BUILDING CUSTOMER LOYALTY ON THE POLISH MARKET

ABSTRACT. Report presents the state and efficiency of communicating selected values in Poland. Author presents economic mechanisms of effectively communicating customer value. Instruments of consumer and business promotion are examined in the context of their effectiveness. Attention is paid to issues related to customer loyalty. Various loyalty programs based on benefits and emotions are presented. This paper also contains the results own of research done on the effectiveness of measures promoting sales, which was conducted among businesses in Poland in 2011 and among consumers in Poland in 2012. The process of communicating values (benefits) not only provides buyers with awareness of what products and services they can buy, but also of the benefits of the purchase for them. The communication process aims to create and strengthen attitudes among buyers, leading to a favorable reception of products (services) as well as a change of attitude from neutral to positive – creative. Reflections contained in the paper do not have definite characteristics and should be treated as an opinion in the discussion.

JEL Classification: M31
Keywords: customer loyalty, communicating values, benefits, effectiveness.

Introduction

The communication process brings tangible value and benefits to consumers. There is a decrease in the distance between the seller and the buyer. In addition, it shortens the decision-making process for the purchase of a specific product, as the consumer knows what he needs. The level of education in society about changes in the products on offer, prices, new trends, etc. also improves.

In the current economic reality, the survival and development of enterprises depends on respecting performance categories in various areas of the organization. Analysis and evaluation of the performance criterion is also important when taking into account the company’s communication system with the market. A problem always arises when the application of the communication process has to answer to market and effectiveness criteria.

In Poland market has become more competitive, consumer expectations have changed, and new technologies have entered the field of communication. There has been a natural tendency for society to divide into increasingly diverse consumer groups with well-specified preferences and expectations, and there is a greater demand for offers tailored specifically to
their needs. In this situation, techniques and tools used in direct communication have become much more effective.

1. Research Methodology

The basis for the preparation of the paper was the conduction of an in-depth and comprehensive study on the effectiveness and efficiency of communicating customer value. This included the analysis of available secondary data from various institutions involved in marketing communications, both in scientific and commercial applications, as well as the analysis of primary research conducted on a regional basis on enterprises operating on the Polish market, and among the recipients of marketing communications.

The aim of the study was to identify consumers' attitudes to selected forms of communication and to assess its impact on the decision-making process of buyers. Moreover, the aim of this study was to answer the question of whether, in the opinion of consumers, the system of communicating values is effective.

The study used a typical case of non-random sampling of the population of Podlasie and Warmia-Mazury provinces, relying on a subjective and "comfortable" choice of individuals to be a part of the study group in hopes of getting the broadest and fullest set of information.

The research tool used in the study was a questionnaire consisting of 20 questions about the process of communicating customer value, most of them closed questions. It was also the main research method in the project. Methods of data analysis were based on the creation of tables, which served as a way to compare various features of interest and were used to present the data.

Research was conducted through direct interviews taking place between March – June 2012 in the provinces of Podlasie and Warmia-Mazury in Poland. The results of the research on the effectiveness of selected aspects of the process of communicating customer value are presented in this paper.

This paper also contains selected results of research done on the effectiveness of measures promoting sales, which was conducted among companies in Poland. Empirical studies were conducted among enterprises in 2011 on a sample of 17 companies in the provinces of Podlasie and Warmia-Mazury. Judgmental sampling was used to select the companies to research, and was achieved by taking into account the following stratification criteria: number of employees, revenue, legal form, and location.

2. Communicating tangible benefits for the customer

Most companies compete on mature markets where the sale of products has reached its highest level. The ability to increase sales is limited to taking away a part of the competitor brands’ market share. In such circumstances, companies choose sales promotion as the most effective instrument for increasing market share of the brand.

The primary purpose of communicating tangible benefits is the activation of product sales. The distinguishing feature of this form of communication is the use of measures that usually lead to specific material benefits resulting from the purchase of a specific product (Rupik, 2009, pp. 288-289).

Activities to enhance customer value should be developed by the enterprise, as their execution translates into the possibility of obtaining revenues. Yet the execution of all activities, both those that enhance and do not enhance value for the customer, use up available resources and ultimately increase costs. The enterprise must strive to increase the efficiency of the execution of activities by reducing unit cost or by eliminating activities that do not enhance customer value (Świderska & Borowski, 2010, p. 57).
Tangible value may encourage intermediaries to sell new products, increase inventory and purchase products before the start of the season or after the season is over. The use of sales promotion may be offensive or defensive, but it must always be consistent with the market objectives of the enterprise.

The system of communicating tangible value usually plays on the human desire to save, as well as on the desire to take advantage of an unusual opportunity. Regardless of whether the promotion is directed to a retailer, consumer or wholesaler, the intention of the organizer is to provide an incentive to purchase (retail or wholesale) a particular brand or product range (Smigielska, 2007, pp. 65-66).

The condition that has to exist for the client to become interested in the company’s offer is his awareness of a need that the company’s product (service) can satisfy. Customer awareness is a prerequisite for the start of the decision-making process, during which: he looks for alternatives choices, evaluates, selects one of the evaluated options, decides to purchase and evaluates the results of his decision. From the point of view of customer equity, of particular importance is the perception of the value of the offer, which may lead to the decision to purchase, and is important in the evaluation of decisions affecting satisfaction and loyalty (Doyle, 2008, pp. 34-38).

Satisfaction may or may not occur when expectations are made based on previous experience, individual requirements, ideal image, information conveyed, or promises displayed in the transmission of a communication, and compared to the actual situation during the course of shopping. It is this multiplicity of very individual and differently valued factors which makes it difficult to predict which actions of the organization (in terms of communicating certain values) will prove to be satisfactory for specific customers (Lisowski, 1999, pp. 25-26).

An effective competitive strategy for service providers is to reduce clients’ risk on the base of brand equity and relationship equity, resulting from the direct experience of the customer with the company. Due to the high costs of acquiring information and knowledge by the customer, and therefore the high cost of switching suppliers, service companies can take advantage of the diversification strategy, offering a wider range of services to existing customers who are convinced of the value of the brand and the value of the relationship with the supplier.

Depending on their knowledge of the market and of the product, the customer can be guided by different criteria. Research by J. Bell and A. Eisingerich (Bell & Eisingerich, 2007, pp. 467-469) show that customers with wide knowledge of financial services primarily evaluate them in terms of their technical features (service parameters), while those with little knowledge focus on functional features (services).

Measures to increase sales are used irregularly and accelerate the time needed to purchase products or services. They are planned from scratch each time, and may be used only for sales promotion, and mistakes are very costly. When the amount of financial resources to promote sales increases, this is often done to the detriment of other forms of marketing communication.

Currently, consumers who are dissatisfied with a service or a product often communicate their observations and experiences to members of their social networks. They do this using modern technology. As a result of these actions, traditional market communication may be ineffective if the product does not meet customer expectations and provide the so-called *brand promise*\(^1\). One can also expect the opposite effect. If the product is very good, and the customers of the brand are characterized as being very active in social media, one can be sure that it will translate into a positive review of the product, and consequently the increase in sales. The companies that gain the most are those that pay

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\(^1\) *Brand promise* – to provide an experience which will jumpstart a client’s relationship with the brand.
attention to the opinions expressed by their customers. The information gathered permits a response to a problem at its source, and eliminates defects in the products sold.

Consumer choice is based on the assessment of the benefit of making a purchase. Among the various places to make a purchase, the consumer chooses the one with the highest utility (Grzesiuk, 2010, p. 325). The function of modern business is based on the interpretation of the marketing of the product and its structure, where the customer does not buy a "product", but buys "benefits" and "usefulness". Services offered by modern businesses today often include unique added value. This is why retail sales fulfill the function of supplying goods and services to final buyers, because value is based mainly on the relationship between the company and the buyer. These relationships are stronger when retail sales is last in the chain of value creation for the customer.

A feature of the modern market is diversifying the offer available to customers and facilitating access to it (among others, through measures to increase sales). In addition, strong competition in the sector has led to the decline of profit margins, which is a result of lower prices being offered as a value to the customer.

Modern businesses seek new areas of growth for their core activities (commercial services), and an important field of exploration are marketing activities for creating, maintaining and communicating value for customers. To increase the level of safety of product selection, the client will attempt to minimize the risk of selection by maximizing the level of safety of the tender. An operational example may be the possibility to return goods. The customer chooses to make a purchase at a retailer who allows such operations, because in practice, this means minimizing the risk of buying the wrong product.

Past experience in conjunction with existing consumer impressions form the foundation for the development or lack of development of trust (Figure 1). The role of the organization is therefore to take the necessary measures to maintain an adequate level of social trust and positive perception of the business by customers. There is no doubt that the development of the company is heavily contingent upon possession of a group of loyal customers/ recipients.

Figure 1. A theoretical model of customer trust
Source: own research.
Activation measures are profitable when selling cheap goods; bringing the best results when they are part of an integrated campaign. Traditional market communication and public relations help to boost sales in the long term, while sales promotion and personal selling help in the short term. Combining them into one often produces significant results: promotion causes an immediate increase in sales, while traditional communication and public relations maintain it at a high level later.

Communicating specific, tangible value helps to attract consumers seeking occasions in the market, as well as those who frequently change product brands, purchase products at reduced prices and make purchases in order to receive a prize. These measures are characterized by high flexibility, but their excessive use can lead to abuse, and even to "severe" promotional competition between competitors (Nowell, 2002, pp. 23-27).

Communicating tangible value is thus a reflection of the pull strategy, whose main task is to “draw in” the potential consumer to "play the market" and create strong incentives for the purchase of the promoted product.

Competing for customers requires constant innovation, the result being the creation of new value for customers. Innovations are evaluated from the point of view of clients: whether it is what customers need and whether they are willing to pay for it. This is the new approach to innovation in the enterprise.

3. Mechanisms for shaping customer loyalty

Satisfaction can be measured both in relation to the final users of the product or service, as well as in relation to the various people involved indirectly in the sale. Satisfaction occurs when a product or a service meets customer expectations, and dissatisfaction when it fails.

In the literature, the phenomenon of satisfaction is explained by exploring several different models, such as the emotional model, validation model, and a model based on the theory of justice of exchange (Table 1).

Table 1. Models explaining the essence of satisfaction

<table>
<thead>
<tr>
<th>Model</th>
<th>What is satisfaction</th>
<th>Customer behavior</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emotional</td>
<td>A positive emotional state in reaction to the purchase and use of the product.</td>
<td>The results of the experience are evaluated by the customer in terms of success or failure. Certain activities causing satisfaction or disappointment will motivate the client to state his emotions.</td>
</tr>
<tr>
<td>Validation</td>
<td>State of satisfaction with the customer experience as a result of the compliance of the product with the customer’s demands and expectations.</td>
<td>The customer estimates the discrepancy between what was received, and what he expected to receive (was it worth it to spend the given amount on the purchase?) The basis for evaluation here are heedful and cognizant expectations.</td>
</tr>
<tr>
<td>Justice of Exchange</td>
<td>Satisfaction is achieved when the relationship between the benefit the customer received from having a product, and the costs incurred, is fair.</td>
<td>The customer estimates the effect of the transaction on both sides in terms of costs and benefits (profits). The determination of the equilibrium point is the basis for the expression of satisfaction or dissatisfaction.</td>
</tr>
</tbody>
</table>

A loyal consumer is a person who (Griffin, 1997, p. 31):

- performs regular, habitual purchases,
- uses the products/services offered by the company,
- disseminates positive information about the company,
- is resistant to the communication activities of competitors.

According to The Global Loyalty Agency, loyalty can be understood as: the totality of feelings and experiences that affect the customer in such a way that they contemplate repurchasing a particular product, service or brand, or decide to re-visit a specific company, shop or website (The Global Loyalty Agency).

Innovation in the form of a product or a service produces a series of sensations. The more these offers are associated with a positive experience, the deeper the emotional relationship between the company and the customer. Reference is made to the following activities, where positive experience with the innovation transforms into customer loyalty:

- consistency of brand experience (standard quality, modern, systematic innovation),
- saving customers' time and energy,
- co-operation at a constant quality level,
- respecting the individuality of customers,
- a feeling of complete control over the customer experience with an innovative company.

Premiums for loyalty are primarily given by service companies: hotels, airlines, petrol stations, beauty salons. Rewards for loyalty are among the fastest growing sales promotion instruments in the world. The most prone to use reward programs are loyal buyers of a given brand or customers who change brands in search of variety. Customer loyalty programs can significantly increase the volume of sales of a particular product.

The key to customer retention is to monitor customer satisfaction and contentment, as well as the structure of benefits. This analysis may be descriptive, and may use average values and a diversity of ratings assigned to the attributes of the offer, in order of importance, and the degree of satisfaction that the attribute brings with the use of the product (analogous to the evaluation of the usefulness of its parts). This simple analysis can help pinpoint: when too much investment was made into a product attribute, where the assessment of satisfaction with the presence of an attribute exceeds its importance; when investment was adequate, where the assessment of satisfaction is balanced with the assessment of its importance; and when there is a lack of investment in an attribute, where the assessment of its importance exceeds the assessment of satisfaction with the presence of the attribute. Evaluation is also subject to the homogeneity of opinion among a company’s customers.

In turn, the analysis of the structure of benefits allows one to see the discrepancies between the expected and achieved benefits of the range of offers on the market (Myers, 1996, p. 297). The results of this research may also be useful in activities connected with communicating specific values for the customer.

"Regular customer" programs, which often use so-called loyalty cards, are particularly suited to promoting products and services which, in quality and price, are difficult to distinguish from those of the competition. Companies offer an extensive system of rewards for the desired intensity of use of their services (Kumar, 2004, pp. 7-9). Chain hotels offer their regular customers a discount when using their hotel services. In the case of airlines, bonuses are awarded to customers depending on the number of trips and distances travelled.

Another instrument in the framework of customer reward programs is the collection of points. A point is a universal conversion unit. Participation in the program is based on the accumulation of points over a long period of time, mainly in return for purchases made. A customer can exchange points for a material prize, additional services or other privileges.
Points have a precise value – both for the company and for the customer. The mere accumulation of points can therefore be a reward all by itself. The accumulation of points is intended to build a barrier which prevents a client from changing companies, since his departure would mean losing his accumulated assets.

Programs based on benefits are those whose purpose it is to encourage the client to make recurring purchases of products or services from a given company. Some types of programs based on benefits are presented in Table 2.

Table 2. Types of loyalty programs based on benefits

<table>
<thead>
<tr>
<th>Name of Program</th>
<th>Basic features of the program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buy a Product – collect points</td>
<td>The program involves the collecting of points, which are awarded for each purchased product / service. The customer can exchange points for prizes.</td>
</tr>
<tr>
<td>Collect and exchange stamps for a prize</td>
<td>The program involves collecting stamps for each product purchased. A given quantity of stamps can be exchanged for products or a discount.</td>
</tr>
<tr>
<td>Loyalty card</td>
<td>This entitles the buyer to purchase at a discount. Sometimes the cards are bronze, silver, gold - depending on the level of customer purchases and rebates granted.</td>
</tr>
<tr>
<td>Discounts</td>
<td>The program involves granting discounts on the purchase of a second product or the possibility to take advantage of the offer a second time.</td>
</tr>
<tr>
<td>Coupons – &quot;x free&quot;</td>
<td>Collecting a sufficient number of points entitles one to receive x number of products free of charge.</td>
</tr>
<tr>
<td>Send in code - win</td>
<td>Involves sending in the code located on the coupon inside the packaging to be given a chance to win a prize.</td>
</tr>
<tr>
<td>Invite a friend</td>
<td>Inviting a friend to purchase a product or use a service entitles the person making the recommendation to a rebate or to points.</td>
</tr>
<tr>
<td>Mobile games</td>
<td>After sending in a code found inside the packaging, one can download a game. Another version - for entering the code, one can download the game from the Internet.</td>
</tr>
<tr>
<td>Enter a code – get a gadget</td>
<td>For providing a code, one can receive a gadget, usually by phone: ringtones, wallpapers, etc.</td>
</tr>
</tbody>
</table>


Loyalty programs based on benefits include all kinds of programs based on points earned for purchases made. The basic postulation in this case is to offer the consumer definite, real value. This is often called “bought loyalty”. The advantage of this method is the simplicity of generating loyalty in this way. The main drawback is that, as it is based purely on mercantile motives, this type of loyalty only lasts as long as the competition offers less benefit.

Customer loyalty programs based on relationships with the customer are long-term programs that require large amounts of time and financial resources. A few types of programs based on emotions are presented in Table 3.

Customer loyalty programs based on emotions are all programs that are based on the construction of lasting emotional bonds between buyer and seller. In this case, customers are provided with a number of added values, such as free access to extremely costly resources, gifts to celebrate the holidays with and other add-ons that the client finds attractive. In addition, the offer is enriched by such actions as birthday and holiday wishes.
Table 3. Types of loyalty programs based on emotions

<table>
<thead>
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<th>Name of Program</th>
<th>Basic Features of the Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meeting with clients</td>
<td>This program involves regular meetings with the client. These meetings serve to distinguish the client and draw attention to just how important cooperation with him is for the company.</td>
</tr>
<tr>
<td>Clubs</td>
<td>Clubs allow customers to integrate with the company. Members should be selected based on customer profiles. The aim is to shape opinion.</td>
</tr>
<tr>
<td>Advisory clubs for clients</td>
<td>This technique builds and deepens consumer loyalty to the company. Customers have the opportunity to exchange information about the company's products. Advising is mutual – customers give advice on how the company should improve its products, and the company helps customers in their daily lives (for example by creating consumer clubs).</td>
</tr>
<tr>
<td>Elite clubs</td>
<td>This type of club focuses on the most valuable customers of the company. They have a high entry barrier. Users of the company are offered additional discounts and privileges.</td>
</tr>
<tr>
<td>Contests with prizes</td>
<td>Attractive contests increase customer engagement.</td>
</tr>
<tr>
<td>Magazines and newsletters</td>
<td>These take the form of guides, build trust, help clients in life.</td>
</tr>
<tr>
<td>Access to data</td>
<td>Enables remote access to customer data (e.g. information about the status of the account), the possibility of booking a ticket.</td>
</tr>
</tbody>
</table>


Client clubs require long-term commitment from both the client and organizer. Therefore – according to practitioners – the decision to form a club should be preceded by a thorough analysis of its profitability, based on two parameters: the current value of all purchases made by the customer over the whole period of cooperation (so-called life-time value, LTV), and the average profit earned from a given customer. It turns out that to ensure the return on investment, the company must be very selective of who to include in the club, and focus on the most loyal customers or those whose average spending is the greatest.

The club does not have to be directly linked to financial results, because in many cases its most important function is to support the brand, ensuring constant contact between the customer and the represented values the enterprise (Dudycz & Szymański, 2002, p. 278). Therefore, the club must be seen in the wider context of marketing activities.

An example of how brands are increasingly becoming a symbol of the lifestyle and emotional aspirations of consumers is evident in the automotive industry, where manufacturers often refer to values such as beauty (Alfa Romeo), joy (BMW) and friendship (Toyota). The basic feature of the car market (the supply of goods – a car with a high value) makes it very important for brands operating on the market to implement various types of initiatives aimed at maintaining a positive relationship with the client between successive acts of purchase (Hulbert, Capon, Piercy, 2002, pp. 35-39). Often, these initiatives take the shape of clubs that bring together owners and/or fans of the brand and are focused on creating communities based on relationships, both emotional and rational.

Increasingly, a significant proportion of consumers can afford highly personalized products, tailored to individual needs and preferences (Mróz, 2007, pp. 167-169). These products often belong to the segment of luxury goods. In the process of creating a brand image, great importance is attached to market communication. It is important for the brand to be easily recognizable, well-exposed in the media and available in the “iconic” settings of big cities (large stores in good locations), arouse emotions and desires, and respond to the
aspirations of consumers. Such a system of communication can bring tangible benefits in the form of loyal customers. The luxury goods segment is a segment of huge sizes and capabilities, if we take into account the fact that many of today’s consumers want to have prestigious tangible goods (services), or to experience something luxurious. A factor favoring the formation of these phenomena is undoubtedly the development of the service sector, which provides new opportunities for businesses and consumers (Dąbrowa, 2009, p. 300).

The importance of loyalty programs in creating value for the customer is shown by the number of clients participating in these programs. Research conducted in the U.S. shows that 82% of clients participate in at least one loyalty program operated by retailers (Fetto & Gardyn, 2003, pp. 16-19). Interestingly, loyalty programs provide the most value to the wealthiest of clients. When divided into income brackets, 76% of those from the poorest households declared that they participated in loyalty programs, compared to 93% of the wealthiest households in the United States.

Research confirms the positive correlation between customer experience and the financial performance of the company, through influence on loyalty, willingness to make a subsequent purchase from the company or the desire to recommend the company to friends. The firm Forrester Research confirms the thesis that the positive impact of the customer experience influences financial results. Forrester Research publishes an annual ranking of customer experience with 120 companies in nine sectors. The ranking is linked to a survey about loyalty (people are asked about willingness to re-purchase from a particular supplier and the likeliness they will change service providers), and shows a strong correlation between experience and the desire to re-purchase (Temkin, 2009). In all surveyed sectors, the correlation between customer experience and loyalty was at least at an intermediate level. The correlation was strongest in the case of banking and wireless providers.

From the viewpoint of the company, investors' loyalty can be a source of significant benefits and can be quite valuable to the company. Loyalty can affect reputation, as the perception of the company affects the way in which it is received by its environment. The results of research conducted by S. Helm (Helm, 2007, p. 35) show how reputation affects investors' loyalty. The study involved a group of individual shareholders of a known international company producing fast moving consumer goods (FMCG). The study showed that the mechanism of the impact of reputation on loyalty is complex. Reputation does not have a direct influence on loyalty at the level of investor behavior (investors behavioral loyalty); its impact is indirect – on the one hand, the intermediate element is the satisfaction of investors resulting from the conformity of their experience with previous expectations, on the other hand the intermediate element is the emotional attitude of investors constituting the affective dimension of loyalty (affective loyalty). The results also indicate that the impact of reputation on the emotional attitude of investors to the company may partially compensate investors’ own experiences reflected in the level of their satisfaction. In general, however, the study found that reputation does not have a very strong impact on the investors’ decisions regarding the sale of owned stock and the length of the period of ownership.

The increase in the amount of information available about customers permits the use of new tools to create desired attitudes, behaviors and opinions, from the point of view of the enterprise. Marketing is becoming more and more understood as a concept of managing value for consumers (Dobiegala-Korona, 2009, pp. 338-339).

Gaining competitive advantage based on given marketing activities (e.g. personalized communication) makes these practices increasingly popular. With increased popularity, however, they are no longer a guarantee of success in gaining loyal customers. These programs, just as in fashion, contain a certain self-destructive element. The more effective they are, the more popularity they enjoy, and the more popular they become, the less they can have a positive effect (Kołodziej & Tomanek, 2009, p. 379).
For services, the value for the client may be associated with the characteristics of the person who provides these services to the client. Creating better relationships, increasing confidence, and solving customer problems are the features that are important for building loyalty.

4. Tangible value, in the opinion of customers surveyed

A very effective instrument to influence consumers are price reductions. They are a strong incentive to mobilize sales in a short period of time. Based on consumer research from 2012, price cuts are shown to be the most effective means of activating purchases (Table 4). Promotional price reductions are usually clearly marked on the packaging of the product so that potential consumers can easily get an idea of the scale of referenced benefits. This also attracts the attention of consumers and "immunizes" them from the promotions of competitors.

Table 4. The effectiveness of various means of sales activation, based on customer surveys

<table>
<thead>
<tr>
<th>Instruments of sale Activation</th>
<th>Place of instrument in order of importance, in the opinion of customers surveyed</th>
<th>Number of customers indicating a given instrument</th>
<th>Percentage of total customers</th>
<th>Average importance of each instrument/ on a scale of 1-5, where 1 – very low, 5 very high/ in the opinion of customers surveyed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price reductions</td>
<td>1</td>
<td>258</td>
<td>86,0</td>
<td>4,30</td>
</tr>
<tr>
<td>Samplings, Hastings</td>
<td>2</td>
<td>232</td>
<td>77,3</td>
<td>3,87</td>
</tr>
<tr>
<td>Premiums</td>
<td>3</td>
<td>211</td>
<td>70,3</td>
<td>3,52</td>
</tr>
<tr>
<td>Displays at the point of sale</td>
<td>4</td>
<td>203</td>
<td>67,7</td>
<td>3,39</td>
</tr>
<tr>
<td>Lotteries, Games</td>
<td>5</td>
<td>189</td>
<td>63,0</td>
<td>3,15</td>
</tr>
<tr>
<td>Competitions</td>
<td>6</td>
<td>162</td>
<td>54,0</td>
<td>2,70</td>
</tr>
<tr>
<td>Coupons</td>
<td>7</td>
<td>128</td>
<td>42,7</td>
<td>2,14</td>
</tr>
<tr>
<td>Other</td>
<td>8</td>
<td>9</td>
<td>3,0</td>
<td>0,15</td>
</tr>
</tbody>
</table>

Source: own research based on surveys conducted among consumers in Poland in 2012.

To achieve specific persuasion aims, the reduction must be substantial (attractive to buyers), but cannot exceed psychological barriers that may block the sale. Too high a price reduction causes buyers to ask questions about the reasons for the reduction, the real intentions of the seller, its quality, its warranty; it is quite commonly identified with a negative assessment of the product itself.

Price reductions sometimes lead to a price rivalry that is adverse for the industry. Unfortunately, merchants sometimes use deceptive forms of reductions that can be called "reductions after an increase". Artificially inflated, and then reduced prices work effectively on increasing sales volume, but when it is detected, the evident manipulation may harm the image of the seller.

Product samples are mainly used in the first stage of launching a product on the market, together with an intensive advertising campaign. Distributing free samples has the aim of overcoming the mistrust buyers tend to show towards new and unknown products, as well as encouraging people – through direct contact – to try the product and make the first purchase. The results of the survey conducted among consumers in Poland in 2012 show that sampling and tastings are in second place in terms of importance for the customers surveyed. This answer was given by as many as 77,3% of the consumers surveyed (Table 4).
Premiums for making a purchase are another means of generating sales. The premium, in the form of a free gift, is a quick way to reward the buyer of the brand (Aquino, 2005). Premiums exert a strong influence on the growth in sales of goods and services. Premiums can be used in all phases of the product life cycle. The results of the survey conducted among consumers in Poland in 2012 show that premiums are in third place in terms of importance among surveyed customers. This answer was given by 70.3% of consumers surveyed (Table 4).

Nicely arranged, interesting and imaginative displays play an important role in sales, especially in the case of frequently purchased articles. Displays at the point of sale are supported by various promotional gadgets: posters, photos, charts, stands, leaflets, information boards displaying the latest trade information, etc.

The main strength of promotional lottery games lies in the possibility of the participant winning a prize. Thus, the success and effectiveness of these promotional campaigns are determined by the set of prizes being awarded. The prizes do not have to have a close relationship with the image of the product, but should be attractive for the contest to be effective and efficient.

Coupons are a certificate entitling the holder to purchase goods at a reduced price. Their promotional mission is to encourage buyers to try the product and stimulate well-known and mature brands. Issuers of coupons may be manufacturers, retailers, and service providers. Coupons may be published in the press, delivered directly to homes or attached to other goods. Coupons attached to other products (e.g. on packages), prove to be the most effective, while coupons found in newspapers are the least effective.

The use of coupons result in the increase of the rate of inventory turnover of both the retailer and the manufacturer. This form of promotion is particularly effective when releasing a new product. The promotional element encourages clients to resign from existing preferences and buy something new. With the use of coupons, sales results are typically higher than a corresponding reduction in price. The coupon is treated as a special gift from a manufacturer who has not reduced the subjectively perceived "value" of the brand.

Table 5. The most effective means of activating (increasing) sales in the opinion of managers of companies surveyed

<table>
<thead>
<tr>
<th>Instruments of sales activation</th>
<th>Place of instrument in order of importance in the opinion of companies surveyed</th>
<th>The number of companies indicating a given instrument</th>
<th>Percentage of total companies</th>
<th>Average importance of each instrument on a scale of 1-5, where 1 – very low, 5 very high/ in the opinion of companies surveyed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price reductions</td>
<td>1</td>
<td>14</td>
<td>82.4</td>
<td>4.12</td>
</tr>
<tr>
<td>Samplings, tastings</td>
<td>2</td>
<td>12</td>
<td>70.6</td>
<td>3.53</td>
</tr>
<tr>
<td>Premiums</td>
<td>3</td>
<td>10</td>
<td>58.8</td>
<td>2.94</td>
</tr>
<tr>
<td>Displays at the point of sale</td>
<td>4</td>
<td>8</td>
<td>47.1</td>
<td>2.36</td>
</tr>
<tr>
<td>Lotteries, Games</td>
<td>5</td>
<td>7</td>
<td>41.2</td>
<td>2.06</td>
</tr>
<tr>
<td>Competitions</td>
<td>5</td>
<td>7</td>
<td>41.2</td>
<td>2.06</td>
</tr>
<tr>
<td>Coupons</td>
<td>6</td>
<td>5</td>
<td>29.4</td>
<td>1.47</td>
</tr>
<tr>
<td>Other</td>
<td>7</td>
<td>2</td>
<td>11.8</td>
<td>0.59</td>
</tr>
</tbody>
</table>

Source: own research based on surveys conducted among companies in Poland in 2011.
The most effective means of sales promotion, in the opinion of managers of companies surveyed in 2011, are shown in Table 5. In first place in terms of efficiency – in the opinion of companies surveyed – were reductions in the price of products or services. This sales increasing measure was indicated by 82.4% of the surveyed companies. In second place, in terms of effectiveness, were premiums given at the time of purchase. This measure of sales activation was indicated by 70.6% of managers of surveyed enterprises. This was followed by product sampling, tastings and displays at the point of sale.

Conclusion

1. Each company can and should build its own unique value map for customers, including a set of priorities in order of importance, because existing customers expect personalized service. Building a map of value for customers requires looking at the process from the customer's perspective and identify the sources that make customers want such values and not others, and adjust values to their expectations.

2. For any given company, an extremely important issue is the most profitable segment of loyal customers. Company employees often know them well enough to remain in constant contact with them. This closeness to customers enables the development of offers (tangible value for clients), which are able to meet their unique needs, and the development of specific methods of providing these services, as well as communicating with clients at the proper place and time. This type of special treatment encourages clients to take care of all their needs at one supplier and reduces their sensitivity to the actions of competitors. Cooperation with these customers is often based on flexibility, full customization of the offer and price, the mutual exchange of information and a common sense of responsibility in the course of cooperation and commitment to the development of relations in the future.

3. As the experience of many international companies show, only properly prepared, efficiently integrated systems of communicating customer value (also building customer loyalty) allow for companies to stay in business and to raise funds for further development. It should also be noted that integrated marketing communication means conducting all business communication activities in a consistent way connected with one another. Its main principle is mutually supported messages appearing in various media and creating a single image of the company and its products to customers. The result of such an approach to communication is a company’s growth in quality and efficiency.

4. Building an effective and efficient communication system means skillfully combining traditional and new marketing communication tools. For example, starting from traditional communication – an advertisement developed for a multi-media advertising campaign needs to be consequently transferred in content and form to leaflets to customers, to telemarketing scripts and to the webpage of the enterprise.

5. Currently, it is not enough to produce goods and deliver them to the place of sale. The client must receive information about the product that convinces them of the advantageous qualities of the purchase for them. Without such action, the company’s products “disappear” among the masses of advertised products by the competition.

6. Social networks open up new opportunities for development of communication activities, and allow for the establishment of a dialogue with consumers (recipients), resulting in better knowledge about services and products, and ideas for new ones. Companies often have problems using online communities and social networking sites to their full potential, because the mechanisms are different from those that they are familiar with in the traditional market. Therefore, top management of companies must
first change the attitude toward those services within their own organizations, educate their employees, and show their willingness to change as a result of the suggestions flowing in from online communities.

7. The function of creating value for customers in trade and service companies undergoes constant modification as companies look for new opportunities to build competitive advantage. Regardless of the tools used, the undeniable fact is that value for customers in the field of trade and services plays a very specific role in the modern market economy. This role will grow in the future and is an inherent feature of the transformation of the trade and services sector. Looking for new areas of competition and growth, companies will increasingly resort to marketing instruments, among which the value for customers is one of the main tools.

References

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