Automated Workplace of Cargo Consignor: New

Development of the Promotion Strategy for a Software Product

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1. Abstract

The aim of the thesis was to develop a promotion strategy of a new software product: "Automated Workplace of Cargo Consignor: New" for the commissioner company "TMSoft ltd". Main method used in this case was table research and information collection; marketing literature was carefully studied, as well as legislative sources.

Theoretical part consists of the situational analysis, strategy pyramid and promotion theory. And the development part is the core of the thesis, and includes the promotion strategy, consisting of the programme itself and scheduling of its implementation. As a result, a complete promotion strategy was developed. Additionally, exact guidelines of which steps to be made have been given, which provides the framework for the company management on how to implement the strategy in real life situations.

List of Keywords

Automated Work Place of Cargo Consignor: New ("AWP of CC: new")

Automated Work Place of Freight Cashier ("AWP of Freight Cashier")

"Client-Ukrainian Railway" Application

Consignor, Consignee, Freight Forwarder

Electronic Transportation Document, Electronic Consignment Note, Electronic Digital Signature

Contents

2. Introduction

The topic of the thesis is the development of the marketing strategy for a new software product, "Automated Workplace of Cargo Consignor: New". The commissioner is a Ukrainian company, "TMSoft ltd", which is a software development firm located in Kiev. The product is tied heavily to Ukrainian Railways, because it is a tool for people and companies aiming to send their goods over the railways. It was developed in tight cooperation with Ukrainian Railways administration.

This is why the topic is of a great interest to me; - it gives the opportunity to combine the gained knowledge in logistics and marketing. The IT side in this case is less important, and functional characteristics are given in general, to gain the basic understanding on functions and options of the product.

"Automated Workplace of Cargo Consignor: New" is a useful programme for the cargo consignors, cargo consignees, freight forwarders and operators of own carriage fleet. With the help of this programme they can make all the arrangements needed to send a good over the Railways from their own office using the Internet. Besides time reduction, they also get the savings on printing out the documentation and buying the forms to fill in. The function of tracking down the current location of the sent good is also added, so that bigger control over the good movement is achievable. With the help of the library of templates and possibility to create own templates, the necessity to fill in similar documents over and over again is removed, which also reduces time for managers, and thus spending on personnel. Functions in more details are described in the Theoretical Part of the Thesis.

The overall structure of the thesis is following: first there is theoretical part, with the information about the general process of freight transportation organization in Ukraine; new legislation is being introduced because it is the ground for creation of the product. The second part of the theoretical section is devoted to the strategic pyramid, which consists of strategic marketing management section, marketing strategy section and marketing tactics section. And finally promotion theory in more details is discussed. This combination

creates gradual development of the theoretical background and product understanding.

The next core part of the thesis is promotion strategy development, which is completely practical, and is the solution of the task set by the commissioner company. In this part, the detailed programme is suggested, with the explanations why the suggested steps and actions are supposed to be successful. As the result, the clear understanding of further steps should be formed, and the clear goals of the marketing campaign should be set.

The process of writing the thesis was divided into several parts. First it is important to mention that the author of the thesis was actually involved in the day-to-day operations of the company, and thus clear understanding of the company's goals and possibilities was formed. So, first the product itself was carefully studied, and the legislation was translated into English. Main method in this case was table research and information collection. Then the marketing literature was carefully chosen and studied, and the most appropriate techniques and theories were added to the theoretical part of the thesis. The next step was to develop the strategy exactly for this company and market situation. As a result, a complete strategy plan was presented for the commissioner.

2.1. Task and Research Problem Description

The task, as mentioned in the previous section, is quite straightforward - it is to develop a promotion strategy for a product. The outcome needs to give a clear picture of the steps to be done in order to promote the product efficiently taking into account the limits of time and budget. The outcome is not intended to give the finally designed brochures or logos, as this is a task of different professions – designers, copywriters, etc. Rather it should state what assignments are to be done, and they should be broken down into small goals, so that it is possible to track their fulfillment and efficiency. It is an action plan for management on the promotion.

The research problem is the choice of the marketing mix elements, so that they correlate with each other to serve the main goal – sell the product. Many factors need to be taken into account – the target audience, their needs and values, position of the product in its life cycle.

2.2. Product Description

"AWP of Cargo Consignor: New" is a comfortable and reliable tool, which allows automation of the document flow between the client and the divisions of Ukrainian Railways; and gives the possibility to get the needed regulatory - referential and operational information about the organization of goods transportation. Major advantage of this program is intensified control of the correctness and authenticity of the entered information on each step, so that the procedure doesn't have to be started again after the mistake is found. This reduces organizational time and budget. Besides, there are many enhanced service functions, which improve the level of service and delivery time.

The product at the moment of creation of thesis was in the growth stage of its life cycle. It was introduced to the market in the beginning of thesis process. As it is mentioned in the "The Marketing Plan" book by W. Cohen (2006; p.11), the fact, that the product is new, does not automatically mean that it is in the introductory stage (unless there was no similar product before in the market). As the product was entirely new thing in the market, it can be assumed

to be in the introductory stage. But, as it has already been launched, and some sales been already made, it can be assumed to have reached the growth stage.

2.2.1. Main functions

In general, functions can be divided into 3 big groups: functions, devoted to the consignee's work; the ones devoted to the consignor's work; and finally additional value-creating functions. Special functions devoted for consignees of goods are: work with the registry of the electronic transportation documents, possibility to preview them; and possibility to send the data for final uncrediting of the good – meaning the post-arrival notification to prove the receipt of goods.

While working with the documents of the consignor, the user can create the transportation document by himself/herself; or create it using the existing template, or own created template; the document then can be stored in the database, or sent to the web server of Ukrainian Railways. Revision of the created documents is possible, and in case of mistakes, the sent document can be cancelled or edited. Another function in this case is the possibility to work with the registry of electronic transportation documents. Besides, the user can print out the draft of the created transportation document, or the transportation document itself. If the user has certain extra needs to be fulfilled, combined function is suggested, and it is developed in cooperation with the user on separate agreement.

Finally, there are several additional functions: possibility for the customer to receive the up-to-date information from the web office and Ukrainian Railways, where he/she can find new regulations, forms, templates, etc.; option to import or export the electronic transportation documents from the outer informational systems, which are used in the company (function is available for customer on demand and separate agreement); creation of reports; personal settings creation. The information on the transportation documents can be found using the reference number, or through browsing in the registry.

2.2.2. Technology of work

For Consignors of Goods:

- User creates electronic transportation document by filling all the required fields in the required documents (which are set by the Rules of creation of transportation documents).
- It is done in the form of the dialogue box, or other form specified by the type of the document.
- It is accompanied by the logical controls of the correctness of the entered data, service functions, usage of templates and possibility to copy before created documents.
- Another accompanying function is possibility to attach supplementary documentation, which is created in the electronic form in the separate section of "AWP of Cargo Consignor: New".
- The created document is then transmitted to the automated workstation of freight administration of the Ukrainian Railways, for further administration by the freight cash desk of the corresponding train station.
- User gets approval from the automated workstation of freight administration in the electronic form.
- The final step is the message of uncreditting, which is sent to all participants in electronic form after the delivery.

For Consignees of Goods:
- Consignee gets the electronic transportation document from the automated workstation of freight administering, with the information on the date and time of goods' arrival to the destination station.
- Consignee fills in the information which is needed for the post-arrival uncrediting of the good.
- Consignee transmits electronic transportation document to the automated workstation of freight administering for uncrediting by the freight cash desk of the corresponding train station.
- After this, he gets uncreditted electronic transportation document and can browse through the supplementary documents.

"AWP of Cargo Consignor: new" provides two types of user settings: local settings (settings of the user to work with certain interfaces, etc. For example deciding on the set of attributes of document registry, width of the columns, etc.); and settings, which are synchronized with the web-office.

Local settings of the last logged user session are saved in the "AWP of CC: new" (bonded with the computer and user of the system). In case if the computer is used by several users (each of whom logs into the system using his or her own name), recently used settings are saved separately for each of them.

Synchronized settings include settings of the normative - regulatory information from Ukrainian Railways and templates of the documents. For example, client reference books, etc. Each user has his or her own personalized set of such settings. Such settings are saved both in the web office and in the "AWP of CC: new". When the new session is started, date is being synchronized. In case of the absence of connection between web office and "AWP of CC: new", latest saves settings will be used.

Language of the user interface can be Russian or Ukrainian, which is set by the user settings. But the language of the document must correspond to the type of the document (for example for the transportation documents "ГУ-23О" - Ukrainian, "СМГС" – Russian).

In case of the upcoming updates, user is notified on them, and can have them downloaded from the developer - company web pages (the computer needs to have access to the Internet). The user can also check the updates by himself from the provided web pages.

(Information on technical issues was taken from the technical documentation on the product).

3. Theoretical information

3.1. Situational Analysis

The first thing in the development of the efficient marketing strategy is the understanding of the environment in which the company operates, and, consequently, in which the product will be launched. In subparagraphs the current administration of freight transportation is discussed and new legislation is mentioned. This has a high importance for the profound understanding of the market situation.

3.1.1. Grounds for Product Creation

There have been a number of factors in the market, which led to the development of such product. First, it was the complex computerization of the railroad goods transportation in Ukrainian Railways, which actually meant the reduction of paper flow in each administrative level; and the need for the suitable software for data exchange appeared. So as an answer to this need, the software set was developed, which consisted of "AWP of Cargo Consignor: new", AWP of Freight Cashier and Freight Work Server. AWP of Freight Cashier is a programme for the staff of Ukrainian Railways to track the applications, approve or deny them, contact the applicant in different cases. And the Freight Work Server is the server, where the information is stored.
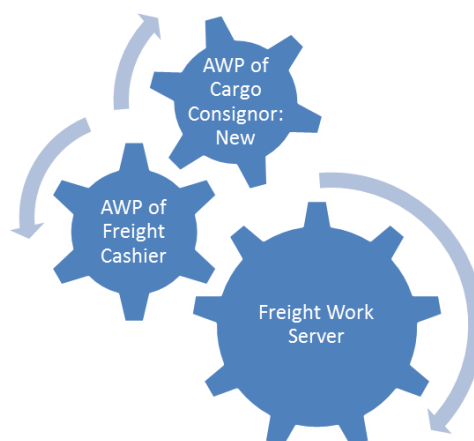
The second reason for product development was changes in the Rules of Goods Transportation, specifically the abolition of the paper forms of strict accountability and security holograms. Prior to these changes, the consignee had to buy these forms which had to be filled in, and in case of mistakes, the whole new form had to be refilled – which led to greater time and money spending. After the changes have been made, the information can now be transmitted electronically, using the Electronic Key; and no paper forms with holograms are needed any more.

The legal base for the existence of the examined software is the Law of Ukraine "On electronic digital signature", Law of Ukraine "On electronic documents and electronic documents", and order of Cabinet of Ministers of Ukraine of 16.12.2009 № 1557-р "On approval of a plan for implementation of electronic documents related to railway transportation."

3.1.2. Administration of the freight transportation

Before the electronic practice had been introduced, the process of administering the freight transportation was very lengthy and time-consuming. The user had to come to the railway station, give the application (around three days prior to the planned date of freight departure). The next step was to come to the station once again and order the carriage car. After the carriage car was ready, the client had to come to the freight office again and form the transportation document; only after this the carriage car could depart. Below the entire process of freight administration is described (as stated in the law), and in *Italic* the changes that have been made to it since 2011.

For each shipment of own empty, leased cars and containers, consignee provides the station of departure with shipping documents (waybill) in the form provided by the Rules of Ukrainian Railways. In case of quotation for group shipment or route, the consignor adds to the above mentioned waybill the statement of wagons, or statement of wagons and containers, which are being shipped together according to the waybill. *Since the 1st of June 2011, the waybill can be formed and transmitted in the electronic form (using the*

electronic signature). Electronic shipping document and paper shipping document are equally authentic.

The waybill is a required mutual written form of agreement on transportation of cargo, concluded between the shipper and the railway for the benefit of a third party - the consignee. Waybill is also a contract to provide cargo security guarantees, payment of transportation fees and other charges for transportation. Waybill accompanies the shipment to the station of destination, where is given to the consignee together with the good. *To confirm receipt of the goods for transportation, one copy of invoice in paper with an assigned registration number and the date of the acceptance of the goods for departure is provided to the consignor. Procedure for confirmation the receipt of the goods for departure by e-invoice (using the Electronic Signature) is determined by agreement between the consignee and railway. The waybill is filled by the consignor using the automated systems of railway transport of Ukraine* **(Client-Ukrainian Railway System)** *or software that can provide the work with electronic shipping documents according to the specified format* **(our product – AWP of Cargo Consignor: new).**

In case of registration in paper, it is printed on the form, made of white A4 paper, in triplicate, one of which after complete acceptance of the goods by the station of departure is given to consignor and serves as a receipt for acceptance of the goods, the second and third are transmitted with a cargo to the station of destination. *Waybill in electronic form (hereinafter - electronic waybill) is made in the form of electronic data registration that can be transformed into the written record.*

Corrections in case of paper version are not allowed. In case of mistakes, new shipping document should be formed. *This is one of the great benefits, which electronic system brings – because there are many logical checkpoints, which would not allow to make impossible things (illogical mistakes), but in case of the mistakes in numbers, you will have to fill in only wrong field once again, while everything else will be saved. In case if you made mistake in paper, you would have to buy a blank once again and fill the entire blank in again.*

It is not allowed to include into one shipping document such goods: perishable goods with others, except the cases when they are accompanied by agents; goods, which due to their qualities cannot be transported in the same wagon or container; goods, which require compliance with special precautions with goods that do not require such measures; goods, requiring compliance with transport sanitary, veterinary or other administrative rules, with goods that do not require compliance with such rules; goods, which have different periods of storage after unloading, except when they are addressed to places of private consumption.

Shipping documents made in paper form by the consignor, are checked by the station chief or the authorized officer of the station. Following things are checked: the presence of the transportation plan (monthly or additional), absence of prohibitions and restrictions in chosen destination, the correctness of forms, which should be filled in accordance with the rules, presence of required additional supporting documents and permits for shipment of regulatory bodies (according to the Ukrainian legislation). Before signing the contract of carriage, which is the result of such inspection, station chief or the authorized officer affix his signature (of the day, month and year) on the form. *For these needs, another product from the complete software set is used – Automated Workplace of Freight Cashier, which is an automated system for railways to see electronic applications sent to them, and electronically check and authorize them.*

If after processing shipping documents for cargo accepted for carriage at the station of departure was discovered the discrepancy between the actual quantity of goods and the shipping documents specified in, the consignor must bring the actual number of goods in line with the amount specified in the shipping documents (upload, unload), or form new transportation documents, noting the actual quantity of cargo. Weight load is considered correct if the difference between the actual and the detected mass specified in the documents does not exceed 0.2%.

So basically we conclude that the set of transportation documents includes: waybill, road statement, rootlet of road statement, receipt of cargo admission for departure.

Forms of these documents are given to cargo consignors, for a charge, established by the legislation. *This is another advantage of electronic data transmission – you don't have to buy these forms.*

According to the technology process, after receiving the set of transportation documents in paper form from the consignor, freight cashier enters the data into the electronic system using the Automated Workplace of Freight Cashier (one of the Products from the Software Set). This also required time. But when the information is sent electronically – everything is electronically transmitted to the Automated Workplace of Freight Cashier, and all need to be done is to check and verify the information.

(Information was taken from the order of the Ministry of Transport of Ukraine, "Rules of registration of electronic transportation documents").

3.1.3. Electronic Digital Signature

Since the 1st of June 2011, Ukrainian Railways started to work using the electronic transportation document, electronic consignment note and electronic digital signature. This was actually great step towards business, because it enhanced the speed of processing the documents and the accuracy of planning. It improved the work of the railways, services, sorting stations and custom authorities (they can do their work beforehand, prior to the carriage car coming to the station, and then just check quickly). Besides it enhances the planning features of the sea ports, because two – three days before the carriage comes they will see what will actually come and in which quantity and will be able to plan their work depending on the free spaces in the harbor and ships.

Of course in the beginning paper versions will still exist to support the operations, but they will be just printed out from the electronic system, not formed by hands once again. In future benefit to the ecology will also be clear, and also great money savings on printing, paper, and necessity to store the

archive somewhere. It also improves the image of the Railways as of the modern organization.

Electronic Transportation Document is a set of electronic documents, secured by the electronic digital signature, and formed in the approved software products, as defined by the Law of Ukraine "On electronic documents and electronic document" and should contain the information defined in the Rules of Registration of transportation documents, approved by order of the Ministry of Transport of 21.11.2000 № 644, registered with the Ministry of Justice of Ukraine 24.11.2000 by № 863/5084 (as amended).

Electronic Digital Signature is the type of digital signature, which is a result of cryptographic transformation of electronic data, which is added to the set of electronic information or logically combined with it and gives the possibility to verify its integrity and to identify the signer. Electronic digital signature is applied by using personal key and verified using the public open key. The procedure and principles of using the electronic signature are specified by the Law of Ukraine "On electronic digital signature", the order of Cabinet of Ministers of Ukraine "On approval of the application of digital signatures by public authorities, local authorities, enterprises, institutions and organizations of state ownership."

From now on, there are 3 possibilities for the companies or private individuals aiming to send their good through the railway: either come in the way they did it before, and the staff in the station will make electronic things for them using the AWP of the Freight Cashier; or – make their arrangements through Internet using the "Client – Ukrainian Railway" Application, which is free; or – install the "AWP of the Cargo Consignor: New", which gives more enhanced service and benefits for its customer (or other programme which has such functions – according to the Law).

(Source: Law of Ukraine "On electronic digital signature")

3.1.4. Competitor Analysis

As mentioned in the previous paragraph, there exists a free application "Client – Ukrainian Railway", which has some functions similar to those of "AWP of Cargo Consignor: new". It is free, and can be found from the official web pages of the Ukrainian Railways. It is not a programme that can be downloaded, it is just the application, and the client can work with it only with a valid internet connection. To be able to use the application "Client-Ukrainian Railway", you first need to get the Electronic Signature described above. All the information which is entered into the system is then verified by the own Electronic Key of the holder to prove authenticity.

Functions of "Client-Ukrainian Railway": formation and creation of the electronic transportation documents; option to include supplementary documents to the application, and merge them with the existing application; control over the acceptance of goods from the workplace, without necessity to come to the station; control of the re-addressing of the good (in case it happens); notification on the goods arrival to the destination station. Access of the users to the System is done through the Internet, using the Virtual Private Network (VPN) technology, with the help of web interface. Only registered users can work with the system.

Below the main functions of "AWP of Cargo Consignor: New" and "Client-Ukrainian Railway" Application are compared to show the additional benefits for the Customer using the AWP:

"AWP of Cargo Consignor: New"	"Client-Ukrainian Railway" Application
Creation and printing of transport documentation	+
Preparation and transmission of electronic transport documentation to trade offices and consignees (using	+

Electronic Signature)	
Transmission of supporting documents: - Scanning and adding of Supporting Documents to the Set of Transportation Documents, transmission of them to trade offices and consignees	+
Preparation and transmission of electronic data to trade offices in accordance with the new Rules of Goods Transportation	+
Feedback Communication -prompt reception of the information concerning: -the reception of good for transportation -re-addressing of good -arrival of good to destination station -final settlements and finalization of delivery of cargo	+
Interaction with automated Systems of the Customer	-
Storage of data for any period	-
Forming of reporting documents for Government Authorities	-

3.2. The Strategy Pyramid

In this section, three parts of the strategy pyramid are discussed. These are strategic marketing management, marketing strategy and marketing tactics. You can see them in the diagram below:
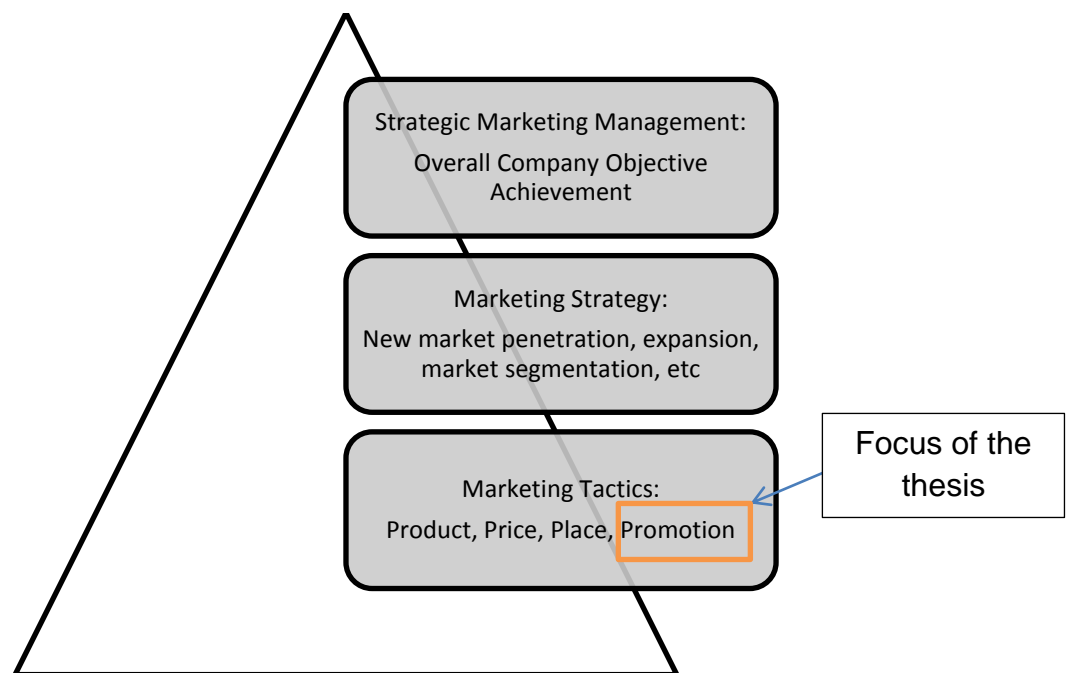
I decided to include the short description of each of the parts of strategic pyramid, because I consider these parts to be the framework for further improvement of the company's performance. The goal of this thesis is concentrated in the marketing tactics part, specifically in the promotion development. This is why the promotion theory will be discussed in more detail in the next section.

2.2.1. Strategic Marketing Management

As the dictionary states, objective is something that one's efforts or actions are intended to attain or accomplish; purpose; goal; target. Objectives

can be broken down into smaller intermediate units within the specified time period; this short-term units can be called goals. Goals are more specific objectives (Cohen 2006, 28).

There are ten guidelines to set an effective goal: it has to be written (so that it becomes concrete); they have to be specific and measurable (so that you can evaluate your progress); you should be able to visualize them (picture the result); the goal must be achievable (not discouraging); realistic deadlines must be set (with clear schedule); manageable; potential problems have to be thought about beforehand, and possibly some steps should be taken to minimize potential problems; it must include regular review of progress and should yield rewards that are of value to the company (Wilson 2008, 8).

There also exists SMARRTT definition of which qualities good goals need to have. These qualities are: Specific, Measurable, Achievable, Realistic, Relevant, Targeted, and Timed.

Marketing consultant, Jay Abraham, considered that there are only 3 basic ways to increase business: either to increase the number of customers, or increase the average size of sale per customer or increase the number of times the customers return to purchase again (Cohen 2006, 46). In the case of "AWP of Cargo Consignor: New" the goal is to increase the number of customers, because once a potential customer becomes a real customer, he pays a long-term subscription and is unlikely to leave the use of product soon.

2.2.2. Marketing Strategy

Here are several definitions of Strategy from the Manager's Guide to Competitive Marketing Strategies: Paley Norton; 2006:

"Strategies are actions to achieve objectives"

"Strategy is the art of coordinating the means (money, human resources and materials) to achieve the ends (profit, customer satisfaction and company growth) as defined by company policy and objectives".

Marketing strategy is the most significant planning challenge regardless of industry or size of the company. Our goal will be to re-evaluate and examine constantly our marketing position. Our emphasis will be on market strategy, technique and product innovation,[1] - these words from the survey of PriceWaterHouseCoopers are, in my opinion, the best to describe the challenges of the marketer while planning and customizing marketing strategy for a chosen product.

The most important questions for the marketer to think about in the case of software company are: how effectively new product matches the needs of the targeted customer group; at which stage of product life cycle is the product now; what is the competitive advantage of the product comparing with other similar products; is there already any long-term cooperation with potential customers.

Having everything said above in mind, now we have to consider which steps are essential to build a successful strategy.

1. Develop a competitive analysis (To view systematically external and internal factors)
   1.1. Customer analysis
   1.2. Competitor analysis
   1.3. Industry analysis
   1.4. Environmental analysis

External Analysis	Internal Analysis
• Customer Analysis • Competitor Analysis • Industry Analysis • Environmental Analysis	• Performance Analysis • Strategy Analysis • Strategic Priorities Analysis • Cost Analysis • Portfolio Analysis • Financial Resource Analysis • Strength/Weakness Analysis

[1] PriceWaterHouse Coopers from their Survey of 250 Corporate Executives (Manager's Guide to Competitive Marketing Strategies: Paley Norton; 2006; p.10)

Competitive Strategies	
Competitive Advantage	

On the basis of the research of external and internal forces, the company can decide on its overall marketing strategy. It is very important to set priorities because the resources are always scarce, and the company cannot be best in all directions. So there has to be a clear method of deciding to what direction company should assign its resources,

2.2.3. Marketing Tactics

Marketing Tactics is the lowest level of strategy pyramid. It consists of the actions which aim to support the marketing strategy. Elements of such actions are marketing mix elements: product, price, promotion and place. It can be done in different configurations that cannot be easily matched by competitors. Tactics is actually the thing which tells how to implement the developed strategy.

Product

There are three basic actions which can be done regarding product: it can either be introduced to the market, or it can be modified and changed; or – withdrawn (Cohen 2006, 54). In the case of "AWP of Cargo Consignor: New", there is a completely new product, which is introduced to the market.

Other actions are, for example: decision on product quality, branding or packaging. Product quality not only affects the image and price, but also profitability of the product (Cohen 2006, 54). In the case of the researched product, these features were already decided upon the creation of the product.

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[2] From Manager's Guide to Competitive Marketing Strategies: Paley Norton; 2006; p. 59

Price

Three basic pricing tactics may be followed: penetration pricing, meet-the-competition pricing and price skimming. Penetration pricing means entering the market with low prices to gain the market share (the price, which is lower than of the competitor is positioned as competitive advantage of the product). Once the product is well established, the price may be slowly risen to the normal level.

Meet-the-competition pricing, means pricing at about the same level as that of competitors. And thus the differentiation in something else is needed (for example in quality or service).

Price skimming involves pricing a new product relatively high. This can for example be done for products which are completely new in the market.

Place

According to Cohen, there are six basic channel alternatives to consider. These are: direct or indirect channels (selling directly to customer or through retailers, wholesalers, agents, etc.); single or multiple channels (using additional channels to cover more customers); length of channel (number of intermediaries along a single distribution line); type of intermediaries; number of distributors at each level; which intermediaries to use.

Promotion

Promotion consists of face-to-face selling, sales promotion, advertising and publicity. Sales promotion techniques include sampling, coupons, trade allowances, price quantity promotion, premiums, contests, sweepstakes, refund offers, bonus packs, stamp and continuity plans, point-of-purchase displays and participation of trade shows. Direct mail is the printed material, mailed directly to customer's addresses. Sales promotion consists of the activities which are targeted to the intermediaries, and aim to enlarge stock desirability and wish to sell the product by the intermediaries (for example coupons, free samples, etc.). Public relations are the planned and sustained effort of maintaining and creating the good will (for example press releases, films, articles, newsletters, seminars, etc.).

3.3. Promotion Theory in details

In the marketing context, promotion is about communication with individuals, groups or organizations to directly or indirectly facilitate exchanges of products, services or ideas by influencing audience members to accept a business' product offering (Dibb at al. 1996, 120).

There are several keywords, which are basic terms for promotion development. These are promotional mix and target audience. Promotional mix is formed from the chosen promotional activities (for example advertising, direct mail, sales promotion, personal selling, PR and sponsorship).Target audience is that part of the target customers, to which the promotional mix is addressed (because promotional mix can be different for several different target customers groups).

There are several kinds of promotional activities, and they influence differently on the customer. This difference can be exploited to gain the best result depending on the goal of the promotion. For example if the goal of the promotional campaign is to gain the awareness of the product between the customers, the television, press, magazines, etc. are the best activities to use. This classification was suggested by Dibb. Below the full table of adoption process is given.

Stage	Forms of Promotional Activity
Awareness	Television, press, magazines, radio, and other media
Interest	Television, press, magazines, radio and other media
Evaluation	Personal sources – relatives, friends, colleagues, etc.
Trial	Personal sources + Sales personnel
Adoption	Personal sources + Sales personnel + mass media

Adoption Process (Dibb: p.120) 1

There is also a distinction on the basis of communicational effects, which are aimed to be the result of any promotional campaign. There are 5 different

categories in this case, namely: category need, brand awareness, brand attitude, brand purchase intention, purchase facilitation (Dibb at al. 1996, 120). Under category need it is meant that the result of promotion should be the awareness of the customer about the specific market and product, so that they can understand that they might have a need in this product. Brand awareness aims to highlight the marketed product amongst other similar products. Brand attitude tries to persuade the customer that the chosen product would best suit his/ her needs. Another category is brand purchase intention, which is the next step, and encourages the customer to buy the product. The last category is Purchase facilitation, and it includes all the steps which allow the product to be able to be bought – four Ps mix – and they should go in line with the whole promotion strategy.

3.3.1. Components of the Marketing Communication Mix

Norton Paley, in his book "Manager's Guide to Competitive Marketing Strategies", gives such categorization of the Components of the Marketing Communication Mix:

Advertising	Sales Promotion	Public relations	Personal Selling	Direct Response
Print	Free samples	Press kits	Sales presentations	Direct mail
Broadcast	Free trial	Event Sponsorships	Trade shows	Catalogues
Directories	Door-to-door couponing	Community relations		Telemarketing
Motion pictures	Newspaper couponing	Seminars		TV shopping
Billboards	Magazine/supplement couponing	Speeches		Fax
	Money refund			Internet shopping
	In-or near pack premiums			
	Self-liquidating premiums			
	Price pack			
	Contests/sweepstakes			
	Trading Stamps/promotional games			
	Point-of-purchase displays			

For the needs of promotion of the examined software product, most efficient tools are advertising, public relations, personal selling and direct response. Advertising and public relations in our case aim to support personal selling and direct response.

As for advertising in particular, media should be selected, and the message designed. Norton Paley suggests that one additional step can be taken: choice of the Action Groups. I consider this very important for the development of the promotion strategy. There are 5 types of adopter groups: innovators, early adopters, early majority, late majority (skeptics, who adopt after significant number of companies tried) and laggards (tradition-bound, cautious, price sensitive). The most effort during the introductory phase of the product should be oriented I the first two groups: Innovators and early adopters. For them, free trials can be suggested.

The most appropriate form of direct marketing in case of this thesis is direct mail, which includes the use of the mailing lists to send letters and brochures; which permits high levels of selectivity and personalization. Additionally, telemarketing can be useful – it includes use of telephone to contact prospects, and handle customer problems.

Another component of marketing mix to use is public relations. Public relations include any publicity for your product or service that is perceived by the public as not being paid for. (Entrepreneurial Marketing, Lodish p. 65). Publications are one tool to use, and their aim is to influence target groups with published materials, such as annual reports, brochures, articles, company newsletters, magazines, etc. (Manager's Guide to Competitive Marketing Strategies, Norton Paley, p. 358). Also special events, such as news conferences, seminars and taking part in exhibitions can be organized. Also, the top management of the company could make speeches during the association events, or press conferences.
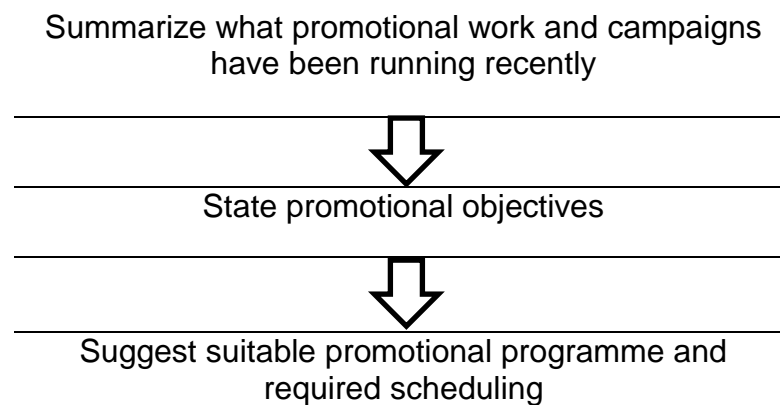
And finally, there is personal selling to be included.

3.3.2. Promotion Activities Schedule

Correct scheduling is the key to success of the promotional campaign. The first thing which needs to be done is to determine the target audience. Afterwards, their needs and values should be carefully studied. The next stage is to determine the business's own desired brand positioning within the chosen target market. After this, the promotional message should be produced, which should reflect the product, brand positioning and customer's expectations. Next, the time limits required for promotional work should be clearly set. Only after that, the company can select the most appropriate promotional tools in context of the product, its target market, customer's behavior, attitudes and available budgets. Then the most appropriate media channels and formats to convey the determined message can be selected. And the last step is to produce the required promotional material and finally run the campaign. (Dibb at al. 1996, 122).

3.3.3. Promotion Programme Creation Schedule

Below are provided the steps to form the promotional programme for the company, which were developed by Sally Dibb (Dibb at al. 2006, 123). I decided to create my own promotion strategy on the basis of this guideline. So, in the next section, the promotion strategy is developed for the "AWP of Cargo Consignor: New".

Summarize what promotional work and campaigns
have been running recently

⬇

State promotional objectives

⬇

Suggest suitable promotional programme and
required scheduling

4. Promotion Strategy Development

4.1. Summary of previous Promotional Campaigns

There had been a brochure designed, in the form of three different modifications: small, vertical medium and horizontal medium. You can see medium one below. The brochures were distributed at the railway stations, during promotion presentations and during the sales presentations. The cost of such brochures is relatively cheap, as it serves its main goal – to functionally inform the customers on the product and its functions. The reason for simple design is that the majority in the higher positions in state structures, as Railways for example, is conservators, and prefers to have clear picture of what is happening. And for these reasons, main focus is on the message, and it's clear and direct structure. The brochure was done in Ukrainian, as the official state language in Ukraine is Ukrainian.

The information on the programme was added to the web pages (www.railsystem.info), which are the pages for company products. But the missing thing was that the information on the new product was not added to the official web pages of the company (www.tmsoft-ltd.com). This had to be a part of the new promotion campaign.

At the date of the official product launch there was a briefing held, together with the representatives of the Ukrainian Railways, where the presentation had been made, explanations on functions were given and benefits clearly stated. But the problem in this case was that the programme had been in the test stage at that time, and many functions did not work properly. It can be said that the product was launched a little bit early. And some customers, who got interested in the product and tried trial versions, found that some functions don't work, and felt unsure if that will work at all at the end. There had been a number of discussions in Ukrainian Railways forum about the comparison of the AWP of Cargo Consignor: New and Client-Ukrainian Railways system. Good point is that people discovered that for big amounts of operations free application Client-Ukrainian Railway is too slow, and besides does not allow some really important functions as possibility to save the document itself, and not just the image of it. So basically the conclusion from this is that people recognized that the announced programme can be very useful, but the problem was not stable functioning and not a clear definition of functions which can be used. The aim of the second stage of the promotion campaign is to convey a clear message to the customers "from the first hands" what the functions are, so that the competitors will not speculate on the lack of information.

4.2. Promotional Objectives

The objective is to enhance awareness of the product and to increase the number of sales. The target is set to be 100% level of informed customers, meaning that all potential clients should be reached. The potential customers are big shippers, transport companies, factories, etc.

The promotional message which should be delivered to them is: "AWP of Cargo Consignor: New" is the tool that helps your business operate in the most **efficient** way, it is **reliable**, and modern. Also the stress should be made on the fact that the company is already long in the market of railroad transportation, so it is again reliable and **predictable**. These words, according to my survey are the ones which need to be heard by the potential customer.

4.3. Promotional Programme

The promotional programme is described in the table below. After the marketing mix element application there is a column which provides the description, consisting of target customers to whom this method is oriented, goals, and, most importantly, the steps which the company needs to take. This column is the most important outcome of the whole thesis, because clearly describes the steps suggested for use by the company. They all in combination form the promotion strategy, which can generally be described as the strategy of active market presence, and focus on the communication with customers, potential customers, and "outer parties", which are media, authorities, competitors, etc.

In several places in the table, for the reasons of comfortable reading, the term "potential customers" is used. The potential customers in the case of this promotional strategy had been defined earlier in this thesis. These are cargo consignors, cargo consignees, freight forwarders and operators of own carriage fleet, and actually all companies who send big amount of goods through railways.

Marketing Mix Category	Marketing Mix Element	Exact Application	Description
Advertising	WWW	Newsletter	**Target audience**: For those who through web-pages visit or in other way left their contact details. **Goal**: To inform potential customers on new features and functions. Instead of direct mail (which can be considered as spam). **Steps**: ➢ Assign person responsible for design of the monthly newsletter message. ➢ Create a standard template in the company format. ➢ Create a list of the recipients.
		Information on Web Pages	**Target audience**: All potential, existing customers, "Outer publics". **Goal**: To serve the official channel from the company to customers. **Steps**: ➢ Add information on the product to own web-pages (www.tmsoft-ltd.com).
		LinkedIn	**Target audience**: All potential, existing customers. **Goal**: Enhance awareness on the company, and drive attention to the product itself. **Steps**: ➢ Create a company profile in the LinkedIn. ➢ Connect with existing customers there, which can serve kind of recommendation for potential customers.
	Brochures	Brochures	**Target audience:** Potential customers. **Goal:** To inform the potential customers on the functions of the new product. **Steps:** ➢ Modify existing brochure to include more detailed description of existing functions, and add contact details. ➢ Distribution of brochures in the railways, at the conferences connected to railways and logistics. ➢ There should be a possibility to download the brochure from the web pages: add this function to the web pages.

Public Relations	WWW	YouTube	**Target audience:** All interested parties. **Goal:** To be a platform of communication between the company and its customers. YouTube is an excellent platform to share the presentations, user manuals created by the company for its customers. It can include answers to FAQs. **Steps:** ➤ Assign responsible person, who will upload arising videos there. ➤ Add company channel to YouTube. ➤ Add existing videos, presentations and conferences there.
		Forums	**Target audience:** Existing customers and users of trial version. **Goal:** Help to reduce misunderstandings and bad reputation caused by the lack of knowledge. **Steps:** ➤ Assign the person, who will be responsible for tracking the information flow in the Internet regarding the company, and who will be able to answer all questions and discussions which might arise (regarding functions, problems, etc.).
	Trade Shows	**Tradeshows**	**Target audience:** Companies, who are active participants in the market, "early adopters". **Goal:** Create a connection between the company's management and top managers of other companies, which aims to boost cooperation between them. **Steps:** ➤ Participate in tradeshows where potential customers take part.
	Press	**Articles in the specialized media**	**Target audience:** Prospective customers. **Goal:** Market presence. Impression of the highly successful company and product, who invest money to be close to customers. **Steps:** ➤ Decide on the newspapers and magazines, closest to target group; contact their editors to find out the possibilities and costs.
	Presentation - Briefing	**Briefing**	**Goal:** Enhance the reputation of reliable company which suggests reliable product

			Steps:
			➢ Hold a briefing, stating that the testing stage had been finished successfully, and informing that from the exact date, all functions written in the programme description are functioning on the regular basis. ➢ Suggest free trial for companies, who decide to try the programme during the first week after briefing.
Personal Selling	Personal Selling	**Personal Consultations**	➢ For the interested potential customers who contacted the company for additional information, personal consultations can be offered (via phone, internet).
		Company Presentations	➢ For the potential customers who already consulted the company over the phone, and have an intention to buy the product but still are unsure, personal presentations can be held in the premises of the potential customer (so that employees can also become aware of the product, not only the buyer).

This programme was developed taking into account the realities of the market, and cultural values of the Ukrainian population. For these reasons, the literature, written by Ukrainian and Russian authors was used, which explained modern marketing tools and the ways of their implementation. There are no direct quotations, as the outcome is usually a mixture of several opinions. But as there is a need to mention the literature which was used in the process of writing for this exact section, the following literature can be included:

Радислав Гандапас 2010, 101 совет по проведению корпоративной конференции, Альпина

(Gandapas Radislav 2010. "101 Advice on the how to hold a corporate conference" Alpina)

Данченок Л. А., Зотов В.В., Дейнекин Т.В. Маркетинг по нотам: практический курс на российских примерах 2006 , Маркет ДС

(Dancheniuk L.A., Zotov V.V., Deynekin T.V. 2006 "Marketing po notam: practival course using Russian examples" Market DC)

Иванов А. Бесплатная реклама. Результат без бюджета, 2010 , Альпина

(Ivanov A. 2010 "Free Advertisement. Result without a budget", Alpina)

Бренд-менеджмент в B2B-сфере Филип Котлер, Вальдемар Пферч 2007 , Вершина , 432с.

(Kotler Ph., Pferch V. 2007 "Brand management in B2B" Vershyna)

Руделиус В., Азарян О. Маркетинг. 4 видання, 2009 , Навч.-метод. центр "Консорціум із удоскон. менедж.-освіти в Україні"

(Rudelius V., Azaryan O. 2009 "Marketing: 4th edition", Ukraine – Navch.-metod. centr "Consortium iz udoskon. menedg. –osvity v Ykraini")

А. И. Климин Стимулирование продаж? 2007 , Вершина

(Klimin A.I. 2007 "Stimulating sales" Vershuna)

My opinion is that the table above is the main outcome of the Thesis, the goal of which was to create a promotion strategy for "AWP of Cargo Consignor: New".

5. Conclusions

The aim of the thesis was to develop a complete promotion strategy of a new software product "Automated Work Place of Cargo Consignor: New". This aim was successfully fulfilled. Now the main goal is it implement it correctly and timely. And, of course, no work can be considered to be correct in any circumstances, so continuous revision is necessary to be sure that the strategy is up-to-date and responds to the changing business environment. Interesting question for future would be to see the results of the promotion campaign, as this is the best measure and the best mark. Another question will be the development of the strategy to enhance sales in future, which will definitely differ as the product will be on another stage of its life cycle.

Another conclusion is that there is a broad variety of marketing literature, but most of the concepts are the same, and after reading of several books you start to understand that it's really difficult to find something which is completely different. For these aims the good idea might be browsing in the Internet, because publishing a book takes a long time, and there the knowledge is spread immediately. The speed of getting the information is a key to success in today's fast changing environment.

And finally the most important learning outcome for me was the necessity first to build a clear framework of what should be done, and only then start working. Otherwise you risk changing structure may times, and consequently risk getting lost in this changes. Once you have a clear structure in your mind, finding the correct literature also becomes much easier.

6. Discussion

The choice of topic was good, as my personal interest in marketing combined with the experience of working in the commissioner company, made my assignment practical. The most difficult thing was to add all explanations and definitions, because what the company wanted as final result was exact and clear plan with explanations. This task, after processing lots of marketing literature, and creating a framework of future promotion campaign was fulfilled in three-page table, which is the main outcome of the thesis. But for the study reasons, much more explanatory work had to be done, which brought not much influence on the promotion strategy itself, but just was useful for future readers of the thesis.

The most time-consuming part was to find appropriate literature, choose the best information as the theory base. After such choice had been made, there was too much material, which sometimes did not go in line with each other. The reason for this was that different economists, business people and other people who write books have different attitudes to marketing and promotion. Another fact is that I studied literature both in Ukraine and Finland, and cultural differences also create certain disruptions.

What I had to do next was to choose among the material the theories which I thought are more useful, and develop a practical strategy from them. What is important to mention, is that here comes personal choices and attitudes, and I don't claim that my attitude to the theory choice is the best. That is why it is mentioned in the conclusions, that the permanent revisions should be made to the whole strategy, and that practical outcomes should be measured according to their efficiency.

The best point in the developed strategy is that all steps are divided into the smallest units, so that the company can start from the very first one, and proceed gradually to fulfill the whole task. This serves, first of all, for the reasons of accountability and measurability. What I tried to do, was to create a realistic and achievable strategy. Because I think that the problem in many cases are "Perfect strategies", which look perfect in paper, but are not

implementable. In case of the suggested strategy, I am sure that it is 100% implementable.

I think that my main goal, set in the introduction was successfully fulfilled. The company evaluated the result as the one, which met their expectations, and was quite sure that most of the suggested actions were achievable and wise to use.

As mentioned above, some future work on the promotion strategy development will be needed, especially for the needs of post-implementation analysis and interpretations of what could be improved.

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