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eSTRATEGIES FOR PROMOTION END-USE EFFICIENCY PRODUCTS AND SERVICES ON THE LOCAL MARKET
(Some Results of a Survey of Forestry and Non-Wood Products, Sofia Area)

The paper presents results of analysis of the framework of traditional and Web channels which affect achievement of transformation of marketing business strategie. We study the fulfillment of business strategies for promotion and attracting consumers to support solving the traditional public problems in the area of urban consumption - market for end-use efficiency of forestry and non-wood products on traditional and Web channels (an example: parquet and raspberry productions, Sofia area). Our empirical results show slow infiltration of the new ways of virtual promotion for end–use forestry products and services on the local market.
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Introduction

The enterprises began 21st century using Internet as a business activity environment for marketing communication channel for promotion products/services via developed eStrategies. In competitive economy customers may choose from whom and how to buy, receiving information for products and services by traditional information channels (radio, newspapers, TV, mail, magazines, billboards) and/or using electronic channels (searching engine, e-mail, SMS, MMS) in virtual space. Marketing concept is the base of market-oriented business (the paradigm of 6 Ps – product, price, promotion, place, people and performance, and the paradigm of 7 Cs – content, communication, customer care, community, convenience, connectivity, customization) [1, 2]. The eStrategies provide a basis for successful business usage of Internet today: when it comes to quality, price and services for customers the enterprise must always provide exclusive value, better than competitors. Marketing combination of management activities should find the best way to fulfill customer needs on the local market and follow new corporate changes. The internal dimensions of marketing are related with collaboration between departments and creation of databases about customers on the local market and business partners, and the external ones – with developing partnership relations (customers, suppliers and distributors).

Internet today is the environment for realization of basic business functions – communication, transaction and distribution functions. Communication function is to inform the present and prospective consumers of the availability and features of the products and related services (promotion). Transaction function facilitates

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economic exchanges between producers and consumers of end-use efficiency products. Realization of distribution function on Internet is possible only for the goods of information type (price changes, promotion period and other business activity initiatives).

The purpose of marketing is to create exchanges that satisfy consumer and corporate goals. To achieve this purpose marketing involves two important tasks: communication and operating task. Communication task can be considered as information primarily conveyed through promotion, price, product label, etc. This information is used to position the product on the market and to inform and persuade present or potential customers. A marketing channel can be viewed as performing functions to support the flow of products and information.

Internet is capable to transform the communication process and the consumer need satisfaction through new consumer processes [6, 7, 9 and etc.]. A consumer process is a collection of tasks or steps that a consumer passes to achieve a goal, usually purchasing and consuming a product.

During the purchase process many consumers experience needs such as product knowledge, interaction with provider of goods, aggregation of related and required services and customization to suit individual needs.

As a communication media the Internet is different from the traditional mass media. Using the Internet consumers can gather information about products and services, communicate with other consumers and corporate for related products and services and complete transactions. Corporations can use the Internet to provide product information to consumers, collect information about consumers, and communicate with consumers and partners.

Two-way communication capability and information processing power of connected computers is a key to building interactive relationships with consumers and offer them personalized marketing messages. Interactivity enables a consumer to seek and access more information using databases and search engines, and allows the marketer to have an electronic dialogue with each consumer on a personalized basis.

A Framework of Traditional and Web Channels in the Mining of Transformation Business Strategies

The Web and traditional retail channels differ in fundamental ways, which we summarize on Table 1. These differences in channel characteristics imply that different channels are appropriate for different products. Even if a product can be sold simultaneously on the Web as well as through traditional channels, the marketing strategies are likely to be different for each channel. There are several factors that affect the decision to use a channel and among them the type of product and the type of market are important. There are two levels of presence that organizations can have on the Web. The first level is to use the Web to communicate with their consumers, provide them product information and other information-based services. The second level is in addition to providing information to sell directly to the consumers over the Web, bypassing the retail channel (this opportunity is real for other type products, it is not real for ePayment and end-use efficiency forestry products on this local market).

The implications of this strategy, when the retail channels are independently owned, are not clear at this moment. Companies following this strategy can use the

two channels to enhance one another, explore different market segments using the different channels or allow the Web channel to cannibalize the traditional retail channel. We summarize the marketing needs and the strategy types on Table 2.

Table 1

Comparison of Traditional and Web Channels ([8], p. 370)

Characteristics	Traditional Retail Channel	Web-Based Direct Channel
Product distribution	1.Critical infrastructures are physical, such as warehouse and stores. 2. Exploits product bundling and economies of scale in shipping to keep distribution costs low. 3. In-store inventory. 4. Products in inventory and display are immediately available.	1. Critical infrastructures are electronic, such as Web, e-store fronts and e-payment systems 2. Ships products to individual consumers in small lot sizes. 3. Virtual inventory. 4. Products always require lead time for delivery.
Customer service	1. Reaching consumers usually limited by geographic location and time. 2. Provides physical services, such as consultation, testing and installation. 3. Support in-person interaction with sales person. 4. Sales support, limited by knowledge and information of retailer, can focus on the shopping experience.	1. Reaching not limited by geographic location and time. 2. Provides information-based services, such as searches, product information and online help. 3. Uses electronic databases. 4. Sales support can interactively link to use knowledge distributed across the Web; service support depends on the update service a site provides.
Product promotion	1. Product promotion usually targets aggregate consumer segments. 2. Product display designed to aggregate consumers. 3. Product display is usually static and reflects aggregated consumer choice. 4. Suitable for experience goods that need personal inspect or trial.	1. Product promotion customized to individual consumer. 2. Product display can accommodate more personalization. 3. Product display can adapt in real time to suit the changing preferences of individual consumers. 4. Suitable for search goods that can be evaluated by information and images.
Market intelligence	1. Provides aggregated market demand and preference information to the marketer. 2. Information flows through intermediaries, possibly causing distortion.	1. Market has direct access to market demand and preference information. 2.Information flows directly, reducing distortion. 3. Consumers can easily collect information on competing products.

Table 2

Channel Management Strategies (eStrategies)

Marketing Needs	Channel Management Strategy
• Functional products with low segmentation • Highly differentiated products • New markets not served by traditional channels • New consumer needs, new markets familiar with Web channel and not served by current products • Existing consumers can be served better through additional channel • Traditional channel challenged by Internet-only businesses • Existing business model is too restrictive for new channel	• Traditional channel promotes Web • Web enhances traditional channel • Web channel used to explore new markets • Add new product lines only on the Web • Integrate Web and traditional channels • Cannibalize the traditional channel • Spin-off the Web channel

Current State of Internet Usage in Sofia Area

In the last 10 years Internet as media of mass communication grows at a rate faster than any other. According to Nua Internet Survey by March 2004 the users of worldwide network were over 500 million individuals. The average age of users on a global scale is 37.6 and gradually climbs up with "ageing" of Internet as a media. The younger Internet is in a given country, the lower the age limit of the users is. It is obvious though that the use of Internet depends on the standard of living.

The local Bulgarian sociological agency "Alpha Research" has investigated trends and users behavior and established that:

- in 2000 Internet users were 9.6%, in 2004 – 20.7% of total population;
- 40% of all citizens in Sofia area over age of 18 are active Internet users: 37.5% make entries every day, 30% make entries 2-3 times a week, 17.6% make entries 2-3 times a month, and 13.2% less often.
- Citizens in Sofia area use Internet for different motives: 76.5% for e-mail, 69.9% – to search specific information, 42% – to surf out of curiosity, 30.9% – to chat, 8.1% – to play online games, 5.1% – to shop and pay bills.
- The Internet usage by age grouping of citizens is: most active are individuals between age of 20 – 29, while students in schools and universities represent 40%, individuals over 60 add up to merely 0.6%.

The commoditization of Internet for producers and customers activity depends on deployment of Internet infrastructure and government policy and non-government organization behavior. Most recent undertaking of Internet Society – Bulgaria is the initiative under motto "PC at home" is the one the first activities followed by annual exhibition "Expo" of Bulgarian Associate on IT and other. The more new communication technologies and their applications are implemented, the more enhanced the development of urban consumption is.

Case Study 1

We did a research about the existing of some of the most typical forestry products and services (for example parquet production) on Internet pages and corporate offers. The promotion of the parquet types, suitable for common residential and public application, is the basis for research of corporate business strategies in the local Internet space. The realized corporate business strategies, investigated by the customer information available on their web-sites, are presented on Table 3. The main conclusions of this research are:

1. The way a corporation shows the information on offered goods and services on its own site shows the estimation for possibilities of Internet as an environment for business communications and transactions. The information for the local users of the corporate sites (Ela-Bg OOD, Space OOD, Vidira, EOS OOD) does not express the actual profile of the customers of the end-use efficiency of forestry products. On the sites of the corporations with longer history the information is multiaspect and actualized (technical standards, functional features, eco-trends), but nevertheless the possibilities of choice for customers are weakly presented.

Table 3

Product and Services Information about Customers, Found in Corporate's Sites (Illustration of Case Study 1)

№	Corporate Title	Mail Address	Establish	Offering (Products or Services)	Site	Language
1.	Space OOD	Sofia, Madrid Str. 7	1992	Parquet production	http://space.bgcatalog.com	BG/English
2.	Petkov-m	Sofia, Industrialna zona 5	N	Parquet production	http://www.petkov-m.com	BG/English
3.	Vidira	Sofia, "Nadejda" J. Hadgykonstantinov Str. 97A	N	Parquet production	http://www.vidira.dir.bg	BG/English
4.	Parket-Bg OOD	Sofia, Industrialna zona 7	1994	Parquet production	http://www.parket-bg.com	BG/English
5.	ET Limextrading	Sofia, Irechek Str. 2A	N	Parquet production	http://www.limex-lm.com	BG/English
6.	EOS OOD	Sofia, N. Raynov Str. 5A	N	Parquet production	http://www.eos-bg.com	BG/English
7.	Parket OOD	Sofia, Industrialna zona 11	N	Parquet production	http://www.maksoft.net/parket	BG/English
8	Planaing OOD	Sofia,	1995	Parquet production	http://www.planaing.com/	BG/English
9.	Sholekoff AD	Sofia, Mussala Str. 10	1994	Parquet production	http://free.top.bg/sholekoff/parket/eng/	BG/English
10	Ela-Bg OOD	Sofia, Sv. Troica, Lom Str. 91	1992	Parquet production	http://www.ela-bg.com/ eng_index.html	BG/English
11	Park Vitosha AD	Sofia, Moskovska Str. 10	N	Planting&Grassing	http://www.park-vitosha.com	BG/English
12	Arts Parks OOD	Sofia, Knyaz Boris I Str. 104	N	A wooden bench, planting	http://artpark.abv.bg	BG/English
13	Nitan ET	Sofia, Panica Str. 10	N	Planting&Grassing	http://www.alpin.northbg.com/USLUGI.html	BG/English

* Sites reached between July and October 2004

Table 4

Information about Producers of Raspberry and Customer Support on Local Corporate's Sites (Illustration of Case Study 2)

№	Corporate Title	Mail Address	Establish	Offering (Products or Services)	Site	Language
1.	Sandrinia AD.	Sofia, Kokush Str. 39	1999	Raspberry Production	http://www.sandrini-a.com	BG/English
2.	Shampion-71 OOD	Sofia, Haydushko kladenche Str. 3	1998	Raspberry Production	http://www.shampion-71.com	BG/English
3.	Djeyzi91 ET	Sofia, Plovdisko pole Str. 3	1998	Raspberry Production	http://www.djeyzi91.abv.bg	BG/English

* Sites reached between July and October 2004

2. The web-pages of the local producers on local markets rarely express clear business strategy. The actualization of the information is done in large time intervals and seldom contains price information and promotional campaigns.

Of 134 companies offering parquet products and services on the Bulgarian market 10 have made certain attempts to use the resources of Internet for establishing relations with would-be customers.

The results are divided into groups of 3 types:

Some companies (4) are presented only by a mail address and offer list (products, services without prices, promotional periods and other).

Another group of companies are presented by uncompleted sites or sites of European manufacturer of parquet production, with missing information about sales offered to Bulgarian consumer. Presented information on the site http://space.bgcatalog.com, the English and Russian versions, is not targeted at the Bulgarian consumer and provides unadapted information about products and services.

The site http://www.kanor.inet.bg (which was in the beginning of our research (June 2004)) remains unfinished whereas pages related to parquet and services are missing and labelled "under construction", nor is the whole structure consecutive in development.

Four of the companies have developed web sites of their own, where information about products, prices, conditions of delivery and services of installation is submitted.

Parket-bg Co. on http://www.parket-bg.com is presented by visual and text information for the same service. It is different from the rest by offering the on-line access for consumers to ask questions. Through an e-contact on their web-site the consumer is rendered a different and better level of satisfactions. Remote e-contact and consulting in combination with an interactive access to database through Internet and mail enables consumer's control (http://www.eos-bg.com/contacts.html). This company has achieved flexible and quick response to market modification.

Business activity today is stimulated by tight time terms and hard competition. Companies that are not presented or do not have the appropriate business behavior on Internet are demonstrating a monopolistic conduct on the local market.

Case Study 2

The object of this study was investigating a typical public problem: homes provisioning with non-wood products – means traditional solutions for yearly feasts and health consolidation and prophylactic summer and winter times consumption in the households (for example raspberry production, since offers of other non-wood products – cranberry, blueberry, cornel, walnut, christmas trees, parks trees and bushes, etc. on local Internet space are not to be found).

Research has been carried out for promotion of companies that offer raspberry production in the Sofia area displayed on corporate sites. It is shown on Table 4. The information of product and services (which provides actual price information, opportunity of products choice, orders, payments through current Internet facilities) about customers and retail dealers are not to be found.

Conclusion

The study of the business strategies for promotion and attracting consumers on urban market for end-use efficiency of all forestry products (parquet and raspberry) and services on traditional and Web channels have shown:

- slow infiltration of new methods of promotion for end-use forestry and non-wood products and services;
- local corporate units have realized the role of web presence to enhance the performance of traditional channels;
- they do not strive to increase their web-site usefulness (provision of information, opportunity of products choice, orders, payments and after purchase support through current Internet facilities) and attract target segments on Sofia area market.

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