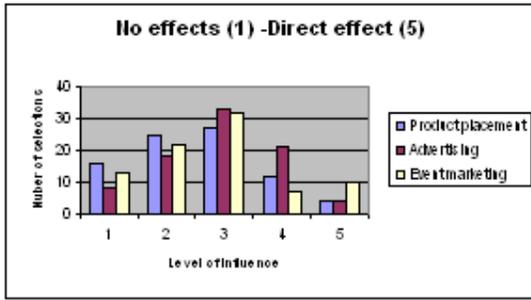
Figure 26. Levels of direct effects
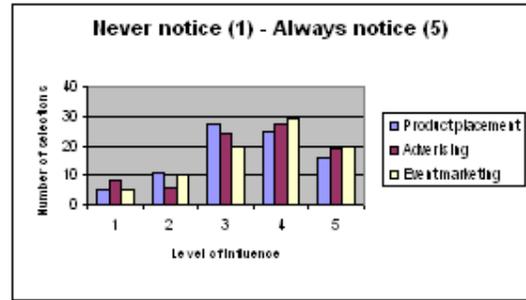
Figure 27. Levels of notices
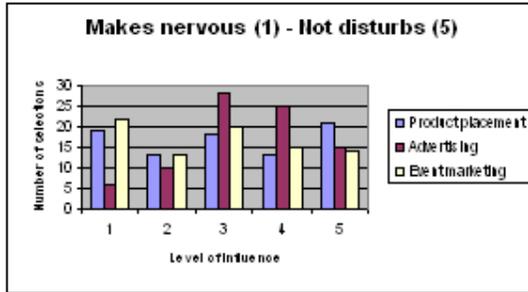
Figure 28. Levels of disturbance
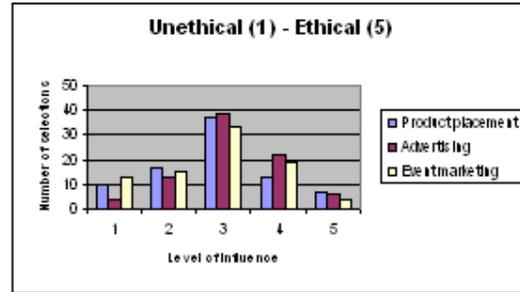
Figure 29. Levels of ethics
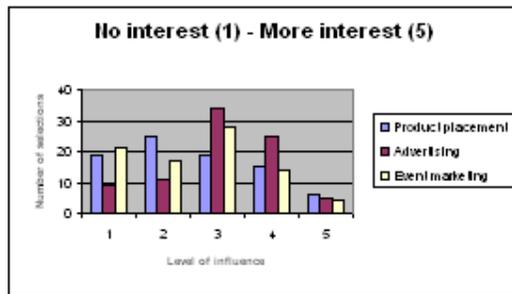
Figure 30. Levels of interest
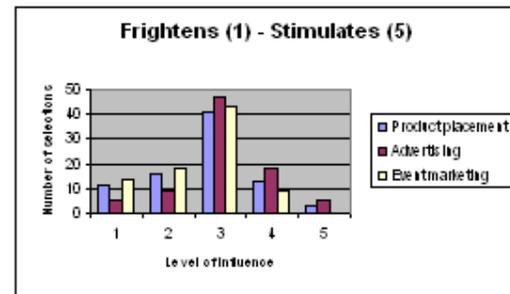
Figure 31. Levels of buying decision

Next step of my comparisons was choosing the greatest effects of product placement in every mentioned figure (the bar with the biggest number of selections). Later on, this effect was compared with the effect of press advertising and event marketing trying to estimate relation's proximity. There is also important to mention that the assumption about the equal validity of each attribute was accredited. It means, each of the 6 attributes has equal weight in the comparison.

After such comparisons I have made a table, in which there are described product placement's similarities either to the press advertising or to the event marketing (see table 20).

Table 20. Product placement's similarities (made by the author)

Advertising	Event marketing
Fig. 26	Fig. 25
Fig. 27	Fig. 28
	Fig. 29
	Fig. 30

According to the records in the table 20, I have made the conclusion, that product placement with its effects is more similar to event marketing than to press advertising. As event marketing is

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an independent promotional tool, while press advertising is a part of the advertising tool, I have come to the conclusion, that product placement should be also considered as a separate and independent promotional tool. For this reason, the option C shown in the part of the generalization of theory analyzed is confirmed. Also, the *hypothesis H₃ (Product placement should be considered as a separate and independent promotional tool in the marketing theory) is also approved.*

Speaking about promotional tolls' influence on customers' buying behaviors it is very important to notice that they are completely different. In this situation it is very important to know, if product placement has a direct influence on buying behavior as an independent promotional tool (as was just proved). Direct influence should be understood here as two options: a person after noticing product placement straight wants to have the product/service or still does not.

For this reason I had more deeply analyzed the 5th question's answers from the questionnaire. People in the Likert scale had to mark there if after noticing the placement this action frightens them from the purchase or stimulates to buy. According to their answers I have calculated the numbers of selections of respondents and according to this systemized data I have drawn figure 32.
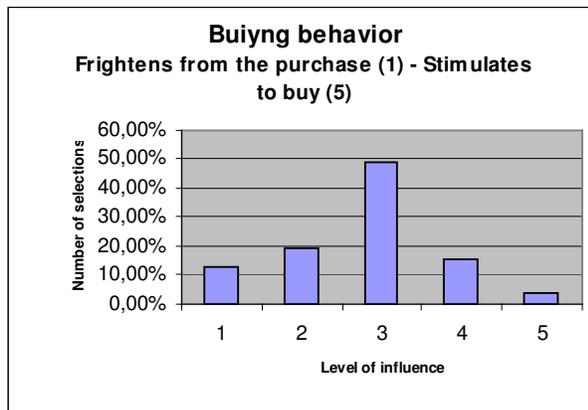
Figure 32. Product placement's influence on buying behaviour (made by the author)

According to the above-mentioned reasons I decided to eliminate level 3 from my research (48,8% of all the answers). As it is seen from the figure 32, people are more tend to refuse of the purchase than to buy after noticing the placement on TV (32.13%), while 19,04% of all the respondents are ready to buy the promoted product/service. Of course, the factor of additional interest of the good here plays an important role. So it could be taken an assumption that people, who chose the 2nd level of influence, could buy the product/service after gaining additional information about it.

To have this analysis more precise, I also decided to calculate the correlation coefficient to be sure about product placement's influence on buying decision. I made it with the help of Excel function CORREL. The obtained coefficient is –0.21, which indicates a weak negative linear relationship via a shaky linear rule. This distribution is shown in the figure 33.
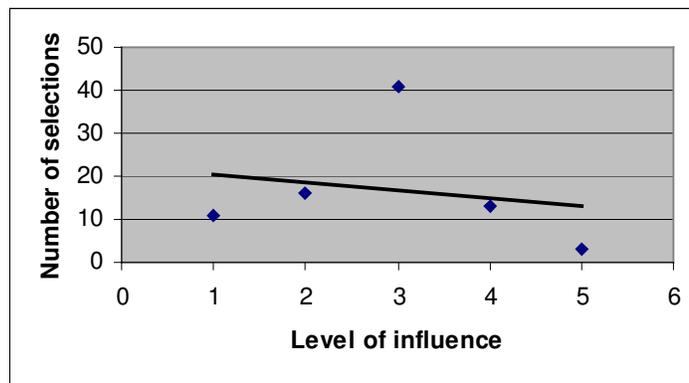
Figure 33. Number of selections dependence on the level of influence (made by the author)

The conclusion could be done, that product placement does not have any flashy effects on the buying behaviors. When the selection level changes to the positive direction, the number of selections is decreasing. Here again comes the assumption to the mind that people are always seeking for more information. It is not only to notice or hear about the product/service on TV when it's presented as an unexpected occurrence. According to this entire analysis *hypothesis H_5 (Product placement has direct effects on (services) buying behavior) is denied.*

The denial of the hypothesis H_5 is also affirmed with the comparison of the correlation between the attributes and their levels of selection (see H appendix). According to this analysis the correlation coefficients show product placement's correspondence to the event marketing. Especially closely connected factors here are ethics, buying decision and interest with the possible direct effects. Also, ethics with buying decision. While when speaking about press advertising there are much more meaningful coefficients. Also the difference is that here all the attributes have only stronger or weaker positive linear relationship, while for other promotional tools there could be also noticed negative relationship.

Continuing with the correlation, it may also help to (dis)approve the last hypothesis H_4.

1. Gender was coded by: Male – 0;

                                 Female –1.

Correlation coefficient calculated is -0.08. It indicates a weak negative linear relationship via a shaky linear rule.

2. Age was coded by: 0-26 y. – 0;

                               27-35 y. – 1;

                               36-44 y. – 2;

                               45 y. and more – 3.

Correlation coefficient calculated is –0.20. It indicates a weak negative linear relationship via a shaky linear rule.

3. Education was coded by: Higher education – 0;

Further education – 1;

Secondary education – 2;

Unfinished higher education / still studying – 3.

Correlation coefficient calculated is 0.00. It indicates no linear relationship.

From this analysis it becomes clear, that the selection of the effects of product placement on peoples' buying behavior does not depends on their education, because the correlation between these two factors is equal to zero. Between gender and age there is quite a great difference but these two factors have both negative linear relationship with the selection on buying behavior. Still, dependence on the age is more obvious. For this reason the *hypothesis H₄ (The effect of product placement on buying behavior directly depends on consumer's gender, age and education) is denied too.*

As there are already clear theoretical understandings of the effects of product placement, there is also interesting to analyze how it really works. Because normally people are tend to behave a bit differently when they are working only with pure facts and when with the obvious examples. For this reason, in my questionnaire there was also included the TV serial described above. Only people who were watching it were asked to continue the filling of the questionnaire. So, from all the respondents only 23,52% of all the respondents were watching this broadcast. Only 37,5% of them were men (more than a half – women). Interesting, that there were people only from two age groups: 18-26 years and 36-44 years. Their education differs a lot. All of them noted that they are noticing product placement on the TV serial "Nemylimi". There was only one girl of the age group 18-26 years and further education who told that she is not. For this reason her question might be deleted from all the analysis, because that is impossible to count on 1 person from the whole respondent group. In the other case comes a question: is she really watching it or just the TV is on occasionally on the time the serial is shown?

Of course, the greatest interest is given for the products/services noticed and for the buying decisions of respondents:

1. The products noticed: automobiles (VW, Alfa Romeo, Fiat, Nissan), shoe shop "Danija", Shopping center "Gedimino 9", mineral water (people don't remember which exactly).

2. The services noticed: nurture institutions and cafes (people do not remember their titles a lot. The only one mentioned is Kibin-drive), preservative organization "Vilniaus skydas", police of Lithuanian republic, Vilnius airport, Baltic-America clinics.

It is possible to say, that in the TV serial "Nemylimi" the services are noticed more than products. But as I also watch it, I can argue, because placements of products here are in almost every scene. People did not say anything about the influence on their buying decisions of automobiles placements. In the other case, some of them marked, that they remembered about the

changes of the season and the need of shoes. Maybe "Danija" or shopping center "Gedimino 9"attained more clients? It is possible, because also, some of the respondents marked that they liked the service of the salespeople in "Gedimino 9" and they decided to visit it. While speaking about the Baltic-America clinics one person mentioned that he would never go there even if he marked that this TV serial is suitable for the promotion of this clinics. But he did not wanted to tell what has influenced his decision. Some more people marked that placing this clinics stimulated them to take more interest in it.

The respondents mentioned that all the placements make the TV serial more realistic and believable, more involving and creating the situation that the same scenes may always happen in the real life. They also marked that placed products and services are every day used by many people and are actual for them. For this reason they just remember special brands and maybe next time will buy them. Especially useful placements in this TV serial are just because it is shown at 21:00 pm and attracts a great audience. People at this time are at home after their heavy working days, are trying to relax and take their time. At the same time when the serial involve, it also helps to escape from the existing real everyday problems.

The interesting fact, noticed by some respondents was that "Vilniaus skydas" made a bad decision agreeing to act in the scene where the office is not safeguarded and the thief runs away with all the money. Also, that LR police and the legal fraternity are shown from the bad side as taking bribes, badly behaving with criminals and so on.

Even if the analysis is really interesting and if making it more deeply many of the companies may find important and useful information, my greatest interest was the audience's buying behavior after noticing such placements. And the conclusion was that product placement on TV (TV serial "Nemylimi" on this occasion) does not have the direct influence on people's buying behavior. It is enough if these placements stimulate to take more interest in the products/services or reminds about existing ones. And one more point to mention is that placement might be useful only for the known brands. It will not work if the brand is just being introduced in the market and not a lot people know it. For this reason most of the world-known companies dare to use product placement not only on the local TV and movies, while for the Lithuanian ones it is offered to be placed only locally.

This analysis also confirmed my decisions about the affirmation of the hypothesis H_1 and denial of the hypothesis H_5.

4. PROJECTIONS: PRODUCT PLACEMENT IN THE OVERALL MARKETING STRATEGY

As Kotler PH. and Keller K. L. have noted, a key ingredient of the marketing management process is insightful, creative marketing strategies and plans that can guide marketing activities. Developing the right marketing strategy over time requires a blend of discipline and flexibility. Firms must stick to a strategy but must also find new ways to constantly improve it. Marketing strategy also requires a clear understanding of how marketing works. Successful marketing thus requires companies to have capabilities such as understanding customer value, creating customer value, delivering customer value, capturing customer value, and sustaining customer value. Creating, providing, and communicating value requires many different marketing activities. To ensure that the proper activities are selected and executed, strategic planning is paramount. Marketing plays a critical role in this process. To understand marketing management, we must understand strategic planning.

In the figure 34 I have shown the combination scheme of the marketing strategy planning process. I was not going deep to all the steps in this scheme, because in this paper these were not the most important factors. I just wanted to unfold the product placement's position in this strategic process. For this reason in the scheme I have extended the moment to deeper analysis of this position. Additionally, when going through the process of setting marketing strategy and discussing more deeply the steps shown in the figure 34, I have also offered more additional figures which enlarge some other more important steps in several main blocks offered in the overall marketing strategy planning process.

I offer to start the marketing strategy setting process with the corporate business mission, vision, goals and tasks. An organization exists to accomplish something. Its specific mission or purpose is usually clear when the business starts. Over time the mission may change, to take advantage of new opportunities or respond to new market conditions. A company's mission is its reason for being. In the strategy formulation process, the mission statement sets the mood of where the company should go. Organizations develop mission statements to share with managers, employees, and (in many cases) customers. A clear, thoughtful mission statement provides employees with a shared sense of purpose, direction, and opportunity. Also, it stresses the company's major policies and values.

Corporate vision is a short, succinct, and inspiring statement of what the organization intends to become and to achieve at some point in the future, often stated in competitive terms. Vision refers to the category of intentions that are broad, all-inclusive and forward thinking. It is the image that a business must have of its goals before it sets out to reach them. It describes

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aspirations for the future, without specifying the means that will be used to achieve those desired ends.
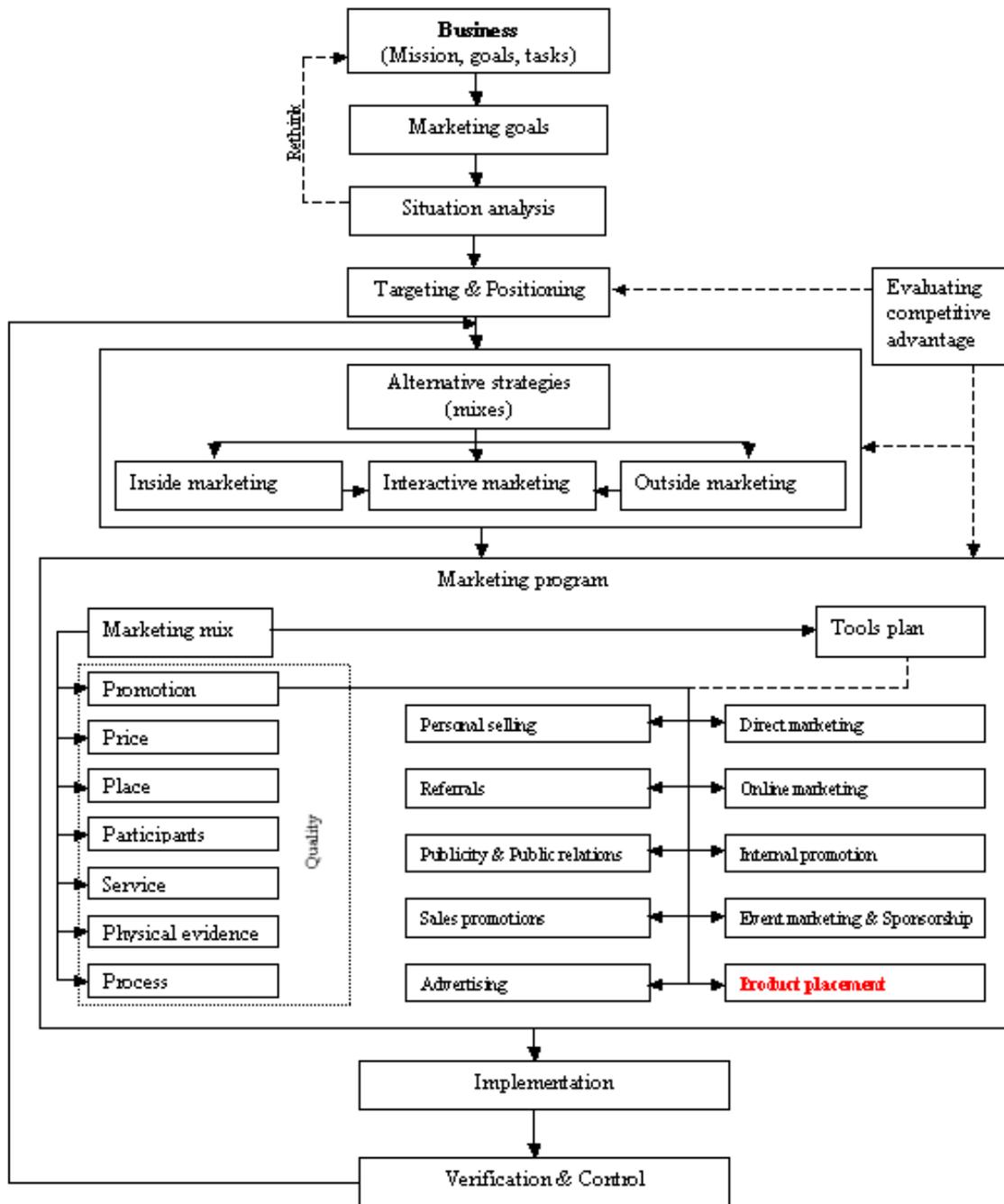
Figure 34. Setting services marketing strategy – combination scheme incorporating product placement (made by the author)

Mission statement often contains the purpose of the organization, the organization's primary stakeholders (clients, stockholders, etc.), responsibilities of the organization towards these stakeholders, products and services offered.

As the responsible people create the mission statement they must consider some or all of the following concepts shown in the figure 35. This is kind of a small prompting scheme made up according to the offerings of the different authors and having all of them systemized.
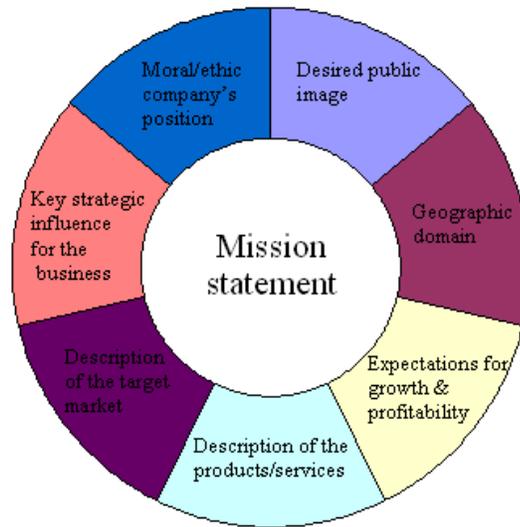
Figure 35. Key influences on the mission statement (made by the author)

The mission statement communicates the company's core ideology and visionary goals, generally consisting of the three main components shown in the figure 36:

- Core values: few values that are central to the firm. Core values reflect the deeply held values of the organization and are independent of the current industry environment and management fads.

- Core purpose: the reason that the firm exists. This core purpose is expressed in a carefully formulated mission statement. This purpose sets the firm apart from other firms in its industry and sets the direction in which the firm will proceed.

    The company's core values and purpose constitute its core ideology and remain relatively constant.

- Visionary goals: the lofty objectives that the company's management decides to pursue. This vision describes some milestone that the firm will reach in the future. In contrast to the core ideology that the company discovers, visionary goals are selected.

Managers use the term goals to describe objectives that are specific with respect to magnitude and time. Most business units pursue a mix of objectives including profitability, sales growth, market share improvement, risk containment, innovation, and reputation. The business unit sets these objectives and then manages by objectives. In the other words, these objectives help to achieve the goals set by the company, because goals have more broader meaning here. Goals also should be measurable so that the company can monitor its progress and make corrections as needed.
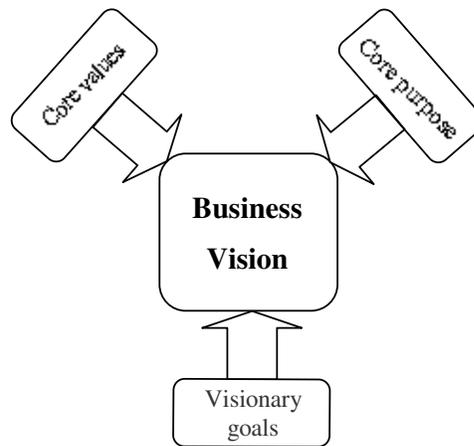
Figure 36. Main components of the business vision statement (after www.quickmba.com)

The process of setting goals is a never-ending one – it changes, as the company's needs change. In figure 37 the overall goal setting process is shown according to the offerings of different authors in their literature. While in the I appendix there is shown a simple scheme offered in http://www.acieve-goal-setting-success.com which may be adopted either for the small companies, or for the separate people in their lifes.

First of all I offer to pay attention of how the goals are planned:

- Centralized planning: all the goals are planned and initiated by the main control center - CEO.

- Decentralized planning: the CEO asks people from other departments to notice opportunities, threats, possible goals and strategies for achieving them, information about sales, income, personnel etc. CEO prepares the instructions grounded on the information collected from separate departments.

- The mix of centralized and decentralized planning: Usually, the CEO and the directors of the smaller departments together assess main goals and strategies.

- Sectional (or group) planning: the CEO and departmental directors regularly meet in order to solve organizational problems.

Again, according to the figure 37, one of the steps of the goals setting process should be described in more details. This step is assessing and differentiating. The assessment is really important because of some requirements for the goals, presented on the right of the blocker:

- Suitability – every goal of the company must stimulate prosecute its mission.

- Attainability – goals must be attainable and, depending on inside or outside forces together with proper implementation of the plans, the expectations will be achieved on time.

- Acceptability – the goals are achieved only if they fit the values of the organization and are accepted by people (personnel).

- Flexibility – it should be a possibility to change or transform the goal in the cases of unexpected accidents.
- Motivation – the goals, which are not understood by people, have no motivating power. The easily attainable goals do not have it also. A bit higher and more difficult than easily achievable and complicated (if acceptable) goals have motivating power.
- Comprehensibility – goals must be formulated in the simple language so everyone could understand them.
- People involvement – the best results are achieved if people, responsible for their realization, are involved also in their formulation process.
- Compatibility – the main company goal must be solid with the separate departments' goals. The departments' goals must also fit together and at the same time with the main organizational goals.
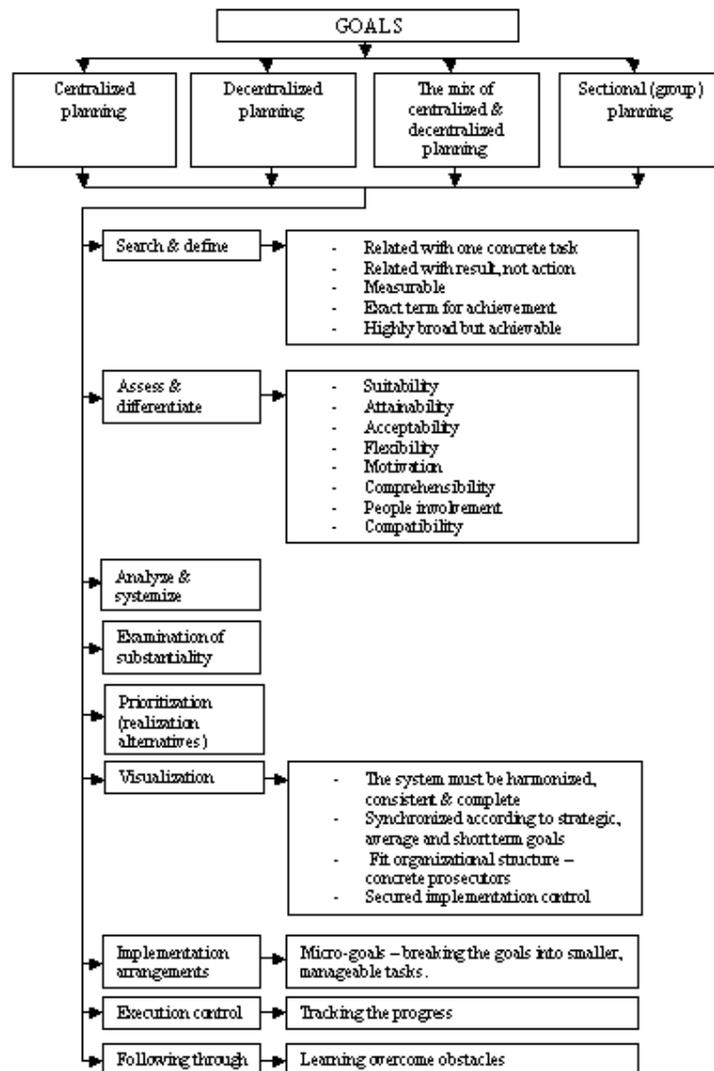
Figure 37. The goal setting process (made by the author)

The last two steps of the goal setting process are control of the execution and following through. These are really important. Because the tracking of the progress is really close to the personnel motivation issues. And following through helps to learn not to climb into the same hole second time. Also, proves that every problem has a solution and every obstacle might be bypassed.

Later on *each business unit* needs to define its *specific* mission within the broader company mission. The unit's goals and tasks flow also from their mission statement. One of the units is marketing department. For this reason the second step in my combination scheme is setting marketing goals which are describing the further activities of the marketing department. Most of the authors offer to use the SMART acronym (specific, measurable, attainable, relevant, timely) when speaking about marketing goals. Normally, the process itself stays the same a described before and shown in the figure 37. Still, for the marketing goals to be set and achieved the separate marketing plans are usually used. But the speech here goes not about the business plans, but about the strategic processes. So, in the figure 38 I have offered a simple scheme of the marketing goals setting process: how it differs from the overall business goals setting scheme.
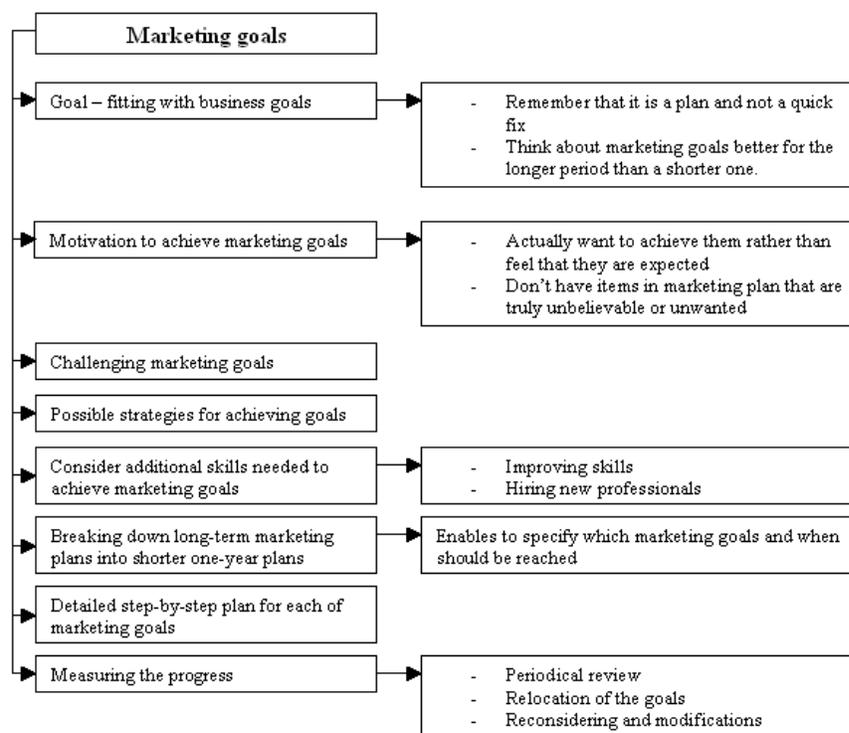
Figure 38. Marketing goals setting process – issues requiring attention (made by the author)

After marketing goals are set I offer to evaluate the situation both of the company itself and of the markets (see the scheme in figure 39). The situation analysis, according to the figure 39,m may be experienced according the 5C analysis, which is an environmental scan on five key areas especially applicable to marketing decisions. It covers the internal, the micro-environmental, and the macro-environmental situation. Changes in the external environment often present new opportunities and new ways to reach the objectives. An environmental scan is performed to identify

the available opportunities. The firm also must know its own capabilities and limitations in order to select the opportunities that it can pursue with a higher probability of success. The situation analysis therefore involves an analysis of both the external and internal environment. The external environment has two aspects: the macro-environment that affects all firms and a micro-environment that affects only the firms in a particular industry. The macro-environmental analysis includes political, economic, social, and technological factors and sometimes is referred to as a PEST analysis. An important aspect of the micro-environmental analysis is the industry in which the firm operates or is considering operating. Michael Porter devised a five forces framework that is useful for industry analysis. Porter's 5 forces include barriers to entry, customers, suppliers, substitute products, and rivalry among competing firms. The number of macro-environmental factors is virtually unlimited. In practice, the firm must prioritize and monitor those factors that influence its industry. Even so, it may be difficult to forecast future trends with an acceptable level of accuracy. In this regard, the firm may turn to scenario planning techniques to deal with high levels of uncertainty in important macro-environmental variables.
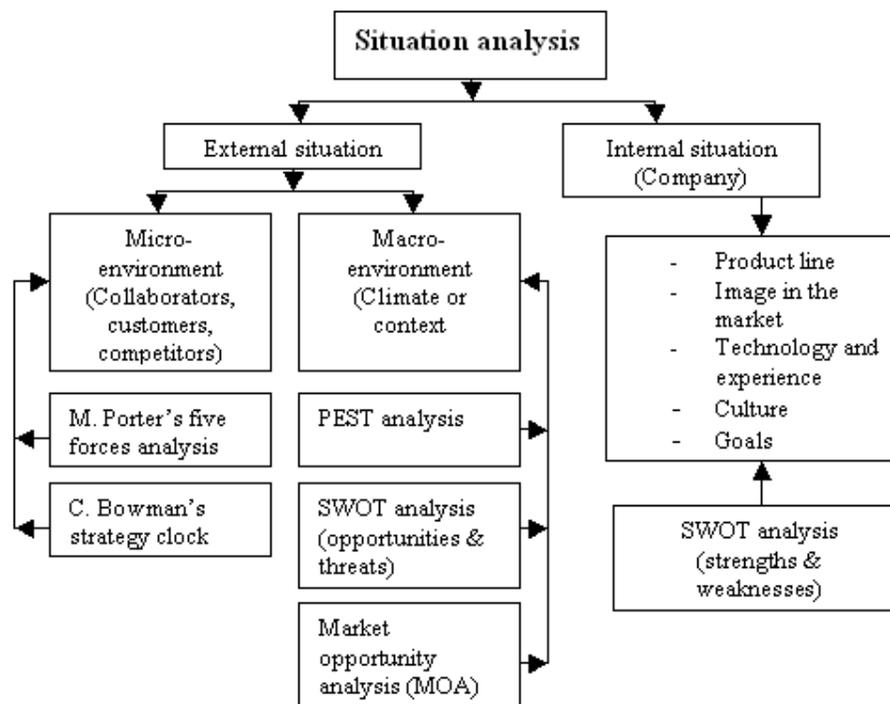
Figure 39. Situation analysis possibilities (made by the author)

A situation analysis can generate a large amount of information, much of which is not particularly relevant to strategy formulation. To make the information more manageable, it sometimes is useful to categorize the internal factors of the firm as strengths and weaknesses, and the external environmental factors as opportunities and threats. Such an analysis often is referred to as a SWOT analysis. A business unit has to monitor key macro-environment forces (demographic-economic, natural, technological, political-legal, and social-cultural) and significant

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microenvironment actors (customers, competitors, suppliers, distributors, dealers) that affect its ability to earn profits. To evaluate opportunities companies also can use Market Opportunity Analysis (MOA) to determine the attractiveness and probability of success.

After making the situation analysis is can become clear that some of the tasks or even goals are unable to achieve. For this reason I have offered the step of rethinking all the business's activities – it also comprise its mission, goals and tasks which are the main standards for every company's division. Only if the situation analysis corresponds to above analyzed steps, the strategic planning may continue. Once the company has performed all the analysis, it can proceed to targeting and positioning.

After the situation is analyzed the company must decide whom will it serve for. In marketing terms it is described by the terms segmentation, targeting and positioning. All these together comprise a three-stage process (see figure 40). The company first (1) determines which kinds of customers exist, then (2) selects which ones it is best off trying to serve and, finally, (3) implements the segmentation by optimizing products/services for that segment and communicating that it has made the choice to distinguish itself that way. Segmentation involves finding out what kinds of consumers with different needs exist. There exist three main segmentation approaches to marketing: undifferentiated, concentrated and differentiated strategies. In the next step, a company decides to target one or more segments. Positioning involves implementing the targeting.
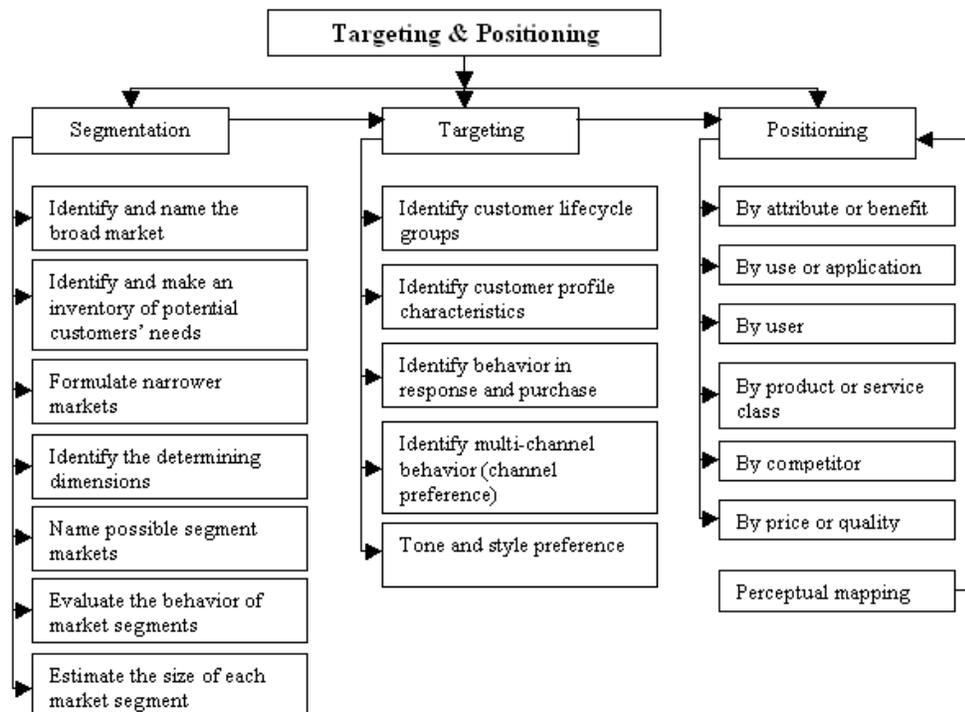
Figure 40. Segmentation, targeting and positioning – the three stage process (made by the author)

Here I decided to incorporate the competitive advantage the company may gain. Evaluating it should continue not only in this step, but also in the stage of selecting alternative marketing

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strategies or their mixes and the stage of implementation of the selected marketing program. When a company sustains profits that exceed the average for its industry, the firm is said to possess a competitive advantage over its rivals. The goal of much of business strategy is to achieve a sustainable competitive advantage. The term "profits" here has not only the monetary meaning. A competitive advantage exists when the firm is able to deliver the same benefits as competitors but at a lower cost (cost advantage), or deliver benefits that exceed those of competing products (differentiation advantage). Thus, a competitive advantage enables the firm to create superior value for its customers and superior profits for itself.

A firm possesses a sustainable competitive advantage when its value-creating processes and position have not been able to be duplicated or imitated by other firms. Competitive advantage occurs when an organization acquires or develops an attribute or combination of attributes that allows it to outperform its competitors.

Competitive advantage

Cost leadership	Differentiation	Focus (economics)
Occurs when a firm delivers the same services as its competitors but at a lower cost	Occurs when a firm delivers greater services for the same price of its competitors	Requires concentrating on a narrow, exclusive competitive segment, hoping to achieve a local rather than industry wide competitive advantage.

Figure 41. Methods for creating a sustainable competitive advantage (made by the author)

In the stage of targeting and positioning the company must gain this advantage by being able to serve as many possible buyers or users of the product/service as possible and making them satisfied with all that. In the stage of choice of the alternative strategies the company must have several ones or their mixes, that in the case of the changes in the economy it should not had to go out of the business but might stay and work as perfectly as before, without suffering great losses (also here are meant not only monetary ones). The gain of the competitive advantage should be also evaluated in the stage of setting marketing program. Because in this stage the service or product is shown to the consumer, it offered to him by unfolding the value of the brand. For this reason the best ways to do that, to enter the potential buyers consciousness, should be found. If they will not be

different and exceptional, potential customers won't pay attention to them and the competitive advantage will be lost.

The next stage in the marketing strategy formation process is choosing alternative marketing strategies or their mixes. There are lots of literature and different authors who are trying to frame all possible marketing strategies. But it is very important to have in mind that there is no one pure. Most of the times for every business are used mixes of the strategies. Or one of them as the main with the elements from the other ones. As I am more concentrating on the services marketing strategy I offer to evaluate three marketing types in this stage: inside marketing, outside marketing and interaction marketing. Outside marketing is understood the same as traditional marketing used for production companies. Inside marketing is the philosophy and special instruments used for the personnel of the company, so that all people in the company were competent to supply the special service. It informs, ands involves all staff in new initiatives and strategies. Internal marketing obeys the same rules as, and has a similar structure to, external marketing. The main differences are that the customers are staff and colleagues from own organization. Interaction marketing is applied to the communication between the seller and the buyer of the service. For every of this type should be different marketing strategies organized (or only some elements may differ), because later on, when preparing the programs, the different tools for every of the types mentioned should be used.
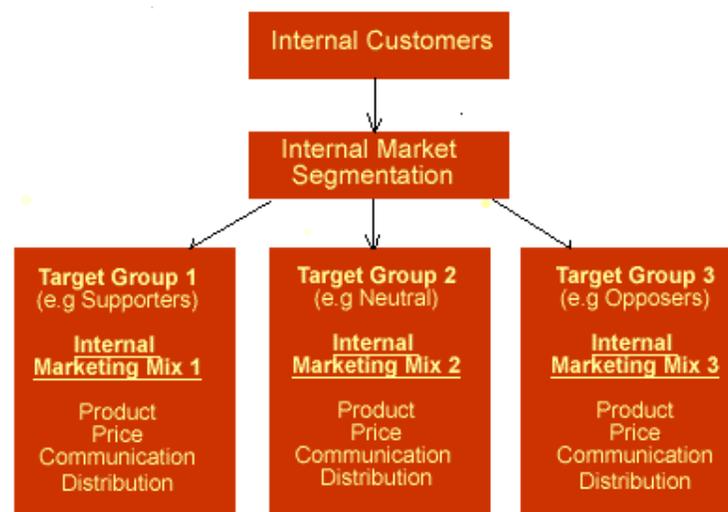
Figure 42. Internal marketing process (www.marketingteacher.com)

At this stage firstly the company should identify its internal customers. As with external customers, they will have their own buyer behavior, or way of "buying into" the changes, which are charged to implement. The similarities in differing groups of internal customers allow segmenting them. As in the web-site www.marketingteacher.com explained, the company can target three different segments namely "supporters", "neutral", and finally "opposers". Each group requires a slightly different internal marketing mix in order that your internal marketing objectives can be achieved.

Marketing program is implemented through the use of marketing mix by adopting the relevant and appropriate marketing tools. Every element of the marketing mix should have a tools plan which helps to materialize the elements. For the services I decided to choose the 7 elements mix comprised of services, promotion, price, place, participants, physical evidence and the process. The grounding of this choice was described in the literature analysis generalization topic. In this case I gave the greatest importance to the unfolding of the promotional tools list by trying to show product placement's position there (marked in red in figure 34). This marketing program part also involves the development of the budget. Once the marketing programs are formulated, the marketing people must estimate their costs. To implement marketing program hundred of detailed decisions are often required. These decisions are called marketing tactics – detailed day-to-day operational decisions essential to overall success of the marketing strategy. Marketing tactics generally involve actions and must be taken right away.

Here I would like to concentrate on the marketing tools plan designed for the product placement. In order to have some effects there Tucker T. (2007) offered some special checklist of the product placement (citation of all checklist):

- Identify a program that reaches the target audience (Is the program broad or narrow in scope, entertaining, informing or educating? Buzz worthy with the audience?);
- Match the show's content with the brand attributes (Is the brand user likely to watch the show? Does the user identify with the characters? Does the show share the brand's values?);
- Ascertain opportunities to integrate the brand (Is there are character that best meets the brand's image? Is there an episodic plotline that could demonstrate the brand? Can it be part of a storyline that covers multiple episodes?);
- Execute the integration to maximize message and reach (Are there tie-in opportunities with the show's Web-site or other media? Are there opportunities within the brand's own marketing to tie-in the integration? Is the message clear, concise and amiable to the show and viewers?);
- Evaluate the integration (are the opportunity costs of doing the integration understood? Are there clear expectations set forth in an arrangement with the network/producer? Is the some kind of methodology in place to value the integration or obtain ROI?).

This above described tools plan for the product placement's realization may not fit every organization or business. It might be augmented with some additional important points also, some of them might be deleted. At the same time, this plan has no particular shape. In order to have it more precise and easier to exercise the company's responsible person must create the accurate and understandable form for this plan.

Services Marketing Mix

Element	Description	Details
Participants	Adding value to an experience	- Training - Personal selling - Customer service
Physical evidence	The material part of a service	- Internet/web pages - Paperwork - Brochures - Signage - Business cards - Etc.
Process	Processes integrate together to create an overall marketing process	At each stage of the process, markets: - Deliver value through all elements of the marketing mix. Process, physical evidence and people enhance services. - Feedback can be taken and the mix can be altered. - Customers are retained, and other serves or products are extended and marked to them. - The process itself can be tailored to the needs of different individuals, experiencing a similar service at the same time.
Place	Mechanism through which services are moved from the service provider to the user	- Direct or indirect channels - Single or multiple channels - Cumulative length of the multiple channels - Types of intermediary - Number of intermediaries at each level - Which companies as intermediaries to avoid "intrachannel conflict"
Price	- Related to product positioning - Affects other marketing mix elements (product features, channel decisions, promotion)	- Examine company and marketing objectives - Estimate the demand curve - Calculate cost - Understand environmental factors - Set pricing objectives - Determine main pricing - Determine an initial price - Determine promotional pricing - Set standard price adjustments - State payment options
Service	The group of products normally is offered, comprising the assortment	- Assortment contraction - Assortment expansion - Assortment consolidation
Promotion	Delivering message	- Personal selling - Referrals - Publicity & public relations - Sales promotions - Advertising - Direct marketing - Online marketing - Internal promotion - Event marketing & sponsorship - Product placement

Figure 43. Services marketing mix: tuning the elements (made by the author)

When marketing tools plan is already available to use, the selected marketing strategy should be implemented. The implementation phase involves identifying the required resources and putting into places the necessary organizational changes. As it implements its strategy, a company needs to track the results and monitor new developments. Control systems should be developed and implemented to facilitate this monitoring. Standards of performance are set, the actual performance measured, and appropriate action taken to ensure success.

To implement the marketing strategy, marketing management has to decide what level of marketing expenditures is necessary to achieve the marketing objectives. The total budget has to be allocated among the several marketing activities and tools in the marketing mix. During the implementation of activities, the company has to review the process of marketing and sales

activities regularly throughout the year. These reviews provide an opportunity to listen to weak signals and to redirect any parts of the planned action program that are off target.
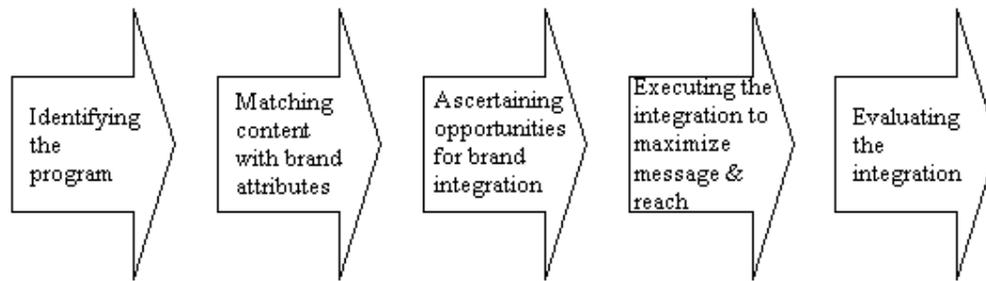
Figure 44. Marketing tools plan designed for the product placement (made by the author)

Some environments are fairly stable from year to year. Other environments evolve slowly in a fairly predictable way. Still other environments change rapidly in major and unpredictable ways. Nonetheless, a company can count on one thing: the marketplace will change. And when it does, the company will need to review and revise its implementation, programs, strategies, or even objectives.
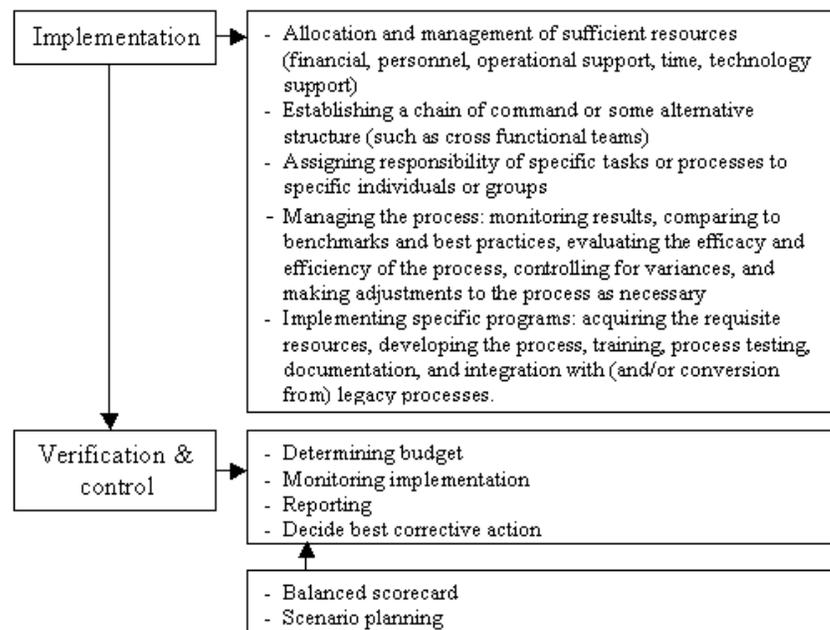
Figure 45. Strategy implementation, verification and control – main issues (made by the author)

Verification and control is offered to implement through the use of Balanced Scorecard (in more details described in the J appendix) and by using the model of Scenario Planning (described in K appendix).

The Balanced Scorecard is an approach that can be used by strategic marketing managers to control, and keep track of, key performance indicators. In fact the scorecard itself is designed to be wholly strategic since it contains long-term outcomes and drivers of success. There are four zones in a balanced scorecard namely financial, customers, business processes (or simply processes), and learning and growth. Each measure is part of a longer chain of cause and effect, and all of the

measures eventually lead to outcomes. So, the scorecard is "balanced" in that outcomes are in balance with each other. The benefit of the scorecard is that is overcomes short-term quick fixes, and gives the strategic marketing manager a straightforward overview of the organization.

Traditional forecasting techniques often fail to predict significant changes in the company's external environment, especially when the change is rapid and turbulent or when information is limited. Consequently, important opportunities and serious threats may be overlooked and the very survival of the firm may be at stake. Scenario planning is a tool specifically designed to deal with major, uncertain shifts in the company's environment. Scenario planning is not about predicting the future. Rather, it attempts to describe what is possible. The result of a scenario analysis is a group of distinct futures, all of which are plausible. The challenge then is how to deal with each of the possible scenarios.

The strategic management process is dynamic and continuous. A change in one component can necessitate a change in the entire strategy. As such, the process must be repeated frequently in order to adapt the strategy to environmental changes. Throughout the process the firm may need to cycle back to a previous stage and make adjustments.

Conclusions

1. In order to figure out the product placement's position in marketing theory, I have analyzed the concept of it. It is important in order to find out if it is better to assume it as a promotional or advertising tool (when advertising is considered as a promotional tool itself). Most marketing scholars agree and cite Balasubramanian who defined it as "the planned entries of products into movies or television shows that may influence viewers' product beliefs and/or behaviours favourably"

2. The analysis of the process of setting marketing strategy for the services show, that there are lots of different opinions and offerings. Usually, the main steps in the schemes of different authors remain, in some cases there are added some additional steps or removed. All these offerings might be summarized, that when setting marketing strategy these main steps should be discussed: (a) inside and outside environmental analysis, (b) SWOT analysis, (c) segmentation, targeting and positioning, (d) selection of the strategies for acquirement of competitive advantage, (e) strategic goals, (f) distinction of the alternative strategies to achieve above-mentioned goals, (g) formation of marketing mix, (h) implementation and control of the marketing strategy. There should also be paid attention to the marketing forms when setting services marketing strategy: outside (traditional), outside and interactive marketing.

3. After making the analysis of the different marketing mixes offered by different marketing scholars in different periods, it may be told that promotion, as one of them, always played an important role. Some authors did not use this term to express this meaning, but the understanding and functions of it remains. So, the analysis I made unfolds the importance of promotion in marketing theory as being one of the most important factors influencing potential consumers. Besides, even if services most of the time are defined as complex field of business because of some special features and especially their intangibility, promotion for them is also very important and plays significant role in creating potential (or existing) consumers' attitudes, recalls and reinforcements.

4. The analysis of marketing promotional tools mixes showed that just one of the others (Keller K. L., 2001) assumes it as a separate and substantive instrument. All others suppose it as one of the elements of the advertising tools (when advertising itself is an independent promotional tool).

5. After the analysis of potential promotional mixes for services and the concept of product placement it became clear that there exist various opinions about its composition. As it was also noticed, product placement on TV as one of the tools for promoting services also has its

position in this theory. After all analysis made, I offered 3 options of possible products placements on TV position:

    a. Option A: product placement may be considered as an advertising tool delivered to the potential consumers through indirect media channels (while advertising is considered as a promotional too);

    b. Option B: product placement may be considered as independent promotional tool delivered to the consumers through indirect media channels (all the promotional tools are independent then and divided into direct or indirect media channels depending on their operation);

    c. Option C: product placement may be considered as an independent promotional tool as one of the whole list of these tools. It is not being considered as an advertising tool (this one is also perceived as one of promotional tools).

6. After making the analysis of the statistical data analysing the product placement occurrences on the television during some period of time, I have come to the conclusion that this tool is really notable. During the period analysed, there was noticed the constant growth of the use of it. I have also made the prognosis for the year 2009 and have noticed, that this year the use of it will slightly fall down. I dared to link it with the changing and excited today's economical situation.

7. By implementing the research and using the questionnaire, I grounded that the option C from the above mentioned product placement's position in the marketing theory possibilities is the most suitable one. It was made by comparing people's understanding and possible influence on them of the product placement, advertising and event marketing as being totally different promotional tools. This was also grounded by the correlation analysis when trying to find out the corresponding factors and elements, which are describing the influence of the mentioned marketing tools.

8. After making the analysis of the process of setting marketing strategy, I have offered my own scheme, which integrates all other opinions of the marketing scholars and my research findings. Additionally, I have paid a great importance to the fact, that services marketing is more complex that traditional one and has three special forms. This process, in my opinion, should be made of 8 main steps, and there should be also a possibility to always get back and improve something in the decision making chain.

9. As it could be seen from the whole analysis, product placement used on TV does not play the fundamental role when decreeing strategic marketing decisions. But there are some steps, where it is involved and should be intended in order to achieve marketing goals and to gain competitive advantage against the rivals. It should be without any doubts discussed in

the step of setting marketing program after the alternative strategies are chosen. Because through the use of promotional marketing tools the program has to be exercised and actualised.

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APPENDIXES

Business unit's strategic planning process (Kotler Ph., Keller K. L., 2006)
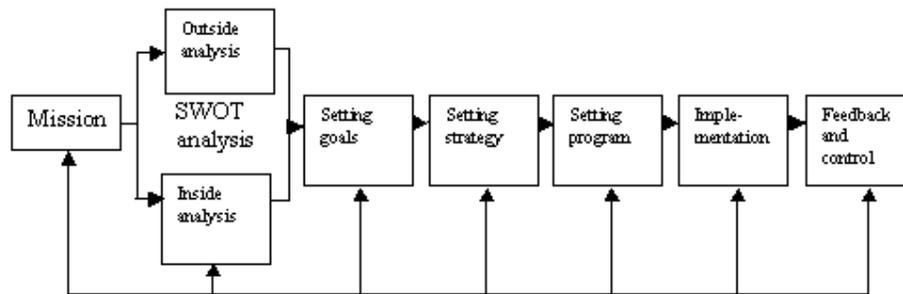
The process of setting marketing strategy (Winer, 2007)

Setting marketing planning process (Doyle and Stern, 2006)

Strategic marketing planning (Assael H., 1992)

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                    ┌─────────────────────────┐
                    │   Situation analysis    │
                    └───────────┬─────────────┘
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┌───────────────────────────────────────────────────────────────┐
│           Evaluation of marketing possibilities                │
│                                                                │
│                      SWOT analysis                             │
│                                                                │
│  ┌──────────────────────────┐    ┌──────────────────────────┐ │
│  │ Opportunities and threats│    │  Strengths and weaknesses│ │
│  └──────────────────────────┘    └──────────────────────────┘ │
└───────────────────────────────┬───────────────────────────────┘
                                ↓
                    ┌─────────────────────────┐
                    │ Determination of the    │
                    │ purpose of the products │
                    └───────────┬─────────────┘
                                ↓
┌───────────────────────────────────────────────────────────────┐
│                 Setting marketing strategies                   │
│                                                                │
│  ┌──────────────────────────┐    ┌──────────────────────────┐ │
│  │      Target market       │    │       Positioning        │ │
│  └──────────────────────────┘    └──────────────────────────┘ │
└───────────────────────────────┬───────────────────────────────┘
                                ↓
                    ┌─────────────────────────┐
                    │ Preparation of marketing│
                    │         program         │
                    └───────────┬─────────────┘
                                ↓
                    ┌─────────────────────────┐
                    │ Forecasted sales scale  │
                    │       evaluation        │
                    └───────────┬─────────────┘
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                    ┌─────────────────────────┐
                    │Forecasted profit        │
                    │       countings         │
                    └───────────┬─────────────┘
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                    ┌─────────────────────────┐
                    │ Implementation and      │
                    │ control of marketing    │
                    │         plans           │
                    └─────────────────────────┘
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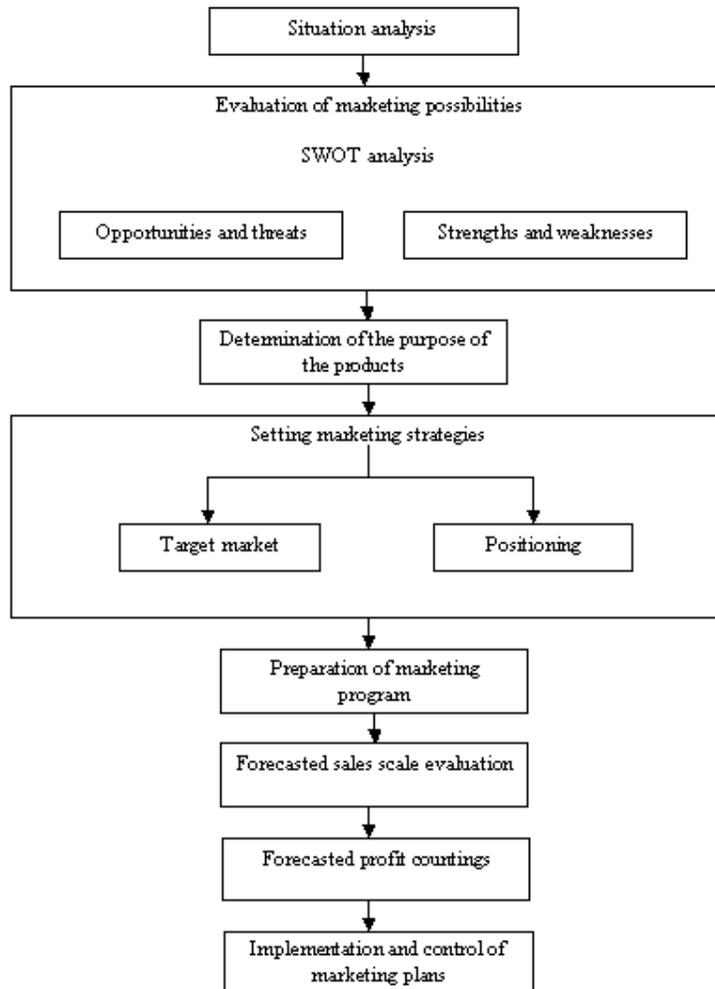
Top-10 brands appearing within TV in the US between 01.01.2004-31.12.2004
(http://blog.nielsen.com)

Priority	Brand	Total number of times brand appeared on TV
1	Coca-Cola Classic Reg. Soft Drink	2320
2	Nike Apparel	1380
3	Pepsi-Cola Reg. Soft Drink	1140
4	NetZero Internet Svc Provider	1129
5	Boston Red Sox Baseball Team	825
6	Ford Autos	530
7	Golden Nugget Hotel-Casino	525
8	Chicago Bears Football Team	502
9	24-Hour Fitness Centers	500
10	Moosehead Beer	483
	TOTAL:	9334

Top-10 brands appearing within TV in the US between 01.01.2005-31.06.2005
(http://blog.nielsen.com)

Priority	Brand	Total number of times brand appeared on TV
1	Coca-Cola Classic Reg. Soft Drink	2775
2	Everlast Apparel	1648
3	Everlast Sporting Equip	1372
4	Gatorade Drinks-Isotonic	1172
5	Toyota Autos & Trucks	815
6	Nike Apparel	789
7	Sierra Mist Reg Soft Drink	785
8	Home Depot	730
9	Foot Locker	699
10	Boston Red Sox Baseball Team	670
	TOTAL:	11455

The questionnaire (in Lithuanian)

1. Lytis
    a. Vyras
    b. moteris
2. Amžius
    a. 18-26 m.
    b. 27-35 m.
    c. 36-44 m.
    d. 45 m. ir daugiau
3. Išsilavinimas
    a. Aukštasis
    b. Aukštesnysis
    c. Vidurinis
    d. Nebaigtas aukštasis / mokausi
4. Įgyta specialybė (įrašykite)……………………………..

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5. Skalėje pažymėkite, kokį poveikį Jums turi ar kokius jausmus sukelia paslėptoji reklama televizijoje (1 - neigiamas poveikis, 5 - teigiamas poveikis).

Nepastebiu niekada	1	2	3	4	5	Pastebiu visada
Neturi jokio poveikio	1	2	3	4	5	Turi tiesioginį poveikį
Nervina	1	2	3	4	5	Netrukdo
Dažnai neetiška	1	2	3	4	5	Visada etiška
Atbaido nuo pirkimo	1	2	3	4	5	Skatina pirkti
Visiškai nedomina	1	2	3	4	5	Skatina pasidomėti papildomai

6. Skalėje pažymėkite, kokį poveikį Jums turi ar kokius jausmus sukelia reklama renginių metu (1 - neigiamas poveikis, 5 - teigiamas poveikis).

Nepastebiu niekada	1	2	3	4	5	Pastebiu visada
Neturi jokio poveikio	1	2	3	4	5	Turi tiesioginį poveikį
Nervina	1	2	3	4	5	Netrukdo
Dažnai neetiška	1	2	3	4	5	Visada etiška
Atbaido nuo pirkimo	1	2	3	4	5	Skatina pirkti
Visiškai nedomina	1	2	3	4	5	Skatina pasidomėti papildomai

7. Skalėje pažymėkite, kokį poveikį Jums turi ar kokius jausmus sukelia reklama spaudoje (1 - neigiamas poveikis, 5 - teigiamas poveikis).

	1	2	3	4	5	
Nepastebiu niekada						Pastebiu visada
Neturi jokio poveikio						Turi tiesioginį poveikį
Nervina						Netrukdo
Dažnai neetiška						Visada etiška
Atbaido nuo pirkimo						Skatina pirkti
Visiškai nedomina						Skatina pasidomėti papildomai

8. Ar žiūrite lietuvių TV serialą "Nemylimi"?
    a. Taip (pereikite prie klausimo nr. 9)
    b. Ne (Baikite klausimyno pildymą)
9. Ar seriale "Nemylimi" pastebėjote paslėptosios reklamos elementų?
    a. Taip (įrašykite kokių produktų ar paslaugų)_____
    b. Ne
10. Ar pastebėti paslėptosios reklamos elementai turėjo įtakos Jūsų sprendimui pirkimo metu?
    a. Taip (įrašykite kokios)_____
    b. Ne
11. Ar, Jūsų nuomone, šios paslaugos/produkto reklamai pasirinktas tinkamas serialas?

Paslaugos/produkto reklama (įrašykite iš klausimo nr. 9)	Serialas tinkamas reklamai	Serialas netinkamas reklamai (įrašykite kodėl)

The questionnaire (in English)

1. Gender:
   a. Man
   b. Woman
2. Age:
   c. 18-26 y.
   d. 27-35 y.
   e. 36-44 y.
   f. 45 y. And more
3. Education:
   g. Higher education
   h. Further education
   i. Secondary education
   j. Unfinished higher education / Still studying
4. Specialty (write in)……………………………..

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5. Mark in the scale what effects has of what feelings evokes the product placement on TV for you (1 – negative effects, 5 – positive effects).

Never notice	1	2	3	4	5	Always notice
Has no effects	1	2	3	4	5	Has a direct effect
Makes me nervous	1	2	3	4	5	Does not disturb
Often unethical	1	2	3	4	5	Always ethical
Frightens from the purchase	1	2	3	4	5	Stimulates to buy
Evoke no interest at all	1	2	3	4	5	Stimulates to take more interest

6. Mark in the scale what effects has of what feelings evokes the event marketing for you (1 – negative effects, 5 – positive effects).

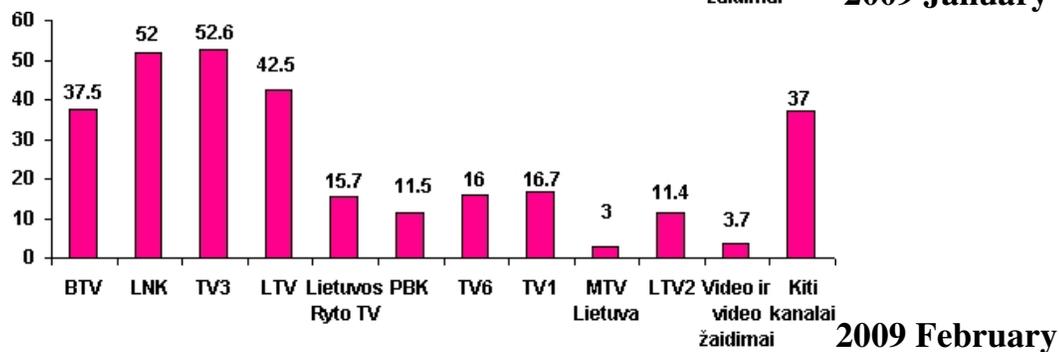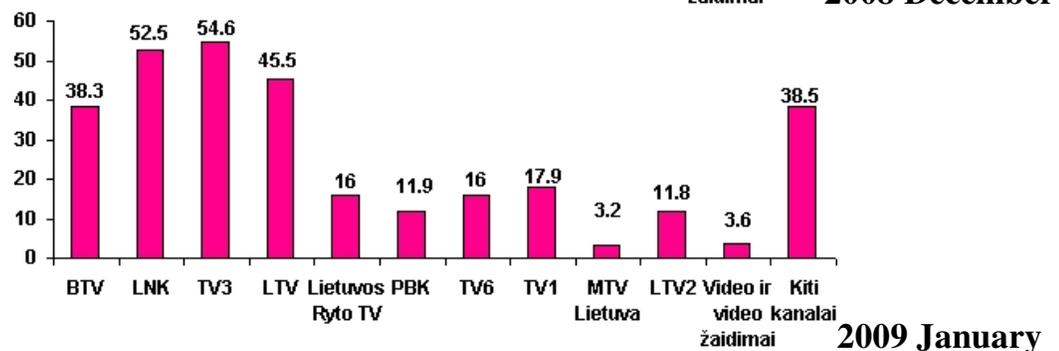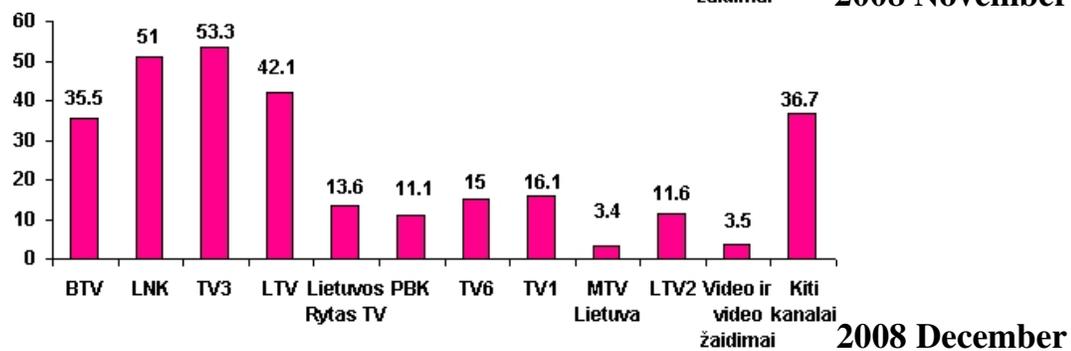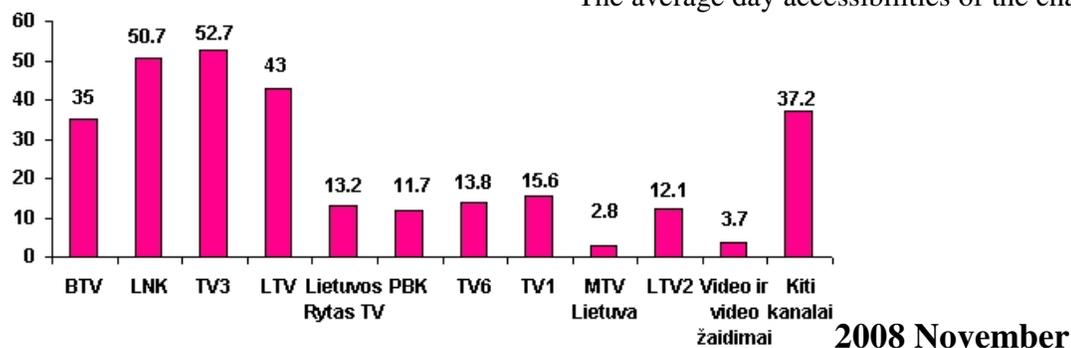| Never notice	1	2	3	4	5	Always notice
Has no effects	1	2	3	4	5	Has a direct effect
Makes me nervous	1	2	3	4	5	Does not disturb
Often unethical	1	2	3	4	5	Always ethical
Frightens from the purchase	1	2	3	4	5	Stimulates to buy
Evoke no interest at all	1	2	3	4	5	Stimulates to take more interest

7. Mark in the scale what effects has of what feelings evokes the simple advertising on press for you (1 – negative effects, 5 – positive effects).

Never notice					Always notice
	1	2	3	4	5
Has no effects					Has a direct effect
	1	2	3	4	5
Makes me nervous					Does not disturb
	1	2	3	4	5
Often unethical					Always ethical
	1	2	3	4	5
Frightens from the purchase					Stimulates to buy
	1	2	3	4	5
Evoke no interest at all					Stimulates to take more interest
	1	2	3	4	5

8. Are you watching the Lithuanian TV serial "Nemylimi" ("Loveless")?
    k. Yes (Pass to the question nr. 9)
    l. No (Finish questionnaire filling)
9. Have you noticed the elements of product placement in TV serial "Nemylimi"?
    m. Yes (write in the products or services)_____
    n. No
10. Did the noticed product placement elements have some influence on you buying decisions?
    o. Yes (Write in the influence)_____
    p. No
11. In Your opinion, for the particular product/service promotion the proper TV serial was chosen?

Service/product promotion (Write in from the question nr. 9)	TV serial proper for the promotion	TV serial not proper for the promotion (write in why)

The average day accessibilities of the channels

2008 November

2008 December

2009 January

2009 February
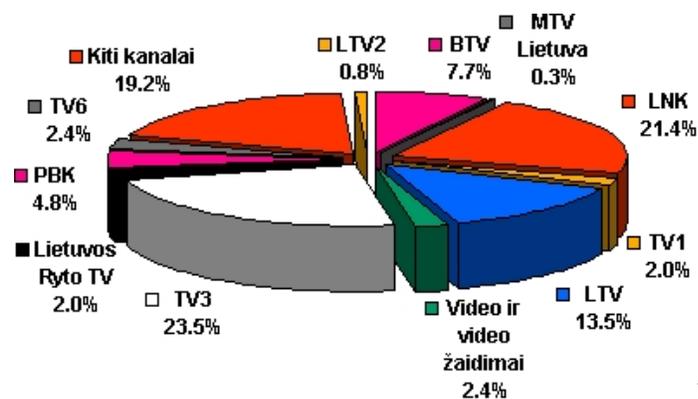
The structure of the channels according to the time watched
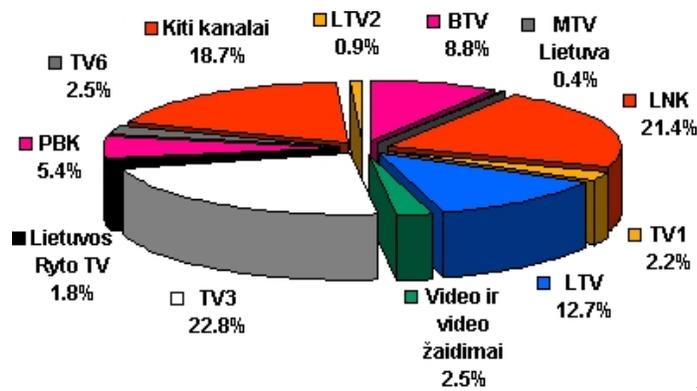

2008 November
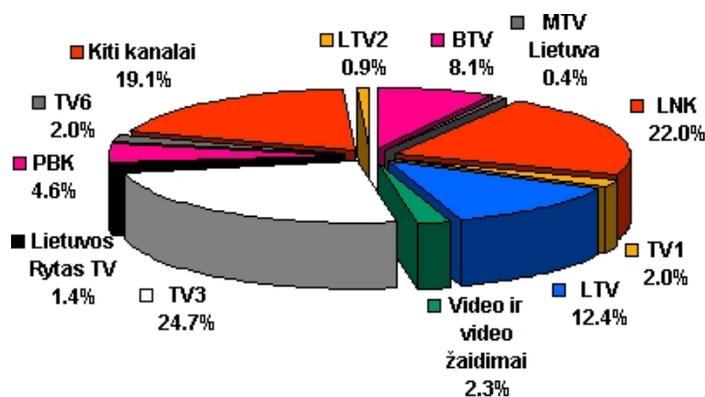
2008 December

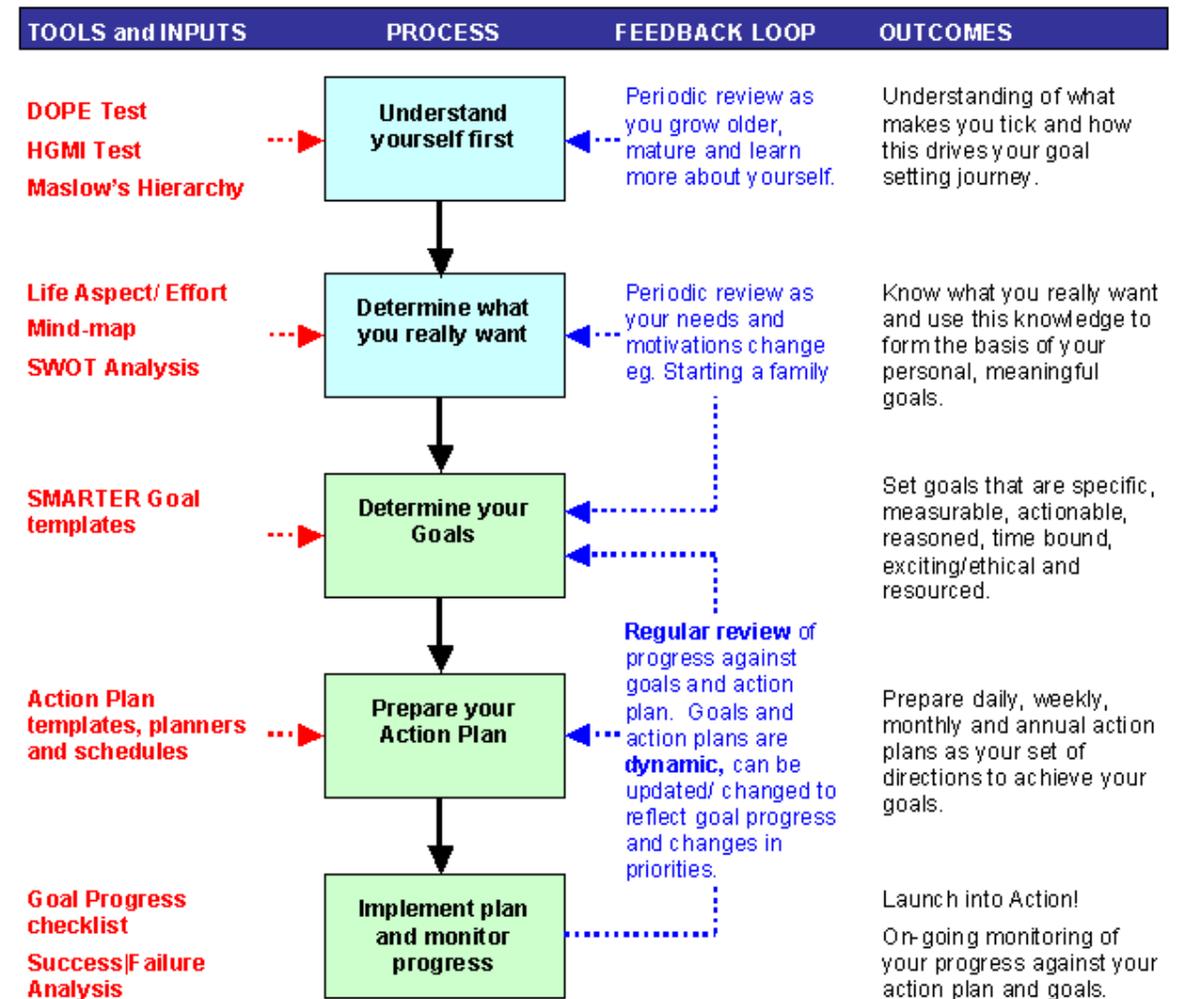**2009 January**

2009 February

The comparison of the correlation between the attributes and their levels of selection

Product Placement	*Noticing*	*Direct effects*	*Disturbance*	*Ethics*	*Buying decision*	*Interest*
Noticing	1					
Direct effects	0,104626	1				
Disturbance	-0,19418	-0,40831	1			
Ethics	0,593251	0,792595	-0,1053919	1		
Buying decision	0,562178	0,808453	-0,1159642	0,99307	1	
Interest	-0,21958	0,883607	-0,6101841	0,431319	0,471096	1

Press advertising	*Noticing*	*Direct effects*	*Disturbance*	*Ethics*	*Buying decision*	*Interest*
Noticing	1					
Direct effects	0,454625	1				
Disturbance	0,921539	0,752241	1			
Ethics	0,637564	0,961896	0,87813034	1		
Buying decision	0,587668	0,914125	0,82004493	0,974724	1	
Interest	0,679768	0,941322	0,87478208	0,966254	0,931906	1

Event marketing	*Noticing*	*Direct effects*	*Disturbance*	*Ethics*	*Buying decision*	*Interest*
Noticing	1					
Direct effects	-0,21688	1				
Disturbance	-0,3765	0,28377	1			
Ethics	0,237569	0,734242	0,42172273	1		
Buying decision	-0,06622	0,922877	0,49253245	0,923845	1	
Interest	-0,2699	0,74663	0,69557133	0,858795	0,907228	1

The Process for Setting Goals
(http://www.acieve-goal-setting-success.com)

TOOLS and INPUTS	PROCESS	FEEDBACK LOOP	OUTCOMES
DOPE Test **HGMI Test** **Maslow's Hierarchy**	**Understand yourself first**	Periodic review as you grow older, mature and learn more about yourself.	Understanding of what makes you tick and how this drives your goal setting journey.
Life Aspect/ Effort **Mind-map** **SWOT Analysis**	**Determine what you really want**	Periodic review as your needs and motivations change eg. Starting a family	Know what you really want and use this knowledge to form the basis of your personal, meaningful goals.
SMARTER Goal templates	**Determine your Goals**		Set goals that are specific, measurable, actionable, reasoned, time bound, exciting/ethical and resourced.
Action Plan templates, planners and schedules	**Prepare your Action Plan**	**Regular review** of progress against goals and action plan. Goals and action plans are **dynamic,** can be updated/ changed to reflect goal progress and changes in priorities.	Prepare daily, weekly, monthly and annual action plans as your set of directions to achieve your goals.
Goal Progress checklist **Success|Failure Analysis**	**Implement plan and monitor progress**		Launch into Action! On-going monitoring of your progress against your action plan and goals.

The Balanced Scorecard.

Learning and Growth

Deals with measures of corporate success in relation to how it learns as it develops over time. So if the company makes mistakes in any way, then it must learn from them and there must be mechanisms in place to make sure that happens. Growth also includes the way in which it generates leaders for the future and equips employees with the necessary skills that will ultimately sustain its business.

Internal Business Processes

Include all operations within the organisation. The measures would cover whether or not value is being delivered to target segments, and the value chain is tracked. Innovation and new product development would also be measured.

Customers

Marketers are very concerned with customers. They need to make sure that customers are satisfied with every aspect of their experience with organization. They need to make sure that they not only recruit more new customers, but that they also retain them and extend new products and services to them. They also need to make sure that they are meeting the needs of target segments.

Financial

Vitally important for every business. A note of caution here, since traditional measures of financial success such as Return On Investment (ROI), and made secondary to "shareholder value".
Shareholder value is the natural measure of success, and so it is prioritized. Information on customers, markets and technology is far more widely available today, so don't bogged down with old-fashioned financial measures.

Resources, individuals and teams within a business are then aligned with the scorecard objectives, measures, targets and initiatives for each of the four areas of measurement.

1. Specify the scope of the planning and its time frame.

2. For the present situation, develop a clear understanding that will serve as the common departure point for each of the scenarios.

3. Identify predetermined elements that are virtually certain to occur and that will be driving forces.

4. Identify the critical uncertainties in the environmental variables. If the scope of the analysis is wide, these may be in the macro-environment, for example, political, economic, social, and technological factors (as in PEST).

5. Identify the more important drivers. One technique for doing so is as follows. Assign each environmental variable two numerical ratings: one rating for its range of variation and another for the strength of its impact on the firm. Multiply these ratings together to arrive at a number that specifies the significance of each environmental factor. After performing this calculation for all of the variables, identify the two having the highest significance.
6. Consider a few possible values for each variable, ranging between extremes while avoiding highly improbable values.

7. To analyze the interaction between the variables, develop a matrix of scenarios using the two most important variables and their possible values. Each cell in the matrix then represents a single scenario. It is worthwhile to give each scenario a descriptive name. If there are more than two critical factors, a multidimensional matrix can be created to handle them. Alternatively, factors can be taken in pairs to generate several two-dimensional matrices.

8. At this point there is not any detail associated with these "first-generation" scenarios. They are simply high-level descriptions of a combination of important environmental variables. Writing a story to develop each scenario starting from the present can generate specifics. The story should be internally consistent for the selected scenario so that it describes that particular future as realistically as possible. Experts in specific fields may be called upon to develop each story, possibly with the use of computer simulation models. Game theory may be used to gain an understanding of how each actor pursuing its own self-interest might respond in the scenario. The goal of the stories is to transform the analysis from a simple matrix of the obvious range of environmental factors into decision scenarios useful for strategic planning.

9. Quantify the impact of each scenario on the firm, and formulate appropriate strategies.

10. Assign a probability to each scenario. Opinions differ on whether one should attempt to assign probabilities when there may be little basis for determining them.