A COMPARATIVE STUDY ON THE EFFECTIVENESS OF ADVERTISING LEAFLETS FOR METRO CASH & CARRY STORES IN TIMISOARA

STUDIU COMPARATIV PRIVIND EFICACITATEA PUBLICITATII PRIN PLIANTE PENTRU MAGAZINELE METRO CASH & CARRY DIN TIMISOARA

S. MOISA[1], I. FRUJA[1], ELENA PEŢ[1], ANDA MILIN[1], COSMINA TOADER[1], IASMINA IOSIM[1], GABRIELA POPESCU[1], TABITA HURMUZACHE[1]

[1]Banat's University of Agriculture Sciences and Veterinary Medicine, Timisoara, Romania; seb_moisa@yahoo.com

Abstract: *The advertisement to be broadcast is expressed in very different forms depending on the type of product or service, being the "fruit" of both creative activities, imagination, etc. and providing an effective combination of a number of visual elements. Catalogs and promotional leaflets are promoting tools - print advertising - and as promotional techniques, they are included in advertising. The catalog is an advertising support, of variable size that is used as a tool for presenting the work of a firm, of a major business unit, areas or tourist resorts etc. The leaflet is another advertising support which is included in the scope of advertising carried by publications and used widely in promotional activities of modern business.*

Key words: *advertise, hypermarket, supermarket, marketing tools, leaflet*

INTRODUCTION

These marketing tools (leaflets) used by companies are specific to the type of retail trade, being distributed every two or three weeks.

According to specialists, leaflets and catalogs are one of the most effective forms of promotion, even more effective than promoting products with traditional advertising (TV, radio, newspapers, magazines, etc.).

Promotion in shop catalogs is a process of marketing and negotiation, and the purpose pursued by both parties is ultimately increasing sales over this period and further ensure a flow of loyal customers who return to the store and buy the advertised product. Thanks to their impact,

retailers' catalogs are a convenient way to promote, especially for providers whose products do not enjoy great popularity. It is noted the large number of products without the brand or brands that are at the beginning of the road. Also, catalogs and leaflets have more importance for intermediaries, customers with small neighborhood retail shops, in order to be aware of the discounts and periodic offers (for supplies).

According to some studies, compared with a normal period, sales of a product may increase by including advertising in the leaflet with about 30%, for about 3 weeks when the offer runs. Unlike a similar product on the shelf, one product in the offer of the leaflet can sell 30-100% better than the one which is not promoted in the leaflet[*].

Regarding distribution of catalogs/leaflets for various store formats (hypermarkets, supermarkets, etc.), between 50% and 60% of their receivers skim them, and approximately 25% of them read them in full.

A large shop area (hypermarket, supermarket, etc.) distribute approximately 25-30.000 catalogs every 2 weeks in its area of action. In big cities (Iasi, Timisoara, Cluj) catalogs distributed by some large retailers (hypermarkets in general) can sometimes reach the 60-70% of homes in the city[*]. We appreciate that few media channels in Romania can offer such coverage, with content on products clearly targeted.

Also, catalogs and retail networks leaflets are a major sales accelerator, sales may increase, comparative to a normal period (where are non promotions) according to its category.

This is where the professionalism of the trader occurs, which is expected to know his clients the best and can best define their expectations, and the supplier's also, which may be the initiator of promotion in the catalog, support the product with competitive prices over the catalog period, and other promotional activities outside this period.

However promotion through leaflets/catalogs has a number of disadvantages, among them:

- in order to be present with products in catalogs and/or leaflets of retail networks, manufacturers must pay a fee, but also offer discounts. The discount is negotiated at the signing of contracts. It can vary from 5 to 30%

[*] http://*www.dailybusiness.ro - Cât de bine vând broşurile magazinelor de retail*, 17 Nov. 2008, cotidian on-line de afaceri

depending on product and manufacturer[*]. The fee applied to producers may also be a fixed amount or a percentage of sales;

- promotion costs should be compared with traditional advertising, in terms of both cost and efficiency, this being different from one product to another;

- discounts on products from the catalog are essential in promoting them;

- discrepancies may arise between the offer in the catalog and the shelf;

- another common problem is the depletion of products in the store before the end of the catalog offer. For products that could be out of stock before the end of the offer, a solution practiced by retailers to avoid this problem is the word "offer available on stock".

MATERIAL AND METHODS

Given the changes in the purchasing behavior of the Romanians in the period September 2008 - February 2009, there is another point of view regarding promotion with leaflets, some experts even saying firmly that it cannot be built a brand with leaflets. The new promotion strategies are turning to television and radio advertising, with promotion budgets in 2009 significantly higher than in 2008[*].

Next I will present a comparative study on the effectiveness of promotion with leaflets and catalogs used by Metro Cash & Carry, one of the local supermarkets (Timisoara).

It is envisaged:

- overview of the offers;

- frequency of offers and the time studied;

- content of these offers. In this respect it is aiming to whether the rules of promotion on print advertising are followed, namely data on the products included in this offer, their price, location (place or district where they can be found), if there is notified any discounts etc.;

- the share food products hold in the total of products from the offer;

[*] http://www.moneyexpress.ro/articles/multicol/16663 - Hiperschimări - 24 Februarie 2009, Moneyexpress

- a brief comparison between catalogs / leaflets with offers from these stores. In this case it will be taken into account the price differences existing at a given time for the same product from the offers;

- in the promotional offers it will be followed if any discounts occur, and if there's noted the old price near the new price;

- the study includes two distinct periods for each store.

RESULTS AND DISCUSSIONS

The presentation of the leaflet with METRO offers is shaped on a color magazine printed on good quality glossy paper, with over 30 pages.

The offers period is of 2 weeks. Product information is presented clearly. In the bid, prices are divided into products without categories, and products produced in the package.

The unit for each product is entered under the name of the product. The price is written in a box, there are two types of price: with and without VAT. Price excluding VAT is written much larger than the price with VAT.

Slogan / used advertising message: "Professionals for professionals." Metro flyer contains on the last page, bottom in the lower right, in lower case writing, the following notice: "Accompanying the brochure advertising...","Metro Access is reserved exclusively for Client ticket holders","Offers contained in this leaflet is available in the existing stock", "Information about items and prices are subject to typographical errors". Also, the period of offer validity is stated on the first page.

Period 1[*]

To the offer valid from 05/01/2008 to 14/05/2008 the share of food products (including alcoholic and non-alcoholic) is 75.27%, their number being 210 products, from a total of 279 products (figure 1).

For food products, 160 products, 76.19% respectively, are with no categories, and 50 products, i.e. 23.76%, are offered at package category (figure 2).

Period 2[†]

To the offer valid from 04/09/2009 to 22/04/2009, the share of food products including alcoholic and non-alcoholic beverages is 72.36%, their number being 233 products, from a total of 322 products (Figure 3).

[*] Metro leaflets, period 01.05. -14.05. 2008

[†] Metro leaflets, period 09.04. - 22.04. 2009

For food products, 140 products, 60.09% respectively, are without class, and 93 products, i.e. 39.91% are offered at package category (figure 4).

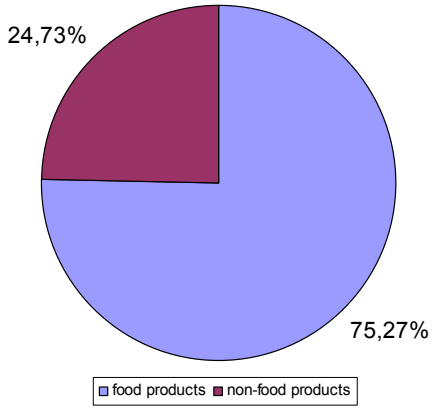


Fig. 1. The share of products from Metro leaflet, offer valid from 01.05.2008 until 14.05.2008

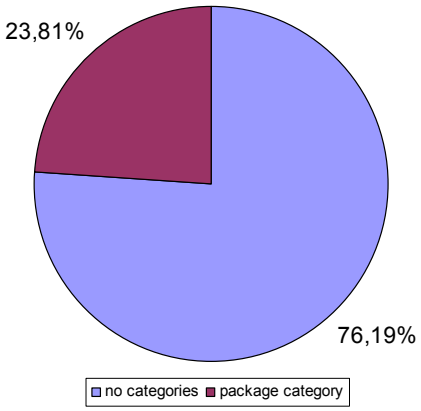


Fig. 2. The share of the food products on price categories in Metro leaflet, offer valid from 01.05.2008 until 14.05.2008

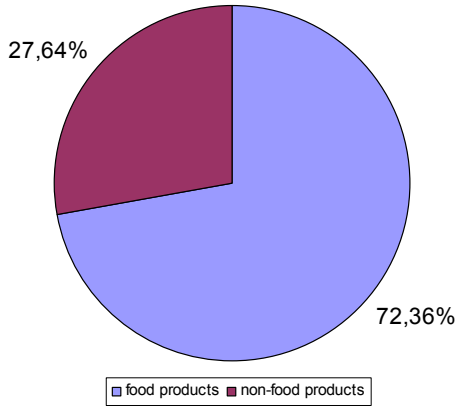


Fig. 3. The share of products from Metro leaflet, offer valid from 09.04.2009 until 22.04.2009

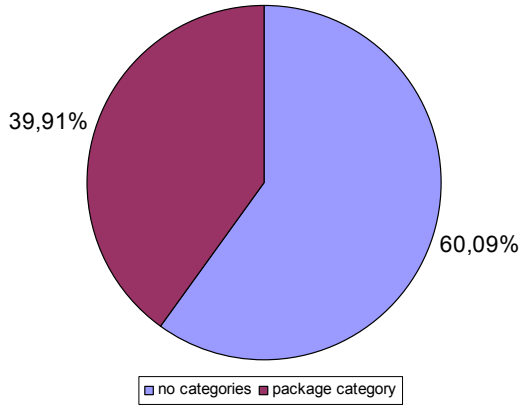


Fig. 4. The share held by the food products on price categories, from Metro leaflet, offer available from 09.04.2009 to 22.04.2009

In Figure 5 we present a comparison of the weights on price categories of food products during the two periods analyzed. From the comparison of the two offer leaflets in the period under review, 01.05.2008 until 14.05.2008 and 09.04.2009 until 22.04.2009, one can observe that changes occur in the weights of the products price categories. The time between the two periods is almost a year (May 2008 - April 2009).

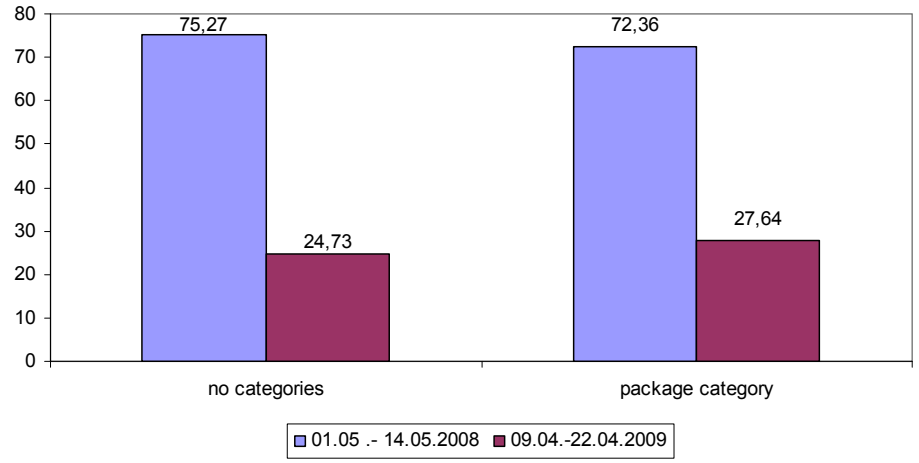


Fig. 5. Comparison of food product weights on price categories in Metro leaflet, in the analyzed: periods 01.05 .- 14.05.2008 and 09.04.-22.04.2009

Table 1

Dynamics of prices of the same products from the Metro store leaflets, offer for two periods: 01.05 .- 14.05.2008 and 09.04.-22.04.2009

PRODUCTS / u.m.	**Period 1** 01.05.- 14.05.2008	**Period 2** 09.04.- 22.04.2009	**Difference between period 2 (2009) and the period 1 (2008)**	
			lei	**%**
Escalope of pork leg -kg-	14,27	19,98	5,71	40,01
Mackerel D/E smoked -kg-	17,84	19,03	1,19	6,67
Artificial butter Rama -piece-	4,34	5,53	1,19	27,42
Melted cheese Hochland -piece-	3,57	3,80	0,23	6,44
Tomato paste Sultan -can-	5,57	7,72	2,15	38,60
Sunflower oil Unisol -PET 2L-	14,38	9,37	-5,01	-34,84

Source: Metro leaflets, the periods 01.05.- 14.05.2008; 09.04.-22.04.2009

In table 1 and figure 6 present the dynamic evolution of prices for the same products from the shop offers leaflets for the two periods studied. Note that prices include VAT, so I specified the price "low case written" in the relevant product box.

The evolution of prices is relatively normal, of growth in most products but also of lowering in the second period to the first period studied. The time difference between the two periods is approximately one year.

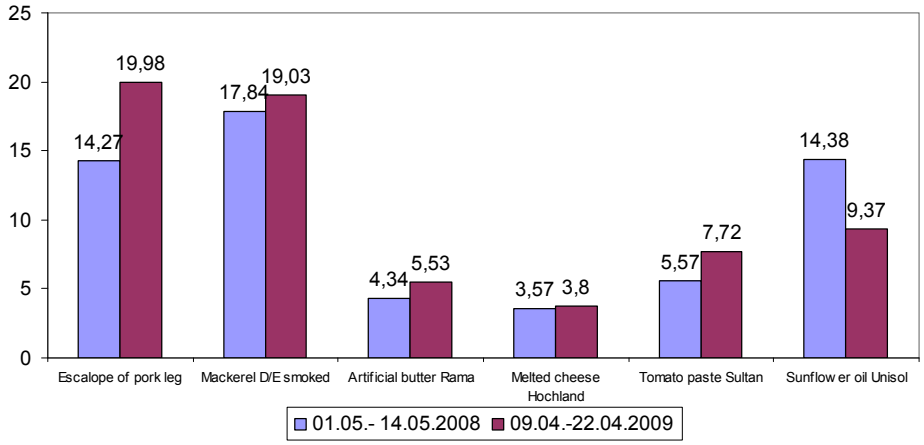


Fig. 6. Price comparison to the same agricultural products in the two periods studied

CONCLUSIONS

In conclusion we can say that the share of food products with offers of Metro leaflets in the two periods studied (05.01 .- 14.05.2008 and 09.04.-04.22.2009) significant changes do not occur, they are at around 72-75%.

REFERENCES

1. **SEBASTIAN, MOISA,** "The role of promotional mix in distribution and sale of food products, PhD thesis, USAMVB Timisoara, The Agricultural Management Faculty, 2009
2. *** - http://www.dailybusiness.ro - Cât de bine vând broşurile magazinelor de retail, 17 Nov. 2008, cotidian on-line de afaceri
3. *** - http://www.metro.ro
4. *** - http://www.moneyexpress.ro/articles/multicol/16663 - Hiperschimbări - Feb 24 2009, Moneyexpress
5. *** - Pliantul cu oferte al magazinului Metro, perioada 01.05. -14.05. 2008
6. *** - Pliantul cu oferte al magazinului Metro, perioada 09.04. - 22.04. 2009