

# **The Project of Marketing Communication Strategy for Georgian Brand BORJOMI**

Bc. Salome Baghaturia

---

Master Thesis 2016



**Tomas Bata University in Zlín**  
Faculty of Management and Economics

---

Tomas Bata University in Zlín  
Faculty of Management and Economics  
Department of Management and Marketing  
Academic Year: 2015/2016

## MASTER'S THESIS ASSIGNMENT

(PROJECT, ARTWORK, ARTISTIC PERFORMANCE)

Degree, First Name and Surname: **Salome Baghaturia**  
Personal Code: **M140346**  
Degree Programme: **N6208 Economics and Management**  
Degree Course: **Management and Marketing**

Thesis Topic: **The Project of Marketing Communication  
Strategy for Brand of Borjomi in Georgia**

Thesis Guidelines:

### Introduction

Define the objectives and the application methods used in the Master thesis.

#### I. Theoretical part

- Explore the theoretical background of marketing communication strategy on branding.

#### II. Practical part

- Complete analysis of current marketing communication strategy for the company of the Brand Borjomi.
- Develop the project of new marketing communication strategy of Brand Borjomi.
- Submit the project risk, cost and time analysis.

### Conclusion

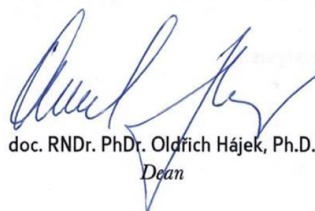
Thesis Extent: cca 70 stran  
Appendices:  
Form of Thesis Elaboration: tištěná/elektronická

## Bibliography:


FOURNIER, Susan, Michael BREAZEALE and Jill AVERY. Strong brands, strong relationships. Abingdon, Oxon: Routledge, Taylor and Francis Group, 2015, 435 p. ISBN 978-1-138-78682-0.  
HILL, Mark E. Marketing strategy: the thinking involved. Thousand Oaks, Calif.: SAGE Publications, c2013, 335 p. ISBN 978-1-4129-8730-1.  
KELLER, Kevin Lane. Strategic brand management: building, measuring, and managing brand equity. 4th ed., global ed. Harlow: Pearson, c2013, 590 p. ISBN 978-0-273-77941-4.  
PERREAULT, William D., Joseph P. CANNON and E. MCCARTHY. Essentials of marketing: a marketing strategy planning approach. Fourteenth edition. New York: McGraw-Hill Education, 2015, 717 p. ISBN 978-1-259-25163-4.  
SHANKAR, Venkatesh and Gregory S. CARPENTER. Handbook of marketing strategy. Cheltenham: Edward Elgar, c2012, 504 p. ISBN 978-1-78100-522-4.

Thesis Supervisor: doc. Ing. Miloslava Chovancová, CSc.  
Department of Management and Marketing  
Date Assigned: 15 February 2016  
Thesis Due: 18 April 2016

Zlín, 15 February 2016

  
doc. RNDr. PhDr. Oldřich Hájek, Ph.D.  
*Dean*



  
doc. Ing. Vratislav Kozák, Ph.D.  
*Head of Department*

## BACHELOR'S/MASTER'S THESIS AUTHOR STATEMENT

### I hereby acknowledge that:

- Upon final submission of my Bachelor's/Master's Thesis, I agree with its publishing in accordance with Act No. 111/1998 Coll., on Higher Education Institutions and on Amendment and Supplements to Some Other Acts, (The Higher Education Act), without regard to the defence result;
- My Bachelor's/Master's Thesis will be released in electronic form in the university information system, accessible for reading only; and one printed copy of the Bachelor's/Master's Thesis will be stored on electronic media in the Reference Library of the Faculty of Management and Economics of Tomas Bata University in Zlín;
- To my Bachelor's/Master's Thesis fully applies Act No. 121/2000 Coll., on Copyright, Rights Related to Copyright and on the Amendment of Certain Laws (Copyright Act) as subsequently amended, esp. Section 35 Para 3;
- In accordance with Section 60 Para 1 of the Copyright Act, TBU in Zlín is entitled to enter into a licence agreement about the use of the Thesis to the extent defined in Section 12 Para 4 of the Copyright Act;
- In accordance with Section 60 Para 2 and 3, I can use my Bachelor/Master's Thesis, or render the licence to its use, only with the prior expressed written agreement of TBU in Zlín, which is in such case entitled to require from me appropriate financial compensation to cover the cost of creating the Bachelor/Master's Thesis (up to the total sum);
- If the software provided by TBU or other entities was used only for study and research purposes (i.e. for non-commercial use) in the development of the Bachelor/Master's Thesis, it is not possible to use the Bachelor/Master's Thesis commercially;
- In the event that the Bachelor/Master's Thesis output encompasses any software product, source codes and/or files of which the project consists of are considered part of the Thesis. Failure to submit this part of the Thesis may result in an unsuccessful defence of the Thesis.

### I herewith declare that:

- I have created this Bachelor/Master's Thesis on my own and cited all used sources. In case the results are published, I shall be cited as author.
- The contents of the Bachelor/Master's Thesis handed over are identical with the electronic version entered in the IS/STAG.

Zlín

13.04.2016

date

.....



signature

## **ABSTRAKT**

V mé diplomové práci jsem se zaměřila na strategii marketingové komunikace ve firmě IDS BORJOMI GEORGIA Ltd. Teoretická část mé práce vymezuje marketingovou komunikaci a jak důležité je pro společnost realizovat efektivní marketingové komunikační strategie. Těžištěm mé práce je gruzínský trh s minerální vodou, jmenovitě pak nejúspěšnější zástupce na trhu značka BORJOMI. Praktická část práce pak blíže popisuje a analyzuje IDS BORJOMI Ltd a zaměřuje se zejména na její komunikační strategii. Po vyhodnocení trhu a postavení vybrané firmy byl navržen Projekt marketingové komunikační strategie, včetně času, nákladů a analýzy rizik.

## **ABSTRACT**

This Master thesis is focused on Marketing Communication strategy in IDS BORJOMI GEORGIA LTD. The theoretical part defines marketing communications and how important is for company to implement effective marketing communication strategy. The focus of my thesis is Georgian mineral water market and most successful representative of it brand BORJOMI the practical part describes and analyses IDS BORJOMI LTD and is more concentrated on communication strategy. After evaluation of Market and position of selected firm I have offered Project of Marketing communication strategy including time, cost and risk analysis.

Keywords:

Marketing Communications, BORJOMI, Strategies, Water, Promotion, Advertising, Brand.

## ACKNOWLEDGEMENTS

First of all, I would like to express that I am extremely grateful of my supervisor doc. Ing. Miloslava Chovancová, CSc for supporting and in spite of busy schedule always finding time for me and providing priceless advices.

My appreciation goes to my family, to my mother who always believes in me and encourages me to do my best. My father and my little brother who are always proud of me and finally to my husband for his support through this two years of my studies and always being there for me and helping me to get better education and experience in spite of that is was related to be separated sometimes even for few months.

<b>INTRODUCTION .....</b>	<b>9</b>
<b>OBJECTIVES AND METHODS OF MASTER THESIS.....</b>	<b>11</b>
<b>I THEORY .....</b>	<b>12</b>
<b>1 THE GENERAL THEORY ABOUT MARKETING COMMUNICATION.....</b>	<b>13</b>
1.1 THE MARKETING COMMUNICATION.....	13
1.2 MARKETING COMMUNICATION PROCESS .....	15
1.3 MARKETING COMMUNICATION MIX .....	18
1.3.1 Advertising.....	20
1.3.2 Direct Marketing .....	22
1.3.3 Personal Selling.....	23
1.3.4 Public Relations .....	24
1.3.5 Sales Promotion .....	26
1.4 STEPS TO DEVELOP AN EFFECTIVE MARKETING COMMUNICATIONS STRATEGY .....	28
1.5 INTEGRATED MARKETING COMMUNICATIONS.....	30
1.6 BRAND .....	31
1.7 BRAND IDENTITY .....	34
1.8 BRAND EQUITY .....	34
1.9 CUSTOMER BEHAVIOR AND MARKETING THINKING .....	35
<b>II ANALYSIS .....</b>	<b>38</b>
<b>2 ANALYSIS CURRENT MARKETING COMMUNICATION STRATEGY .....</b>	<b>39</b>
2.1 COMPANY ANALYSIS .....	39
IDS BORJOMI Georgia .....	40
2.1.1 CSR .....	41
2.1.2 Trademark History .....	41
2.1.3 Brand BORJOMI .....	43
2.2 CUSTOMER ANALYSIS - TARGET MARKET .....	43
2.3 MARKET ANALYSIS .....	43
2.4 PEST ANALYSIS OF GEORGIA .....	45
2.4.1 Political .....	45
2.4.2 Economic overview.....	47
2.4.3 Socio-cultural .....	48
2.4.4 Technological.....	48
2.5 MARKETING MIX 4P ANALYSIS FOR BRAND BORJOMI.....	49
2.5.1 Product .....	49
2.5.2 Place .....	51
2.5.3 Price.....	51
2.5.4 Promotion.....	52
2.6 COMPETITOR ANALYSIS .....	53
2.7 BENCHMARKING OF COMPETITORS .....	53
2.8 SWOT ANALYSIS .....	62
2.8.1 IFE (Internal Factors evaluation) .....	62
2.8.2 EFE (External Factors Evaluation) .....	63

2.8.3	Space Matrix .....	66
<b>3</b>	<b>THE PROJECT OF MARKETING COMMUNICATION STRATEGY FOR GEORGIAN BRAND BORJOMI.....</b>	<b>67</b>
3.1	INTRODUCTION.....	67
3.1.1	Action program 1: Advertising .....	67
3.1.2	Action Program 2: Sales Promotion -Summer sea season “Beach and minerals” .....	70
3.1.3	Action Program 3: Website.....	72
3.1.4	Action Program 4: International Online Sales .....	73
4	TIME ANALYSIS FOR PROJECT .....	74
5	COST ANALYSIS FOR PROJECT.....	77
5.1.1	Advertising.....	77
5.1.2	Sales promotion.....	77
5.1.3	Website.....	78
5.1.4	International Online Sales .....	78
6	RISK ANALYSIS FOR PROJECT .....	78
	<b>CONCLUSION .....</b>	<b>81</b>
	<b>BIBLIOGRAPHY .....</b>	<b>83</b>
	<b>LIST OF ABBREVIATIONS .....</b>	<b>86</b>
	<b>LIST OF FIGURES .....</b>	<b>87</b>
	<b>LIST OF TABLES .....</b>	<b>88</b>
	<b>LIST OF PICTURES.....</b>	<b>89</b>
	<b>APPENDICES.....</b>	<b>90</b>



## INTRODUCTION

The Republic of Georgia is rich in underground mineral water resources, which are diverse with the depth on location and with the chemical characteristics as well. On the relatively small territory of Georgia is accounted for and partly studied more than 1,000 highly diverse mineral sources. Georgian mineral water industry is quite experiences, but because of a number of economic and social reasons mineral water potential is not used fully. Mineral water must become a priority for the local production. Georgian mineral waters are recognized by the unique features, it is recommended for all those who have and have not health issues. The amount of water for 1 sq / km is 820 000 that is 2.5 times more than the world average number. Mineral waters found in Georgian ground are national wealth and are protect by the state. In The nomenclature of world mineral water are included following Georgian mineral waters: BORJOMI, BORJOMI Springs, Nabeglavi, Sairme.

In the era of marketing and huge competition every company needs to meet ne market design tendencies in order to survive and develop. Companies operating worldwide or only local market n both cases they try to upgrade and renew their marketing strategies, Use the newest trends of marketing communication in order to be up to date to offer always something new and b always trendy. When competition is so tough and companies are not only competing with local producers but foreign, sometimes with more developed companies, only with quality is impossible to stay on market long term.

The main objective of firm marketing strategy is to reach potential customers, to increase strategic network and keep existing loyalty. Marketing division is one of the mostly expensive divisions in company and it is very important for marketers to meet higher standards and lead Company to success.

As a representative of a small country, which sometimes is messed with the state of USA I would like Georgia to use all its potential and opportunity to offer the value to the rest of the world and to have worldwide brands and country of origin “Made in Georgia” brand itself. The scope of my thesis was to analyze most popular and respected Georgian brand BORJOMI, In order to identify how strong in firm on Georgian market and to understand potentials of expanding. Benchmarking with the local competitor will give strong and weak points of company strategy. What brand needs to restructure, what new trends should be added. To became strong enough on local market and efficient enough to meet global

market expectations. To do this, the author analyzed current portfolio of marketing strategy, with the main focus on marketing communication.

This thesis will offer my suggestions what should be improved and how, what activates are necessary in order to enhance position on local market and to create competitive advantage for international market.

## OBJECTIVES AND METHODS OF MASTER THESIS

The objectives of this thesis can be categorized into two parts. Firstly is to identify the current marketing communication strategy of the brand BORJOMI, understand current brand position, and discover the strength and weaknesses in their current marketing approach. Secondly, to prepare the project of new marketing communication strategy, in order to reach potential customers and keep existing loyalty.

### Methodological Approach

For creating mentioned project was used mainly secondary data obtained from the internal and external sources of the company. The preparation of this thesis consisted with the following steps:

- Preparation of critical literature analysis concerning to marketing strategy with the main focus on marketing communication and branding studies.
- Description of the company and its characteristics including the brand current position and evolution of the brand during the times.
- For understanding external influences on company PEST (Political, Economical, Sociological, and Technological) analysis was used with the secondary sources from Georgian statistics department and country overviews.
- Analysis of target market was made based on internal secondary sources and based on the interview with company managers.
- For creation the clear understanding of project starting point SWOT analysis was done using IFE and EFE marketing tool and marketing mix – 4P was analyzed.
- With the benchmarking followed to 4P model was provided the deeper understanding on competition on market.
- Creation of space matrix had given opportunity to clarify what kind of strategy to use for farther project.
- The project of MCS for Brand BORJOMI was developed on the implementation of Keller's 4 step principals.

## **I. THEORY**

# 1 THE GENERAL THEORY ABOUT MARKETING COMMUNICATION

## 1.1 The Marketing Communication

In recent years, along with an increase in the role of marketing has increased the role of marketing communications. It is not enough to have good products and services - to increase the volume of company sales and profits, firm needs to convey to the mind of the consumer benefits from the use of products and services. Marketing communications allow transferring messages to consumers in order to make products and services to companies appealing to the target audience.

Marketing Communication is a sub part of the field of marketing. Marketing is known to have its mix; known as the 4P's that includes product, place, price and promotion. The promotion part of 4P is Marketing Communication. Marketing communication is a fundamental and important part of a company's marketing strategy. It can be described as all the messages and media efforts that company uses to communicate with the market. The main purpose for marketing communication is to remind customers to buy company product or to introduce new product to target market.

Marketing communications is a process of transmitting product information of the target audience. It should be understood that no firms is able to act immediately in all markets, while meeting the needs of all consumers. The target audience is a group of people who receive marketing messages and have an opportunity to respond to them.

The company's specialists have to understand that in order to most effectively convey the marketing message a variety of means can be used. Thus, the product of its price and distribution method can carry important market information to consumers. These three elements, along with marketing communications, form the marketing mix.

Marketing communications are used to demonstrate the important characteristics of the three other elements of the marketing mix in order to increase consumer interest in buying the product

According to Felicia Greene: “Marketing communication helps to develop brand awareness, which means that consumers translate product information into perceptions about the product’s attributes and its position within the larger market. Businesses also use marketing communication to retain the product’s current customer base, and to cement relationships with customers and suppliers, notes "Reference for Business." Marketing communication strategy defines the business’s plan for product information dissemination and brand awareness development” (Felicia Greene, Demand Media 2016)

Enterprises are constantly promoting their activities, trying to implement several objectives:

- To inform prospective customers about your product, services, sales conditions;
- To convince the buyer to give preference to these products and brands;
- Make purchases in certain stores, visit these entertainment events, etc.;
- To force the buyer to act, i.e. to buy what the market offers at the moment, and not put off buying for the future.

These objectives are achieved by means of advertising, sellers, store name, window dressing, packaging, and distribution of literature, the distribution of free samples, coupons, press releases and other communications activities. The totality of the above methods to achieve the objectives called management promotion or marketing communications. Marketing communications can be targeted, or as in the case of advertising and personal sales, or targeted, (although it has some impact), which include the appearance of the product, packaging or price.

Marketing communications can create a positive experience that will increase customer satisfaction and product purchased; the company will add additional value to the product in the eyes of consumers. However, no efforts in the field of marketing communications will ever help the company, which produces low-quality products. As experience shows, the easiest way to "bury" any defective product is to create and implement a good communication program because it is such programs quickly will a target audience all his faults to him.

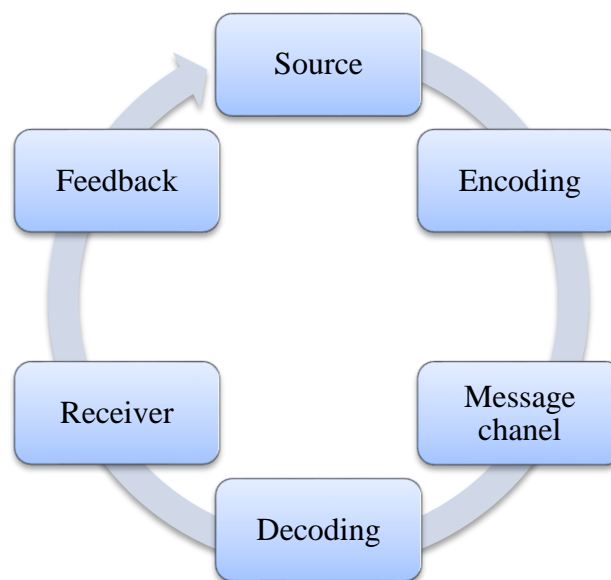
The term promotion in the broadest sense means "moving forward." In marketing, this value is stored in the sense of "push" the buyer to take action.

Marketing communications, along with three other elements of the marketing mix are key to making strategic decisions on the basis of a marketing plan. The marketing plan is a document that reflects the analysis of the current marketing situation identifies market opportunities and related risks set development goals and outlines plan actions to achieve them.

## 1.2 Marketing communication process

The main objective of marketing communication is to convey firm's message in the most effective way and to reach the customer accurately. All marketing communications are intended to provide the target audience specific information or to persuade her to change her attitude or behavior. The number of these objectives includes the creation of the buyers of the brand awareness, dissemination of information, improving market culture, the formation of a positive image of the company or its brand. The ultimate goal of any marketing communications strategy is to help the company to sell its products and thus keep your business.

**FIGURE 1. TRADITIONAL COMMUNICATION PROCESS**



*Source: PERREAULT, William D, Joseph P CANNON E MCCARTHY. Essentials of marketing*

- 1) Source is marketing firm which is conveying the message.
- 2) Encoding is the process of putting thoughts, ideas and information in a symbolic way in order to ensure that message will be interpreted correctly by customer.

3) Message: A message may be expressed in different ways. It might be verbal or non-verbal, written, or only symbolic. All the information the company aims to convey for customer is included in message. The message form is depended on the communication Channel. The channel that conveys the message is called and medium and it can be categorized as:

- i) Personal: Personal communication involves direct face-to-face contact with the target customer.
- ii) Non-Personal: Non-personal channels are any channels that does not include face-to-face contact with potential client.

**The non-personal channels of communication include:**

a) Print Media:

Newspapers, magazines, direct mails, etc.

b) Electronic Media:

Radio and Television.

- 4) Decoding: is the process when the sender's message is coming back into thought. It is highly affected by the self-reference criteria (SRC), which is unintended reference to one's own culture.
- 5) Receiver: Under the term receiver we mean the target audience or customers who receive the message. There are many factors that might influence the proper process of receiving message as it was intended by the sender. There is possibility that message is not clear, or is not translated in right way, the reason may be the visual tools used.
- 6) Noise: if the message has no meaning and the objective is not reached then finally it is just a noise sent from one part of communication to another.
- 7) Feedback: In order to analyze the effectiveness of the whole marketing communication process, the crucial and the last step is feedback from the customers. The time that is needed to analyze the communication influence depends on the type of promotion.



The target audience includes not only potential customers. The participants of the marketing process can be classified employees of the company, its products, vendors, suppliers, residents of the territories in which the goods produced and sold, the media, bodies of state regulation of commercial activities, as well as buyers.

**FIGURE 2: MARKETING COMMUNICATION PROCESS**



*Source: Management Study Guide, 2016*

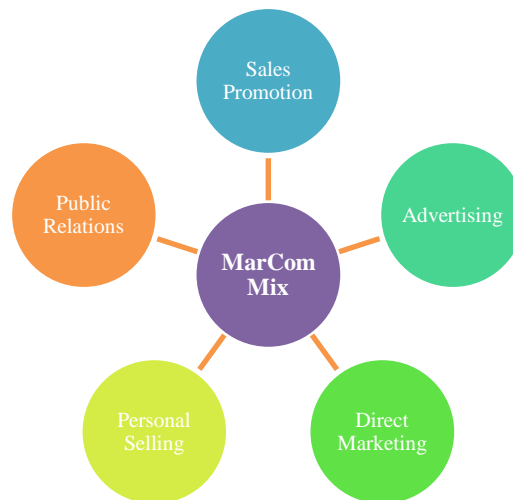
The marketing communication process identifies where the investments are being done and what is bringing more return on investment. The process commences at the strategic development stage. Company commence by engendering a marketing communications program. At this point, marketing manager decide what all will fall in company MacCom bracket. At the next stage, Managers should capture replications from consumers. These replications are then recorded and maintained as marketing communication data. After analyzing and evaluating collected data executives engender the all consequential reports which will help them to allocate the integrated marketing and communications budget.

Culling the most consequential communications elements is crucial for the prosperity of company's business. The marketing communication campaign should be efficacious across all platforms. If the marketing communication process is set properly, the company has opportunity to benefit affluent dividends from it.

### 1.3 Marketing Communication Mix

Marketing communications has a mix. During the campaign the elements of the mix are blended in different quantities. Promotion management has at its disposal a variety of means to achieve the goals: advertising, sales promotion, personal selling, direct marketing, public relations,

**FIGURE 3: MARKETING COMMUNICATION MIX**



*Source: Own considerations based on Mayo 2004 Advertising*

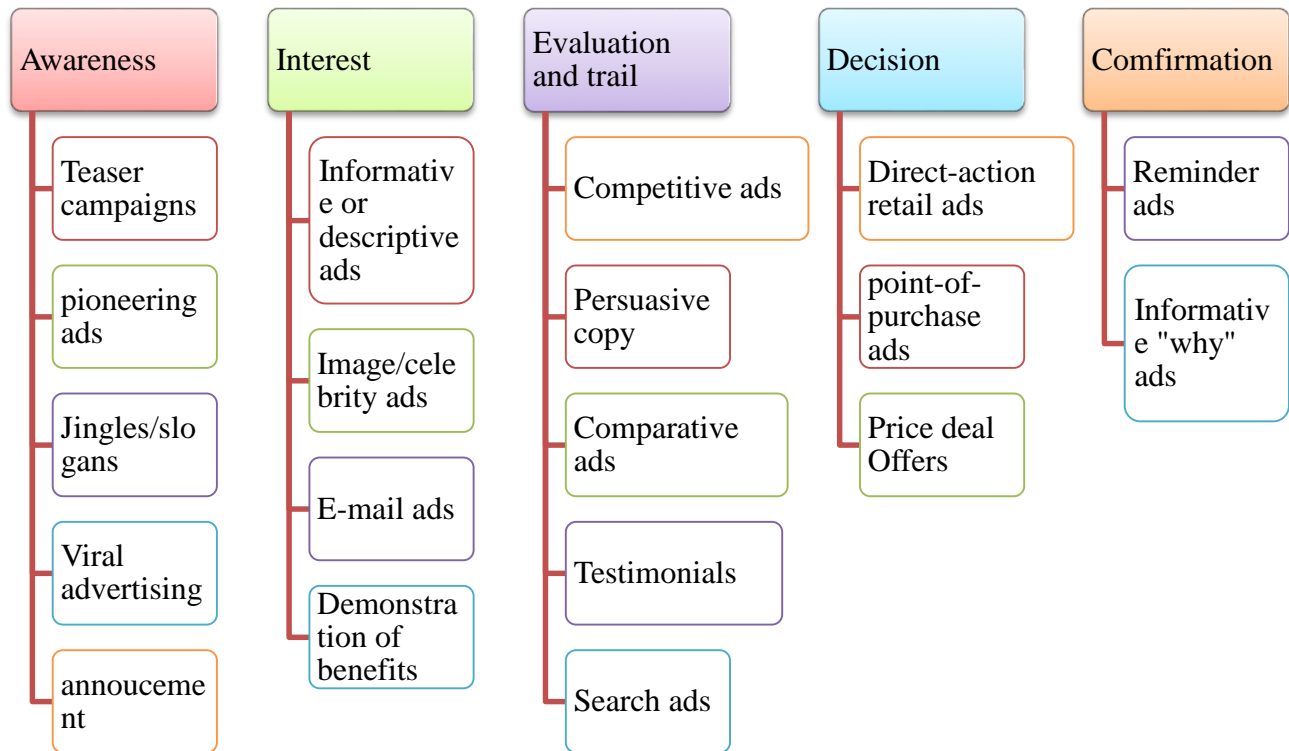
With the process of economic growth, advertising becomes more important because more customers have income and advertising might actually get result. But good advertising results cost money. And spending on advertising is significant. Must be noted that total advertising expenditures are large but the advertising industry itself employs not so many people as expected to be. The major expenses are for media time and space.

Modern technology makes advertising so diverse that give it universal characteristic is simply impossible. Advertising can be used to create a long-term brand image (typical examples: Coca-Cola, Marlboro), and to stimulate sales (sales advertising, shares). Mass advertising by its very existence affects the sales volumes: consumers believe that a large amount of advertising costs demonstrates the massive demand for the goods and the severity of the brand.

As advertising is related to really big cost for company it is important that campaign should have clearly defined objectives. This is not enough to say that product should be promoted. The marketing manager must decide exactly what advertisement should do.

Advertising objectives should be specific as ad should be effective not just for one customer but for thousands or millions of them. After identifying objectives marketing division decides what type of advertising is the best in particular case.

**FIGURE 4: DIFFERENT TYPES OF ADVERTISING OVER ADOPTION PROCESS STAGE.**



Source: PERREAULT, William D, Joseph P CANNON E MCCARTHY. *Essentials of marketing*

The chosen advertising objectives largely determine which of two basic types of advertising to use- product or institutional. Product advertising tries to sell product. Institutional advertising promotes an organization image, reputation and ideas rather than specific product.

There are three types of product advertising.

Pioneering advertising that tries to develop primary demand for the product category rather than demand for specific brand. Pioneering advertising is usually needed at the early stages of the product life cycle; it informs potential customers about new product and helps turn them into adopters.

Competitive advertising tried to develop selective demand for a specific brand. A firm is forced into competitive advertising as the product life cycle continues to move along to hold its own against competitors.

Reminder advertising is the way to keep the products name before the public. It might be useful when the product has reached brand preference maybe during the market maturity or sales decline stages.

Promotion is useless when it doesn't communicate effectively, there are a lot of reasons why a message of promotion campaign can be misunderstood or even not heard at all. To understand this it is useful to think about a whole communication process- which means a seller trying to reach a receiver with a message. Customer evaluates both the message and the source of the message in terms of trustworthiness and credibility.

Promotion is one of the most frequently criticized areas of marketing. Much criticism focus on if the communications are honest. Marketers are expected to make ethical judgments in consideration there charges and in planning their promotion.

The most common criticisms of promotion are related to exaggerated claims. If an advertisement or sales men claims that a product is the "best on market" is that just an opinion or should every statement be backed up by proof?

There are also issues related to customer privacy. Most customers are unaware that their web-surfing habits are being tracked. Many websites place "cookies" (electronic files) on a customer's computer so that when the customer revisits their site, the system remembers the customers. While this sort of tracking offers them the potential benefit of more personalized communications, some customer might want to remain anonymous.

Most marketing managers realize that the ultimate proof comes when the customer makes the purchase. Customers won't spread positive word-of-mouth or come back if the marketing mix does not deliver what promotion promises. As a result most marketing managers work to make promotion claims specific and believable.

### **1.3.1 Advertising**

According to American Marketing Association: " Advertising - any paid form of non-personal presentation and promotion of ideas or services on behalf of a famous sponsor." This definition reflects the most important function of advertising - the ability to

transfer information from the advertiser a specific target audience, without installing the direct contact with a potential buyer, that is, advertising is impersonal in nature.

Advertising is connected or using the media - newspapers, magazines, radio, television and others (such as billboards), or with a direct appeal to the customer via mail. Both types of advertising are paid advertiser, but are considered to be impersonal, as the firm at the same time appeals to multiple recipients, perhaps millions, not talking to one individual or a small group.

Advertising requires significant cost and small business owners are constantly have not enough money. Problems with clients are entirely attributable to the lack of advertising, they say, "that's how good the competitors advertised, and we ..." In fact, advertising should not be much, but as much as is necessary in current situation, and for the enterprise, otherwise it will bear the company service.

The success of advertising as an element of marketing communication at present is due to two factors: 1) deliberate and systematic character; 2) as well as the close connection with the planning process, the development and production of goods, the study of the demand for it, pricing and marketing.

Depending on the objectives defined by the specific market conditions, advertising performs the following functions: 1) generates demand for goods;

- 2) Provides consumers with the necessary information;
- 3) Provides sales, support and increases sales volumes;
- 4) Inspires confidence in the product and its manufacturer;
- 5) Takes into account the needs of the client;
- 6) Creates enterprise entity (using the "corporate identity");
- 7) Creates a certain image (image) of the product;
- 8) Contributes to the intellectual level of the consumer.

Ultimately, all advertising functions are reduced to achieve the main objectives of marketing communication system: demand generation and sales promotion.

Currently, during the widespread use of marketing communications, many experts observed a significant reduction in the effectiveness of their traditional forms, such as television and radio advertising, press advertising, direct marketing means. This situation is related, on the one hand, with the rapid development of traditional advertising, on the other - with the evolution of the consumer as such.

The most effective and attractive means of commercial communication is internet advertising. The development of the Internet has changed more modern view of marketing communications. The Internet is both a new medium for communication and constantly growing market of potential customers who have a high level of income. The feature of online advertising is the active role of the user. In traditional media, their role is passive.

Almost all advertising media is on the Internet, in addition to branding and stimulating, engaging users perform the function of the site and promote them in the Network. Internet environment allows for the communication process with greater interactivity compared with other channels of communication due to rapid feedback and the possibility of large amounts of information.

### **1.3.2 Direct Marketing**

According to Direct Marketing Association, direct marketing is "an interactive system of marketing that uses one or more advertising media to affect a measurable response and/or transaction at any location" (Direct Marketing Associations 2016)

This definition by DMS is not quite correct, as all advertising and sales promotions can be viewed as an "interactive system of marketing." Both are created and intended to work on the targeted consumers. Consumers are expected to react on brand apperception, advertisement recall, purchase decision, and purchase. All of these reactions can be quantified and subsequently utilized by the marketer. The fact that all advertising and sales promotions are able be viewed as interactive, defining direct marketing as an "interactive system of marketing" does not divide direct marketing from general advertising.

According to John Miglautsch and Connie Bauer "Direct marketing is a relational and marketing process of prospecting, conversion, and maintenance that involves information feedback and control at the individual level by using direct response advertising with tracking codes."

One of the most important characteristic of direct marketing is information feedback and control at the every consumer or organization level.

Direct marketing can be viewed as a marketing process which contains three major ongoing marketing sub processes:

- Prospecting.
- Conversion
- Maintenance.

Prospecting is a process of finding new customers in order to build the customer file and acquire name for brand. To maintain or increase the customer file size, prospecting must be a perpetual process. It includes direct advertising via magazines, newspapers, direct mail or telephone calling to rented lists, direct mail co-ops, package inserts, television, brochure, catalog, or salesperson call and radio, along with trade shows and public cognations.

The second major perpetual activity is conversion that fixates on transmuting the status or advance a respondent and it is to a certain extent dependent upon the categorical type of prospecting. Once the company or brand has a customer, the next conversion activity is to convert the new customer who is a single-buyer into a multi-buyer. The purpose is to convince customer to buy product again and not only once.

The main objective of maintenance is to maintaining the behavioral pattern of customers or inquires interest. This category of direct marketing activity includes the customary contact with customers, incipient product cull and testing, profitability analysis and other marketing and marketing research activities that will avail to increment the profitability of the customer file.

### **1.3.3 Personal Selling**

According to the American Marketing Association, personal selling is an "oral presentation in a selling, also selling, used at every level of the distribution. The cost of sales staff highly. (Robert & N Anthony, 2008)

“Sales, the arts of education which are defined as interaction face to face, which, the something tangible or intangible value for another element equivalent exchanged usually with a lot of money or higher of the item sold, Sale is part of the promotional mix. If

properly analyzed, data return on sales overcomes objections and help, to models deliver the projections and sales predictions.”( Aftab Alam, 2013)

Personal sales are Situations where a real person endeavors to sell something to a different person or organization. Sales can be described as an art of negotiations which are defined as interaction face to face. Personal sale are sometimes tangible or intangible. If opportunely analyzed, data return on sales overcome remonstrations and avail, to models distribute the projections and sales prognostications.

Personal selling need a lot of cost on employees but also is flexible and efficient. A seller is always able to adapt the message to the particular customer at the time of the presentation. But also sales persons should be motivated the other way than ordinary employees. In every company sales department have additional bonuses for every sale and the expectation of more bonuses encourage them to work harder and to sell more.

During the negotiations sometimes it is required to understand different culture of customer and sales man should adopt a negotiating strategy, representing the other portion of the cultural system.

“A major advantage of personal selling is that the source the seller can get immediate feedback from the receiver. It is easier to judge how the message is being received and to change it if necessary. Mass seller usually must depend on marketing research or total sales figure for feedback and that can take too long.” (J. M. Dewan and K. N. Sudarshan, 2000)

#### **1.3.4 Public Relations**

The role of Public relations for an organization can be truly measured as the difference between life and death, or the difference between success and failure. The purpose of Public relations is to maintain ongoing, beneficial relationships with customers. It is very important for companies to systematically listen and understand the concerns of publics.

“Public relations are a conduit, a facilitator, and a manager of communication, conducting research, defining problems, and creating meaning by fostering communication among many groups in society.”

According to Grunig and Hunt’s famous definition of public relations the components of PR are:



- “Management: The body of knowledge on how best to coordinate the activities of an enterprise to achieve effectiveness.
- Communication: Not only sending a message to a receiver but also understanding the messages of others through listening and dialogue.
- Organization: Any group organized with a common purpose; in most cases, it is a business, a corporation, a governmental agency, or a nonprofit group.
- Publics: Any group(s) of people held together by a common interest. They differ from audiences in that they often self-organize and do not have to attune to messages; publics differ from stakeholders in that they do not necessarily have a financial stake tying them to specific goals or consequences of the organization. Targeted audiences, on the other hand, are publics who receive a specifically targeted message that is tailored to their interests.”

According to Bloom “Public relations is the management function that identifies, establishes, and maintains mutually beneficial relationships between an organization and the various publics on whom its success or failure depends.” (Cutlip, Center, and Broom, *Effective Public Relations* (7th ed., 1994)

#### Functions of Public Relations:

- Trusted counsel – Advise and anticipate.
- Internal communication – Engage employees.
- Media relations – Develop public trust.
- Community relations – Establish public support.
- External communication – Build public support and trust.

Public relations avails involutes and pluralistic society to reach decisions and function more efficaciously by contributing to mutual understanding among groups and institutions. It accommodates to create harmony between private and public policies. Public relations are used in a wide variety of institutions in society:

- Businesses,
- Trade unions,
- Government agencies,

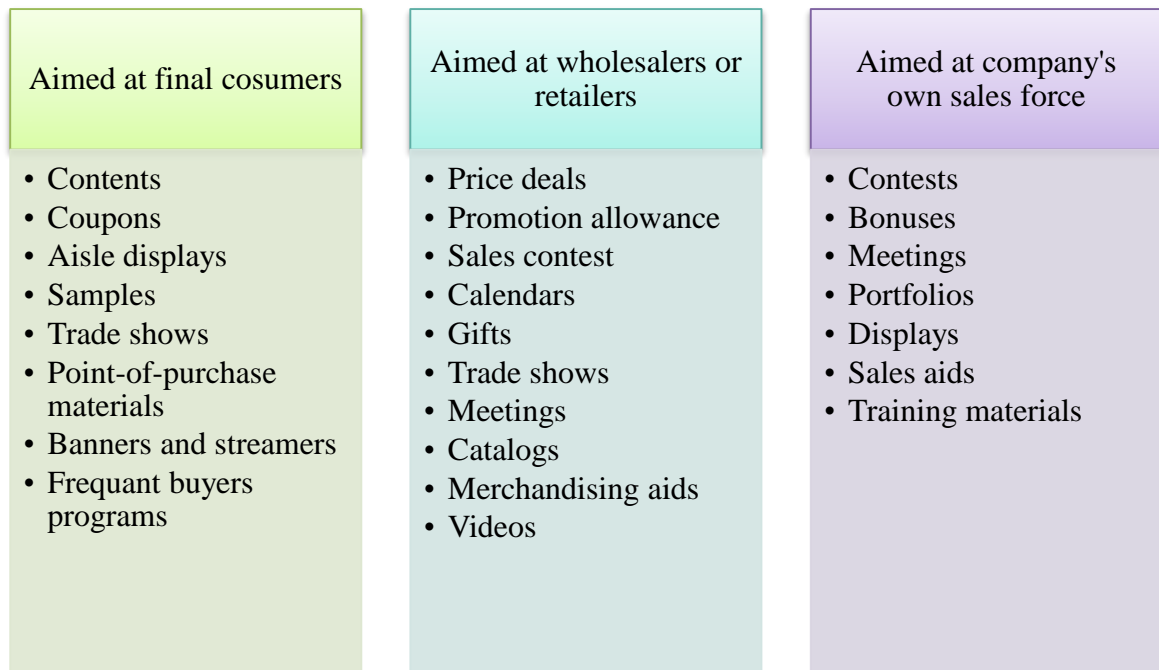
- Voluntary sodalities,
- Foundation;
- Hospitals;
- Schools and colleges;
- Religious institutions.

To achieve their goals, these institutions must develop efficacious relationships with many different audiences or publics such as employees, members, customers, local communities, shareholders and other institutions, and with society at sizably voluminous. The managements of institutions need to understand the postures and values of their publics in order to achieve goals. The goals themselves are shaped by the external environment. The public cognations practitioner acts as a counselor to management and as a mediator, availing to translate private aims into plausible, publicly acceptable policy and action.

**1.3.5 Sales Promotion**

Sales promotion refers to those promotion activities that stimulate interest, trail or purchase by final customers.

**FIGURE 5: SALES PROMOTION ACTIVITIES**



Source: PERREAULT, William D, Joseph P CANNON E MCCARTHY. *Essentials of marketing*

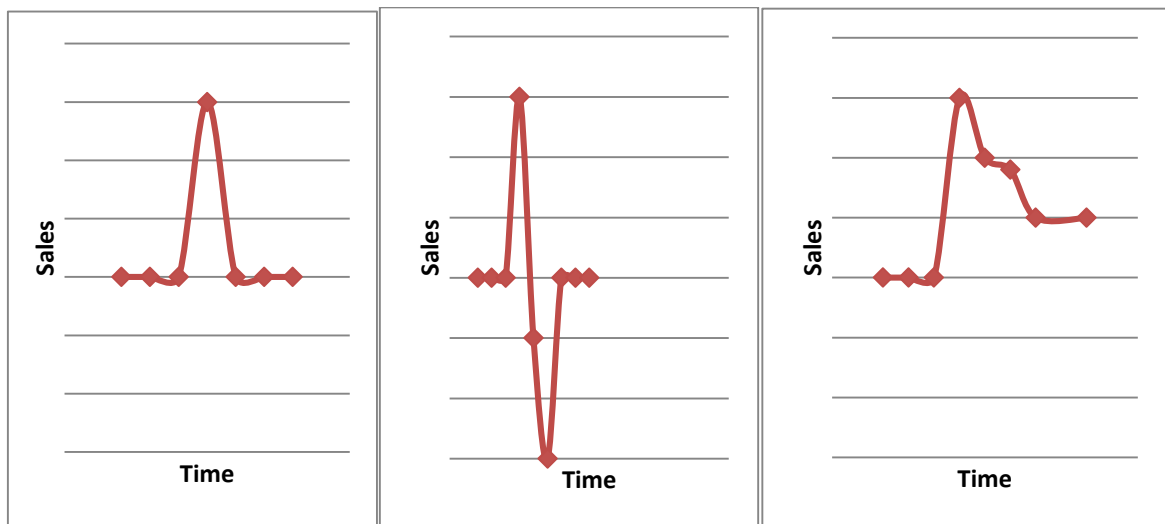
Sales promotion is used to complement other promotion methods. While advertising campaigns and sales force strategy decisions tend to have longer-term effect, a particular sales promotion activity usually lasts for only a limited time period. Sales promotion can often be implemented quickly and get sales results sooner than advertising. The objectives for sales promotion are mostly short term oriented.

There are many types of sales promotion but which of them to use depends on the sales objectives and particular situation. Exhibit below shows three different situations how sales promotion can effect on sales. In the first situation sale has temporary increase and after finishing promotion the sales amount returned to its common numbers.

The second case shows the worst scenario, when after increasing if sales company will experience decrease. Sales promotion encourages customer to buy more but after that they have enough quantity for longer time and it will result in less sales.

The best possible scenario is continuously increased in sales. When after sales promotion is over company casa squired more customers and finally sales are continued to be more then in regular situation.

**FIGURE 6: EFFECT OF SALES PROMOTION ON SALES OVER TIME**



Source: PERREAULT, William D, Joseph P CANNON E MCCARTHY. *Essentials of marketing*

## **1.4 Steps to Develop an Effective Marketing Communications Strategy**

The main focus of marketing communications strategy for any company and the first steps in the sales process is to gain to Gain awareness. The marketing communication puzzles contains with getting to know potential audience, crafting main message and finally tracking results. The main purpose of an effective marketing communications plan is to results in a better brand experience. And the end result for the company is to bring more sales.

### **1. The Better company Knows target Audience, the Better company Can suit to their Interests**

Incorrect definition of the target audience is one of the most costly mistakes in planning marketing activities. The audience can be represented by separate groups of people, potential buyers, consumers, voters and TD attempts to convey information about products and services to the largest possible audience lead to the necessity of drawing up a universal message, not taking into account the peculiarities of certain groups of consumers, and thus, may be ineffective. This primarily relates to the promotion of specific products and services, designed for a narrow circle of connoisseurs or professionals. For example, advertising elite and expensive cosmetics or highly specialized production equipment in the mass newspaper is likely to lead to dissipation of resources. At the same time, with the advancement of functional goods of daily consumption, it is advisable to involve just a mass audience.

Marketing efforts should begin with a thorough understanding of company audience. The first thing to do is to analyze current client's files and understands why they chose specific products or services. If company does not have enough data to get the full picture , company should invest in research in order to fill any gaps relating to customer purchase patterns and other ideas about when, where, why and how people purchase particular products.

## **2. Offer Unique Selling Proposition**

Unique Selling Proposition (USP) is the main benefit that, when communicated effectively, drives sales of your product or service. The main focus of it is an unique problem that company solves better than any other firm. Company must offer USP that is compelling and strong enough to make people act. Company USP will be focus for all of the marketing communications, so it is very important to create really unique one.

## **3. Brand Look**

The look of brand is important to support company's USP and accurately represent the market position of company. To be honest with the buyers is very important and brand should be represented in relevant manner from in any communicational channel, from the logo on the business card and marketing material. Brand look should never mislead target audience and create different image.

## **4. Ensure that All Messaging is Consistent**

When it comes to branding, most people think of the logo but still brand's voice is also very important. The first place to start to generate some key positioning statements appears in your communications. Company should start with the tagline, firstly one sentence of the proposal, and then standard short paragraph. The firm should try swapping a handful of key messages that the company should communicate. Company needs to outline the key descriptive words, which to use and which not to, Management of company should make sure that all new messaging standards are adhered to in all subsequent messages.

## **5. Marketing Mix**

The marketing industry is so advanced comparing to last decades and there are far more choice now to promote company and brand. As a marketers and company managers everybody should understand that every brand and every company is unique and there is no one common standard for everyone. Companies should be more flexible, choose their own marketing communication mix with the understanding of the target audience, industry and budget and marketing goals.

## **6. MarCom Measurements**

For every activity the main thing is result, same is with marketing communication. It is important that company steps and new strategies be measurable in order to understand how particular steps affect sales and the income of company. It does not matter the activity is online marketing email activities, direct marketing or new advertising video finally everything should be translated into profit and income for company.

## 7. CRM

After getting target audience known and after building brand image, the next step is to keep the reached position. For that purpose company needs CRM (Customer Relationship Management) system which is a database of company contacts (customers, prospects, others), CRM allows company to organize information (contact info, records, files, calls, emails, etc) scale sales and marketing processes. This system helps company management better to understand clients and satisfy their need in order to keep their loyalty.

Successful marketing communications efforts are much more than a shot in the dark. Each of these steps is needed to be explored in order to gain the greatest possible return on investment.

## 1.5 Integrated marketing communications

**Integrated marketing communications** - this is the process of informing the user to buy the coordination and reassurance. The key word in the concept of integrated marketing communications is still marketing. Clearly understanding the marketing goals, company can build a so-called "post-marketing" space, which will include all the necessary communications -contacts, relations, including interpersonal, ensure the functioning of the enterprise (as a kind of living organism) and its development.

The common definition for integrated marketing communication can be considered as a system of intensive business development techniques. It turns out that the IMC should possess specialist knowledge in the field of advertising and sociology, management and marketing, psychology and economics, and more - to be able to coordinate all the structural divisions of the company for the performance of the defined tasks. Clearly, this requires a broad outlook and specific communication skills. At its core, an expert on IMC is likely, Head of Development, which should have all the powers of the manager of a high-level and possibilities to influence the structure of all units - from production to sales.

Communication must be organized so that customers are not disturbed and did not have the feeling that by virtue of the force-feeding products. IMC- is exactly why it is important for all of PR and marketing communication and marketing to act in sync.

IMC methods can be divided into four main groups.

**Organizational-economic methods:** Naturally, it is necessary that the entire business structure has been coordinated with communication steps. If you are calling to buy a product, and it is not for sale, - it goes down the drain all the work in advertising. Competitive advantage may be purely economic benefits provided to customers in the form of a system of discounts.

**Information and advertising method:** These methods should include measures aimed at creating the image and reputation, intended for the end consumer, for corporate clients as well as for the general public.

**Methods of establishing interpersonal relationships:** The methods involve the ethics of business relations with both the external environment and within the company, on which depends the implementation of the marketing strategy

**Legal methods:** activation of mergers and acquisitions procedures (accompanied by information and advertising, organizational, economic, and lobbying and other procedures) says about the need to include these techniques in the arsenal of the IMC. IMC and literacy specialist in the legal aspects should be provided for the system of education in the discipline. It is necessary to clarify, as the legal methods in the IMC not only focus on mergers and acquisitions.

## 1.6 Brand

Branding has been used for hundreds of centuries as a way to distinguish the goods of one producer from the products of another one. According to the American Marketing Association a “brand is a name, term, sign, symbol or design or a combination of them intended to identify the goods and service of one seller or group of seller and to differentiate them from those of competition.” Many managers refer to a brand as more than that defining a brand in terms of having created awareness, reputation prominence and so on in the marketplace.

It is important to contrast a brand from product. A product is anything that can be offered to market as a subject that can be acquired and may satisfy needs of customer.

Thus the product can be physical and a service, a shop a person or an organization even an idea.

Brand can be defined as a product as well but that adds other importance to the product to distinguish with the competitor's product that is able to satisfy same needs. These differences are sometimes tangible and sometimes emotional and symbolic and related to what brand represents.

According to one marketing observer:

“More specifically, what distinguishes a brand from its unbranded commodity counterpart and gives it equity is the sum total of customers' perception and feeling about product's attributes and how they perform, about the brand name and what it stands for and about the company associated with the brand.”

Brands can create competitive advantage in two ways:

- Product performance – because of continues research and development of product.
- Non-product-related means- crating appealing image.

Brand plays different roles for different participant of market. For customers brand emperies

- Identification of source of product
- Assignment of responsibility to product maker
- Risk reducer
- Search cost reducer
- Promise, bond or pact with maker of product
- Symbolic device
- Signal of quality

For Manufacturers:

- Means of identification to simplify handling or tracing
- Means of legally protecting unique features
- Signal of quality level to satisfied customers



- Means of endowing products with unique associations
- Source of competitive advantage
- Source of financial returns

Brand also can be used as a reduction of risks during the product decisions. Customer may perceive many different types of risks while buying or consuming a product:

- Functional risk: when the product does not meet the expectations
- Physical risk, when the product may be threat for customers
- Financial risk, when product is not worth the price that is paid
- Social risk, when consuming the product may cause embarrassment
- Psychological risk, when product may affect the mental well-being of the user
- Time risk, can be considered as an opportunity cost, the time that user lost and could find another product, which could satisfy customer needs.

#### *Strategic Brand Management*

There are two different situations for companies, when company owns a branded or just have a label. When company has already lost control over situation than label occurs instead Brand.

The relationship between customers and brands is defined by "brand equity" in the marketing. Feldwick (1996) provided a classification of the different meanings of brand equity as:

- "The total value of a brand as a separable asset - when it is sold, or included on a balance sheet;
- A measure of the strength of consumers' attachment to a brand;
- A description of the associations and beliefs the consumer has about the brand."

"Keller (1993) also takes the consumer-based brand strength approach to brand equity, suggesting that brand equity represents a condition in which the consumer is familiar with the brand and recalls some favorable, strong and unique brand associations."

“Winters (1991) relate brand equity to added value by suggesting that brand equity involves the value added to a product by consumers' associations and perceptions of a particular brand name.”

## 1.7 Brand Identity

**The brand identity** is a unique semantic content of the brand : core values, attributes and associations, which the company (owner of the brand) wants to induce the consumer - the perception of the target consumer brand image as a whole, which is to be achieved. The identity of the brand determines the strategic direction of the brand and helps to focus the entire marketing mix: product management, price, marketing channels and communication, to report to the customer the key features of the brand.

The elements of brand identity

The identity of the brand is a consistent set of several important elements, brand identity must express:

1. Origin (sources) brand;
2. The principles of the brand;
3. The purpose of the brand;
4. Brand ambitions.

The brand manager must have a deep understanding of the identity of the brand and how it differs from competing brands to be able to express them in a 4 "dimensions":

- Brand as a product.
- Brand as an organization
- Brand as a personality
- Brand as a symbol

## 1.8 Brand Equity

Brand - it is not only the functionality and quality of the goods and, above all, its immaterial side - related positive characteristics that distinguish brand from other similar products. People do not just want high quality and functional products; they choose the brands that

will bring them additional benefits. Therefore, it is the brand's values often become a powerful motivator or as a decisive factor when choosing a product or service.

According to Investopedia “Brand equity is the value premium that a company realizes from a product with a recognizable name as compared to its generic equivalent. Companies can create brand equity for their products by making them memorable, easily recognizable and superior in quality and reliability.”(Investopedia, 2016)

Keller's Brand Equity Model identified that for building strong brand company should shape the thinking and feeling of customers about particular brand. If the company has strong equity customers will buy more and keep loyalty for more time. List below illustrates the steps needed to follow for building strong brand equity.

1. Establish the proper brand identity;
2. Create the appropriate brand meaning;
3. Elicit positive brand responses;
4. Forge strong brand relationships with customers;

Brand equity, according to D. Aaker is a collection of assets and liabilities associated with the brand, its name and symbol, which build or weaken the value of provided goods and services and / or its customers. Assets and liabilities on which the brand equity may be different, depending on the context. Brand equity is dependent on recognition, recall, image, strength and uniqueness of associations.

## **1.9 Customer behavior and Marketing Thinking**

Consumer behavior - is an umbrella term for the factors and processes that determine the economic activities of the consumer in the context of the acquisition and consumption of the considered product. Customers make a decision about buying something on a daily basis. Lots of companies are making research on consumers' buying process implementation: what, where, how, why, and how much is sold. Marketing specialists learn the process and they want to know the answers to the questions: what, where and how much. However, to understand buyers behavior is extremely difficult, because a lot of the reasons are affecting their final choice.

The key question for how buyers react to various marketing activities company conduct. Company, which knows how to affect a variety of price changes, promotion or other activities, such a company will always benefit from the advantages of competitors.

One thing to be highlighted is that consumer behavior does not end with purchase of goods or service, but also post purchase activities are conceived as a part of consumer behavior.

The behavior of each individual consumer is unique because It has dozens or hundreds of nuances that depend on the individual physiological and psychological characteristics, social environment and the status of past experience, as well as the specifics of a particular situation and its state at a particular time. However, not all these nuances have a decisive influence on the final result.

Three factors are identified as determinants to consumer behavior:

- Economic
- Psychological
- Sociological

In economic theory, consumers usually regarded as extremely rational actors have full information about the object of consumption and taking exceptionally cost-effective solutions. In practice, unfortunately (or fortunately), consumer behavior is far from ideal economic models. Consumers rarely have complete information about all the offerings on the market, they may be qualified to evaluate and often takes far the most cost-effective solutions.

Customer reacts on 4P of Marketing but regarding that factors there is environment that has a big influence on customers decision, for example economy, technology, politics and culture. All these factors together creates black box and the main duty for marketers is to control it and make customers choose their product over competitors. The first is the buyer's personal qualities, operates about how he perceives the stimulation methods and react to them. The second part of the process is the user's decision-making affecting their purchasing behavior.

Marketers have to be resourceful and insightful to be able to navigate effectively across difficult landscapes. As today's markets are more dynamic than ever before. Finan-

cial upheavals, changing demographics, advanced in technology, environmental concerns and an increase rate of innovation represents the landscape in which marketers conduct business. To be skilled marketer today requires a particular type of thinking that is not fixed, but agile. Developing marketing thinking based upon an agility perspective for strategy purposes is what this textbook explores.

Marketing thinking requires creating set of different types of activities that finally add the value to the products; this set of activities is called as a strategy. Marketing strategy can be defined as a way that organization chooses in order to be different and provide unique services and stand out from other. These activates are not only marketing tools, strategy includes finance, accounting, operations management and do on.

Marketing thinking is not finished with creating strategy. Strategy involves choices and decision. The better marketing thinking is the better choices company make and stronger positions are acquired on the market.

## **II. ANALYSIS**

## **2 ANALYSIS CURRENT MARKETING COMMUNICATION STRATEGY**

In this part of thesis was analyzed the current situation on market and current activities of the Brand BORJOMI. A situation analysis is always required in order to identify the starting point of any project, especially this is important for delivering marketing communication strategy that will finally be affective, add the value to the brand and help the company to achieve its objectives.

BORJOMI mineral water is probably Georgia's best-known brand. It is popular across the former Soviet Union where some see it as an effective hangover cure. The water comes from the mountainside near the resort town of BORJOMI in central Georgia.

### **2.1 COMPANY ANALYSIS**

"BORJOMI" TM is produced by IDS BORJOMI Georgia which is part of an international company IDS BORJOMI International - the largest producer of natural mineral water, the leader in the category of natural bottled water in the CIS and Baltic countries.

The company is a manufacturer of mineral waters that have received international recognition. Its products are present on the market the brand "BORJOMI", "LIKANI", "BORJOMI Springs" and "BAKURIANI". In Georgia, the company IDS BORJOMI Georgia is the leader in mineral waters market. The world-famous mineral water "BORJOMI" is the leading brand of the company IDS BORJOMI Georgia portfolio, and today is exported to thirty countries.

The company IDS BORJOMI International has a long experience in the production of natural mineral waters. The company portfolio consists of natural and high quality mineral waters and soft drinks for difference range of customers. They are giving health and well-being to the customers of different age and income level every day.

The offices of IDS BORJOMI International are located in five countries and exports products to 30 countries. Under IDS BORJOMI International company umbrella operates Georgian IDS BORJOMI Georgia, Ukrainian IDS Group Ukraine, Russian IDS BORJOMI Russia, and representative offices: IDS BORJOMI Europe and IDS BORJOMI Azerbaijan.

Under the Company ownership there are seven bottling plants located in Russia, Ukraine and Georgia. The company employs 3,743 people.

IDS BORJOMI Georgia is a leader of the mineral water market in Georgia. The IDS BORJOMI Georgia portfolio includes few brand but the most famous “BORJOMI” mineral water is the leader; the local portfolio in Georgia includes 3 brands: BORJOMI, LIKANI and MITARBI.

#### IDS BORJOMI Georgia

The company IDS BORJOMI Georgia is taking leading positions in Georgian mineral water market for many years. Company has 600 employees. For every member of company water BORJOMI is not just a mineral water it expresses the treasure of country Georgia. BORJOMI is identified with Georgia and the brand itself has gone through the tough times. Company employees realize that they are in charge of the most famous Georgian brand and it has the potential to become a leader on any foreign country market.

As a manufacturer, company tries to take into account the customer's needs and expectations. They create an equally comfortable atmosphere for employees as well as customers, Atmosphere that meets their needs. This strategy is working for the realization of new ideas and becomes the basis for further development. Company priority is to maintain the high quality of the products. And aim is confidence, growth and maintenance. Company management realizes that competition is very important for sustainable growth and improvement; though because of their hard working during many years give them opportunity to be always one step ahead of competitors. Business competition is a huge motivation and decent principles of game indicate high standards of business culture of.

IDS BORJOMI also respects the rule of law and strictly adheres to ethical standards. Company rationally uses natural resources, takes initiative and responsibility to fix environmental problems, and also takes responsibility for the natural wealth, which is based in the Caucasus Mountains. All employees strictly adhere to the highest standards. Company's internal communications, the increasing level of partnership with suppliers, customers and the public is essential attribute of company's work.

The profit is important to modernize work processes, for maintaining employees with high motivation, improving their working conditions and increase living standards.



### 2.1.1 CSR

Be Healthy with BORJOMI has been a remarkably successful project since September 2010. The project is implemented, under the auspices of IDS BORJOMI Georgia, by the governing body of the Tbilisi State Medical University. The aim of the project is to offer free medical screening in different communities of Georgia. A mobile group of physicians specializing in various branches of medicine (therapeutic, cardiologist, urologist, ophthalmologist, dermatologist, venereologist, neurologist, otorhinolaryngologist, mammologist, and echoscopes) works in a weekend format, once every two weeks, making screening available, at no cost, for anyone wishing to be tested.

The company's full financial support for three years in BORJOMI offers free training center for children living in the BORJOMI region. Children have the opportunity to improve their skills in the following disciplines: English and Russian languages, skills, computer skills, mathematics, youth journalism, art lessons, crafts, chess, and drama circle. Training Center was established 3 years ago. Up to this day the center has trained more than 2000 teenagers. The center is being improved every year, and expands the range of activities aimed at improving the quality of education in the district. Last year 30 students trained in this centered successfully passed entering exams for university and most of them were awarded grants.

### 2.1.2 Trademark History

“BORJOMI mineral springs were discovered more than a thousand years ago. From the beginning, this water was used for bathing rather than drinking. Then again, the sources were forgotten for a long time, and where they are located, - abandoned.

Second Life to sources, surprisingly, gave the military: in 1829 in "BORJOMI" was quartered Kherson Grenadier Regiment. Once soldiers found in the woods on the right bank of the river Borjomki source of mineral water. Colonel P. Popov interested, ordered him to clear and to carry bottled water to the regiment. Suffering from a stomach disease, he first tried to imagine the action of mineral water, which has been so beneficial that he ordered to enclose the source rocks and build a nearby bath and a small house for himself.

Less than ten years later, the first samples of BORJOMI spring water was sent to St. Petersburg and Moscow.

By 1841 the water has already become so famous that King Governor in Caucasus brought for treatment to BORJOMI his sick daughter. Her illness is not recorded but the water it helped a lot, after which the governor named the first source of Catherine, on behalf of the daughter, and the second 'Yevgenievski' after himself

In 1850, mineral water Park was laid out in BOJOMI and in 1854 started construction of the first bottling plant.

As the springs became increasingly famous throughout the Russian Empire, BORJOMI became as a popular tourist center; new palaces were built for the visitors from royal family, and new parks, squares and hotels for the public.

The first "BORJOMI" bottling plant opened in 1890. The plant worked until the 50-ies of XX century, regularly pouring water, known by this time already all over the world.

In 1904 was partially mechanized production of "BORJOMI". Glass blowing is still done manually, but bottling has become mechanical. In the same year dates back to an advertisement in the newspaper about the "sale of mineral water "BORJOMI" cars". Bottling water is in full - if in 1854 from BORJOMI was exported more than 1350 bottles, then in 1905, after the establishment of the production, export reached already 320 thousand bottles, and in 1913, and at all exceeded 9 million.

After Georgia joined Soviet Union the popularity of "BORJOMI" was not diminished, but changed only the elite and the status of the rest: Romanov was replaced by Stalin, who was also very fond of the water. There was not a single event in The Kremlin without the "BORJOMI"

"Thaw" of the 1960s has given "BORJOMI" is another chance to get a name abroad. In 1961, 423 000 bottles of "BORJOMI" were exported to 15 countries, including the United States, France, Austria. In the 1980s, the sale of "BORJOMI" has reached 400 million bottles, and the water was the most popular in the USSR.

In 1990-1995 production greatly reduced due to internal economic difficulties in Georgia. But since 1995, when the company «Georgian Glass & Mineral Water Co resumed production of" BORJOMI "in the two bottling plants, water production increased by 40 times, and now this rich gift of Georgian nature is known in 30 countries around the world.

### 2.1.3 Brand BORJOMI

The source of BORJOMI water is 1,500 year old volcanic spring. The natural pressure of carbon dioxide pushes the water to the surface from 10km underground. "BORJOMI" does not have time to cool underground and comes to the surface warm with the temperature of 38-41 ° C, on the way being enriched composition of 60 different minerals in the rocks of the Caucasus Mountains.

Results of BORJOMI water researches indicate that in its formation involves deep mineralized, fresh, modern and low-mineralized water

According to researchers brand it is characterized as “a unique natural medicinal mineral water. Which Belongs to hydro carbonate sodium waters with natural mineral content 5,0-7,5 g / liter. BORJOMI is suitable for daily use and for effective prevention and treatment of dozens of diseases (digestive system and metabolism, cold). Due to its natural properties, "BORJOMI" is not only quenches thirst but also effectively cleans the body, improves immunity and helps raise them tone of the body. Numerous studies show that the mineral composition of the BORJOMI has not changed since 1830, since the beginning of the permanent laboratory observations” (Oliko Tsis-karishvili, 2016)

### 2.2 Customer Analysis - Target Market

The main target of Brand BORJOMI is mature man or women, age - 28-48 year olds, who appreciates traditions, is successful and has stable income. Company itself describes BORJOMI as the - “Brand for mature, intelligent and discriminating people that value heritage and tradition; choose substance over pure image, preferring proven quality of well-known brands they trust. They strive to leave a healthier lifestyle that’s supported through the choice of products they use. It’s important for them to feel that they are doing something good for themselves, their health.”

### 2.3 Market Analysis

Environment is always changing and every company has eventual goal to survive in this environment. Before we set out targets, a situation analysis is required in order to establishing a starting point and afterwards delivers a marketing communication strategy that is effective and suited to the any company’s needs.

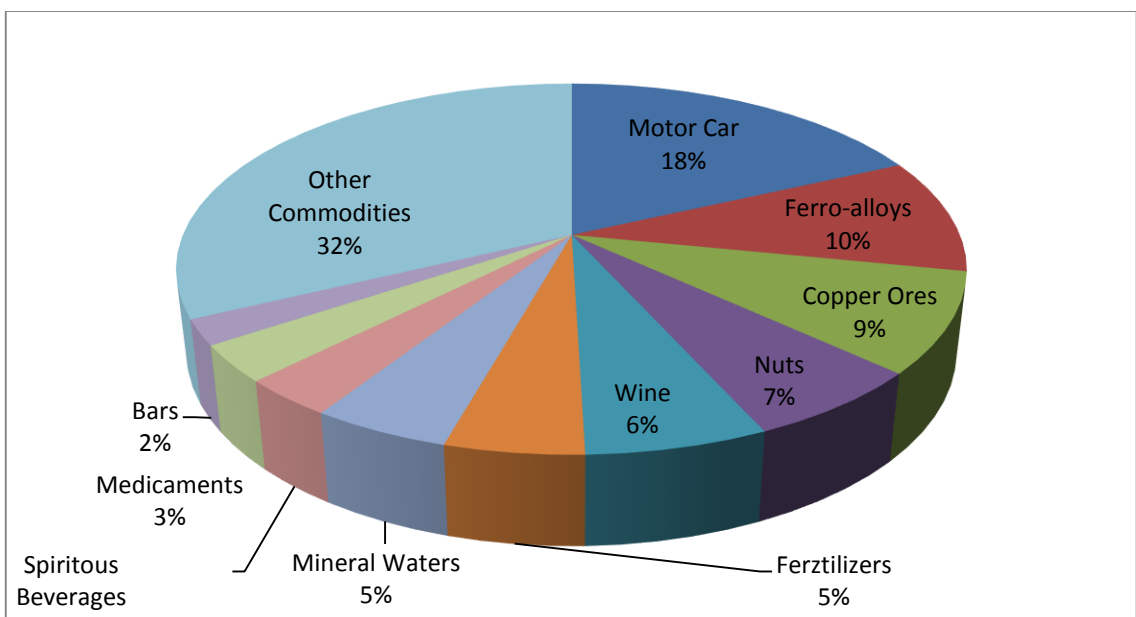
**FIGURE 7: TOP TRADING PARTNERS BY EXPORT**



Source: GeoStat 2016

For mineral water market the top partners are Russia and Ukraine, as for their market Georgia is well known country and due to living under one county name during Soviet Union they are more aware about Georgian production. As for BORJOMI, it has the biggest value of production and the biggest numbers of export.

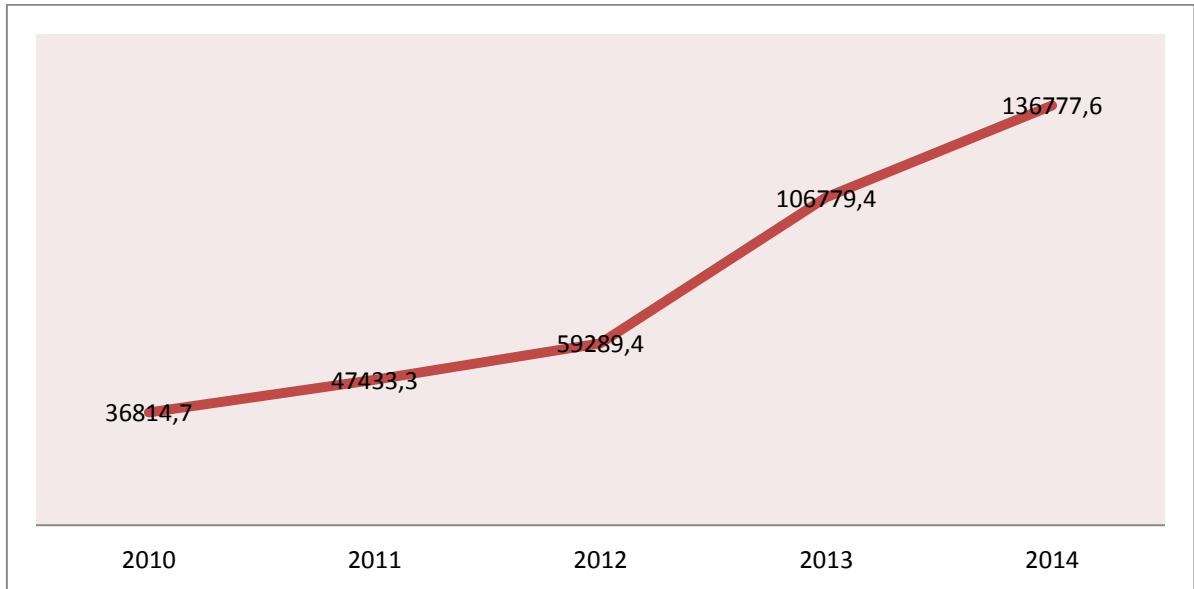
**FIGURE 8: SHARE OF MAJOR COMMODITY GROUPS BY EXPORTS IN 2014**



Source: GeoStat 2016

Graf below shows that mineral water market has positive trend and increasing year by year. If we follow the trend we are able to say that “BORJOMI” has the potential to grow more if company leads to suitable marketing strategy.

**FIGURE 9: MINERAL WATER EXPORT THSD. USD**



Source: GeoStat 2016

## 2.4 PEST Analysis of Georgia

### 2.4.1 Political

The Georgian political system is a semi-presidential republic. The last parliamentary election was held on 1 October 2012. Businessmen Mr Bidzina Ivanishvili was leading the opposition, Georgian Dream coalition, and won the election and took 85 out of 150 seats. The election was observed by the Organization for Security and Cooperation in Europe (OSCE) and was reported as an important step for Georgia towards democracy. Georgia's foreign policy after independence is aimed at the entry into NATO and the EU. Georgia also plays the role of a transit country between Russia and Armenia, Azerbaijan and Europe. As of 2013 the leading trade partners of Georgia are Turkey and Azerbaijan. Relations with Russia in 2008 were torn and remain tense.

The value of Georgia for foreign countries is mainly depended on its advantageous position as a transit country. It is the transit through Georgia of Azerbaijani hydrocarbons in Turkey and in the EU. Armenia because of the conflict with Azerbaijan is also forced to conduct its foreign trade with Russia and Europe through Georgia. Finally, it passes

through Georgia transit of goods from the EU to China, by passing Russia. Georgia's foreign policy is strongly influenced by its strained relations, related to the problem of Moscow's recognition of independence of Abkhazia and South Ossetia. Because of this, Georgia maintains good relations with Ukraine, as well as with Azerbaijan, which stands for the preservation of borders. Together with them Georgia is part of a regional bloc GUAM. Also, the Georgian authorities break off diplomatic relations with all countries that recognized independent of Abkhazia and South Ossetia. Georgia is part of the United Nations and the Council of Europe. It is the only country that came out of the CIS .

Georgia is in talks with NATO on possible accession to this organization. In 2008, in a referendum the majority of citizens of Georgia voted for the country's accession to NATO. Nevertheless, talk about specific dates of Georgia's accession to NATO as of 2016 early, including due to the unresolved problems of Abkhazia and South Ossetia.

Georgia is a resource rich country but because of many reasons it has really poor economic performance. the reasons can be listed as poor governance, civil war in 1990s and strained relationships with the main trading partner, Russia. Conflicts in Abkhazia and South Ossetia created refugee problems with more than 300 000 homeless people, infrastructure was destroyed and important trade routes were disrupted. Georgia is trying to fix conflicts with these regions and continuously, trying build better relations with Russia after the war of August 2008.

Company IDS BORJOMI struggled because of Georgia-Russia instable relationships. The mineral water ban from Russian government in 2006 was widely seen as a punishment for Georgia's European choice. Before that, IDS BORJOMI Georgia had a strong position on the Russian market, with 30 percent growth every year. Company reported that export in Russia in 2005 was more than 10 million bottles and the income for that period was \$50 million

After realizing loosing of the biggest market Russia IDS BORJOMI decided to do its best to diversify its market, many measures have been taken and new packaging was presented to public as a main part of company rebranding. BORJOMI planned aggressive marketing complain for strategically important counties. As a result BORJOMI became the best selling mineral water in whole post-Soviet Union counties.

Ban from Russia didn't last forever, after seven years in 2013 Russian market was again opened for Georgian product and of course for BORJOMI as well.

### 2.4.2 Economic overview

Georgia is a small, strategically located middle-income country in the South Caucasus. The leading industries of Georgia are: food, light, machinery, iron and steel, nonferrous metallurgy, chemical. Main crops: grapes, grain, sugar beets, sunflowers, potatoes, meat and milk, poultry farming. Electricity is generated by thermal and hydroelectric power stations. One of the priority sectors of is transport. On the territory of Georgia laid a few oil and gas pipelines, increasing turnover of the ports of Batumi, Poti, Supsa and Kulevi.

In recent years, economic growth has been of poor quality, in particular, it was not associated with investments in high-tech industries or innovations, or with an increase in the number of jobs or the increasing level of activity medium and small companies..Foreign investments are mainly directed at the industry, which are not oriented to the export, and investment in technology and innovation remain at a low level. The low quality of economic growth means that in the future it will be difficult to maintain

Since 2003 due to significant efforts of Georgian government to reform and modernize political, economic and security institutions and governance the situation was changed a lot. But Georgia was also affected with the global crisis and th economic growth lifted down from 5 per cent to 2 per cent for 2015 and the forecast for 2016 is 3 per cent growth. The decrease of trade level was caused by the downturn in the Russian economy.

Georgia was committed to economic reform over the last few years, particularly to anti-corruption reform and making easier doing business.

Turkey, Azerbaijan and Russia are Georgia's largest trading partners, and as Georgia is importing 100% of its needs of natural gas and oil, Russia has the critical important for Georgia's energy sector

The table bellow provides the secondary data obtained from the Georgian statistical department and shows how the GDP was changing over the last few years. The trend is not stable and by analyzing there is no possibility to report that Georgia has the growth of GDP every year. Sometimes it has positive change but sometimes negative.

Table 1 .GDP Georgia

	2013	2014	I 15*	II 15*	III 15*
GDP at current prices, mil. GEL	26847.4	29150.5	6892.5	7774.7	8239.1
GDP at constant 2010 prices, mil. GEL	24454.9	25585.6	5542.0	6353.6	6886.8
GDP real growth, percent	3.4	4.6	3.3	2.5	2.5
GDP deflator, percent	-0.8	3.8	6.0	5.8	6.3
GDP per capita (at current prices), GEL**	5987.6	6491.6	1848.1	2084.6	2209.2
GDP per capita (at current prices), USD**	3599.6	3676.2	891.5	913.7	950.5
GDP at current prices, mil. USD	16139.9	16507.8	3225.0	3407.6	3545.0

Source: GeoStat 2016

### 2.4.3 Socio-cultural

The population of the Republic of Georgia is 4.5 million people. Georgians make up 83.8% of the total population. The other major ethnic groups are - Azerbaijanis, Armenians, Russian, Abkhaz and Ossetians.

The major part of the population is Orthodox Christians. Other denominations are represented mainly by the Armenian-Gregorian and Catholic Christianity, Islam Sunni and Shiite, Judaism and Yezidizm. 9th article of the Georgian Constitution states: "The State recognizes the exceptional role of the Georgian Orthodox Church in the history of Georgia and at the same time proclaims complete freedom of religious belief and worship, the independence of church and state."

### 2.4.4 Technological

As already noted there is no investment in technology and innovations in Georgia, which is a hindrance to the country's technological development. Potential of skilled citizens and young generation of the countries tends to flow abroad in order to seek better conditions



and future development. Currently, most of the industrial enterprises of Georgia are either idle or partially loaded.

## **2.5 Marketing Mix 4P Analysis for Brand BORJOMI**

### **2.5.1 Product**

IDS BORJOMI has several brands, but for this thesis only one of them is discussed. The main product for the company is the mineral water under the name BORJOMI. This is sparkling mineral water from the 1500 years of volcanic spring. Dioxide pushes water to the surface from 10 Kilometers underground. BORJOMI is different from other sodium bicarbonate waters, as on its journey upwards; the rocks of the Caucasian mountains enrich the water with over 60 different mineral compounds. BORJOMI is an essential element in achieving positive results in the goal of healthier life.

Mineral composition mg/dm<sup>3</sup>:

- Chlorides, 250-500
- Hydrocarbons 3 500-5 000
- Calcium 100
- Sodium + potassium 1 200-2 000
- Mineralization 5,0-7,5
- Carbon dioxide,% 0.34-0.42

The quality control system of "BORJOMI" at all stages of the production process allows complete control of the work. The product passes the strict control from production to bottling and final point of sale. In addition, it is in full compliance with ISO 22000 - Principles (food quality and safety assessment of existing system products).

BORJOMI spring water is beneficial in the treatment of diabetes and joint and connective tissue diseases due to its mineral properties. Numerous studies indicate that BORJOMI mineral water can help treat chronic inflammatory bowel diseases, such as enteritis, enterocolitis, colitis, diseases, such as viral hepatitis, FLD and diabetic hepatitis as it helps to restore the normal functioning of liver cells. People suffering from ulcer diseases and diseases caused by hyperactivity of the upper gastrointestinal tract should drink warm "BORJOMI" without carbon dioxide.

To keep your body healthy it is vital to ensure that your intake of water is equivalent to the amount lost through sweat and urination. During increased physical activity, a special drinking regime can prevent serious illness from occurring. Drinking lightly salted water compensates for the loss of sodium and helps you feel more energetic. BORJOMI water is especially recommended for this as its properties support optimal body electrolyte balance during exercise.

For every company producing mineral water is a challenge, how to develop its product. It is just water after all and product itself doesn't give us much opportunity to innovate and add the value, so the main innovation comes for promotion and packaging part. "BORJOMI" mineral water is available in four packaging formats:

1. Glass bottle, 0.33 l
2. Glass bottle, 0.5 l
3. PET bottle, 0.5 l
4. PET bottle, 1 l

In the photo below is illustrated the current modern packaging on brand BORJOMI. There are 2 sizes of glass water and 2 of the pet water. BORJOMI contains an inscription in English, located on the white background. The label is made of a special metalized paper. The color of the bottle is special patented blue-green so called Georgian Green. On the bottle there sometimes on the right and sometimes on the left size is the expiration date locates, location of the date depends on the production process. On the back side there is available to get information about the manufacturer contact details.

*Picture 1 – BORJOMI Packaging*



*Source: Official web-site of BORJOMI 2016*

### 2.5.2 Place

Place in Marketing Mix stands for the company's activities in order to make its product easily available for target customer. To get combative advantage company needs stable and good distribution network. IDS BORJOMI tries to make brand BORJOMI available in every place of the country.

Place stands for the company activities that make the product available to the target customers. To make the product available to the target consumers a good distribution network has to be there to support the good quality of the product. Here in the case of the mineral water industry the distribution network is the important factor in being competitive and the catch lies in making water available to maximum number of places in the country.

#### *DISTRIBUTION NETWORK*

ID BORJOMI's distribution operated under four business units: Tbilisi, St. Petersburg, Rest of Russia (ROR) and export (primarily to the Baltic States). The Company used a network of 80 distributors.

In distribution, GGMW focused on big cities, for which it had special teams of sales representatives and merchandisers.

Company representatives are providing in-store support, helping distributors with order-taking and stock monitoring and also helping with store merchandising. For their part, the distributors focused on logistics, some order-taking and payment collection. They have a direct financial contract with GGMW and 30-40 day payment terms. Where the company had no teams, the distributors carried out all activities, although GGMW sometimes carried out sales audits in those cities.

### 2.5.3 Price

Price is Marketing mix element that translates the sum of values that consumer is willing to give for the benefits of having or using particular product or service. In marketing mix Price is the only element that brings revenue for the company all other elements represent costs.

As we have mentioned above BORJOMI is positioned as premium class mineral water and is the most expensive on Georgian Market, but still we have to admit that IDS BORJOMI has set reasonable, affordable and convenient price for Mineral water.

- 1 glass bottle, 0.33 l – 0.60 GEL
- 2 glass bottle, 0.5 l – 0.85 GEL
- PET bottle, 0.5 l – 0.75 GEL
- PET bottle, 1 l – 1.20 GEL

#### 2.5.4 Promotion

Nowadays in modern market the main part of marketing is not just to develop the product with the best quality, not even most attractive pricing and not most flexible placing, but the main thing to reach marketing or company objectives is communication with target customer in the right way and communicates by all chance. That is the main reason why the most expenses goes for promotion part on marketing mix.

IDS BORJOMI total marketing communication mix consists of several tools of promotion:

- Digital marketing – virus videos on popular Georgian web pages. When target customer tries to turn on the movie or some other TV show before beginning loading of it appears advertisement of Brand BORJOMI.
- Outdoor – billboards are situated in the center and most crowded parts of the cities.
- Product Placement – the Brand BORJOMI is placed in most popular TV show in Georgia. As people don't love to watch on commercial pauses company decided to target desirable audience from the TV shows itself.

#### ADVERTISING CAMPAIGN:

Advertising campaign of Brand focuses on preventing the side effects of modern lifestyle. Due to minerals from volcanic origin, only BORJOMI water is able to help you to clean your body and feel light. The main slogan of new advertisement is “get rid of unnecessary”. Company tries change the position of brand as it was mostly know as a cure for hangover and now by this advertisement brand is willing to perceive as a helper in unpleasant problems due to our busy and not healthy lifestyle.

## 2.6 Competitor Analysis

It might sound strange, but the fact there are only domestic players on the market. Nowadays Georgian Carbonated mineral water market contains few brand:

- NABEGLAVI
- SAIRME
- LIKANI
- MITARBI

The 2 of those competitors are produced by IDS BORJOMI and have different characteristics and absolutely different marketing position.

BORJOMI is identified as premium class mineral water and company representatives think that brand is out of competition, but still in reality the brand Nabeglavi is the biggest competitor on the market.

Brand “SAIRME” is new player on the market and has much less market share. SAIRME is mostly focusing on the people with kidney problems.

## 2.7 Benchmarking of competitors

Benchmarking is the process of comparing products, services or processes of one organization with products, services or processes of other organizations. The purpose of this process is to seek improvements to those aspects for which a comparison is made. Generally benchmarking is used to improve company performance. The table below illustrates current competition situation on market. Benchmarking was used in order to identify strong and weak point of company marketing mix (Product, Place, Price, and Promotion) comparing with the direct and indirect competitors on market. First table will represent Product point of view of analysis and comparison.

Table 2 .Benchmarking - Product

Factors	“BORJOMI”	Competitors			
		DIRECT		INDIRECT	
		“NABEGLAVI ”	“SAIRME”	“MITARBI”	“LIKANI”
<b>PRODUCT</b>					
<i>Product policy</i>	Organic, Mineral, volcanic origin, with natural CO2	Organic, Mineral, with natural CO2	Organic, Mineral, with natural CO2	Organic, Mineral, with natural CO2	Organic, Mineral, with natural CO2
<i>Package variable</i>	0.33 L glass 0.5 L glass 0.5 L PET 1.0 L PET	0.2 L glass 0.5 L glass 0.5 L PET 1.0 L PET	0.3 L glass 0.5 L glass 0.5 L PET 1.0 L PET 2.0 L PET	0.5 L PET 1.0 L PET	0.5 L glass 0.5 L PET 1.0 L PET
<i>Appearance of products (how do they generally look like? Are you attracted or disturbed?)</i>	Bottle with a logo and direct message that product is from village BORJOMI	Bottles has logo identifying that water comes from mountains	Bottles has logo identifying that water comes from high SAIRME mountains	Bottles has logo identifying that water comes from mountains	Green Bottles with logo identifying that water comes from village LIKANI
<i>Availability of products (all the time available or not? If not, for how long?)</i>	Product is available in every market all over the country	Product is available in every market all over the country	Product is available in Supermarkets	Product is available in big markets and some small markets	Product is mostly available everywhere
<i>Availability</i>	On the bottle	On the bottle	On the bottle	On the bot-	On the bottle

<i>of information about the ingredients and contents of the product?</i>	there is a detail information about product composition	there is a detail information about product composition	there is a detail information about product composition	there is a detail information about product composition	there is a detail information about product composition
<i>What are the key features/benefits of products?</i>	Volcanic origin, long history, medical treat, symbol of Georgia	Medical treat, mountain origin	Kidney problems treat, from Resort SAIRME	Low carbonation, light taste	Rich with Magnum, unique taste
<i>How can those features turn into competitive advantage in the marketplace?</i>	Customers are used to brand and are loyal because of long history. Use to treat many illnesses. Customers like tradition and “BORJOMI” is associated with tradition	Customers are attracted with different taste and medical treat.	Specific customer with kidney problems is willing to consume.	Light taste is attractive for non sprinkle water lovers.	Taste and freshness attracts customers.

**Benchmarking - Price**

Benchmarking for the Place element of marketing mix clarifies company pricing policy of all companies and identifies the further steps what BORJOMI should do to improve it and give the best price on market

Table 3 .Benchmarking - Price

Factors	“BORJOMI”	Competitors			
		DIRECT		INDIRECT	
		NABEGLAVI	“SAIRME”	“LIKANI”	MITARBI”
<b>PRICE</b>					
<i>Do the price features make a company special?</i>	Comparing to competitors BORJOMI has the highest price as is positioned as premium class mineral water.	The main advantage of new product on market was that it was cheaper than Brand BORJOMI.	SAIRME water is in the same category of price as NABEGLAVI, so price is cheaper than BORJOMI.	As LIKANI was created to compete with NABEGLAVI the price is the same	MITARBI is the cheapest brand in the company portfolio.
<i>Is the pricing policy somehow relates to competitive advantage or disadvantage? What is the significance of that?</i>	Because of it background and popularity brand BORJOMI has higher price and this is used as an advantage as it’s targeted for higher class people.	As Nabglavi’s main target group is youth, with no high income the price can be used for their advantage.	Pricing policy is rated co competitive advantage as the price is approximately same with competitors	IDS considers that LIKANI is the main competitor of NABEGLAVI , and price range are the same with competitor. As they offered the same quality and price product for loyal customers.	MITARBI is the youngest and the cheapest brand from IDS BORJOMI.



### Benchmarking – Place

With the benchmarking of placement and reachable of the product marketing division is able to understand what other companies do better in order to make their brand easier to find and give the best position in stores and on shelves.

Table 4 .Benchmarking - Place

Factors	“BORJOMI”	Competitors			
		DIRECT		INDIRECT	
		“NABEGLAVI”	“SAIRME”	“LIKANI”	“MITARBI”
<b>PLACE</b>					
<i>Position of placement (where they are situated?)</i>	In every big shop BORJOMI has its own branded big refrigerator.	In every big shop Nabeglav has its own branded big refrigerator.	In some shops very rarely but one can find branded small refrigerator.	In most big shop LIKANI has its own branded big refrigerator.	In most big shop Mitarbi has its own branded big refrigerator.
<i>How are customers supposed to find the place?</i>	In water section.	In water section.	In water section.	In water section.	In water section.

### Benchmarking - Promotion

To meet the main objectives of this project main part is to do benchmarking of promotion policy on competitors. As thesis focuses on Promotional part of marketing mix most carefully should be analyzed marketing communication activated used by competitors and their effort to succeed on market. As brand BORJOMI has an advantage of long history newer companies might follow more aggressive strategy.

Table 5 .Benchmarking - Promotion

Factors	“BORJOMI”	Competitors			
		DIRECT		INDIRECT	
		“NABEGLAVI”	“SAIRME”	“LIKANI”	“MITARBI”
<b>PROMOTION</b>					
<i>Direct Marketing (Are there some personal special offers and benefits?)</i>	Not using this Marketing Communication Tool	Not using this Marketing Communication Tool	Not using this Marketing Communication Tool	Not using this Marketing Communication Tool	Not using this Marketing Communication Tool
<i>Personal Selling (The selling efforts, friendliness and education of personnel)</i>	Not using this Marketing Communication Tool	Not using this Marketing Communication Tool	Not using this Marketing Communication Tool	Not using this Marketing Communication Tool	Not using this Marketing Communication Tool
<i>Advertising (radio, TV, electronic, printed, word of mouth, generic and any other)</i>	TV advertising, digital marketing, outdoor marketing, Internet.	TV advertising, outdoor marketing, Internet	Internet	TV advertising, outdoor marketing, digital marketing, Internet	TV advertising, outdoor marketing, digital marketing, Internet
<i>Sales Promotions (free samples, coupons,</i>	Not using this Marketing Communication Tool	Not using this Marketing Communication Tool	Not using this Marketing Communication Tool	Not using this Marketing Communication	Not using this Marketing Communication Tool

<i>contests, incentives, loyalty programs, prizes, and rebates, discounts and special offers)</i>				Tool	
<i>Communication channels (do the company own a private channel to address to the audience?)</i>	Facebook page. LinkedIn, Flickr, Youtube. Tweeter	Facebook page, YouTube, Tweeter.	Facebook page, Tweeter, YouTube, Instagram. Google +;	Facebook page.	Facebook page.
<i>Web-site (general description and assessment, if any)</i>	WWW.BORJOMI.Ge – with all information about history, with news. Short information about treatments, in 9 languages. And international panel.	WWW.Nabeglavi.ge – with all information about history and features of water. Good design, in 4 languages but not every information is translated.	WWW.SAIRME.co – information about company and history of water, available in 3 languages. E-shopping available in Georgia.	WWW.LIKANImw.Ge – modern web-site with information about product company and news. English version not working.	WWW.MITARBI.ge – modern web-site with information about product company and news. Georgian and English Version. Still in process.

Table 6- Benchmarking analysis - Comparison of given grades

Category	Factory	BORJOMI	Competitors			
			<i>NABEGLAVI</i>	<i>SAIRME</i>	<i>MITARBI</i>	<i>LIKANI</i>
<b>Product</b>	<i>Product policy</i>	10	10	10	10	10
	<i>Package variable</i>	8	8	10	5	7
	<i>Appearance of products</i>	10	10	10	10	10
	<i>Availability of products</i>	10	10	6	7	8
	<i>Availability of information</i>	10	10	10	10	10
	<i>Benefits of products</i>	10	9	8	6	7
	<i>Competitive advantage</i>	9	7	4	4	5
	<i>Average Grade</i>	<b>9.57</b>	<b>9.14</b>	<b>9.71</b>	<b>7.42</b>	<b>8.14</b>
<b>Price</b>	<i>Price Variation</i>	8	9	8	9	8
	<i>Pricing competitive advantage</i>	9	10	9	9	9
	<i>Average Grade</i>	<b>8.5</b>	<b>9.5</b>	<b>8.5</b>	<b>8</b>	<b>8.5</b>
<b>Place</b>	<i>Position of placement</i>	10	10	8	9	9
	<i>Sales place</i>	10	10	10	10	10
	<i>Average Grade</i>	<b>10</b>	<b>10</b>	<b>9</b>	<b>9.5</b>	<b>9.5</b>

Category	Factory	BORJOMI	Competitors			
			<i>NABEGLAVI</i>	<i>SAIRME</i>	<i>MITARBI</i>	<i>LIKANI</i>
<b>Promotion</b>	<i>Direct Marketing</i>	0	0	0	0	0
	<i>Personal Selling</i>	0	0	0	0	0
	<i>Advertising</i>	10	9	5	10	10
	<i>Public Relations</i>	6	10	0	6	6
	<i>Sales Promotions</i>	0	0	0	0	0
	<i>Communication channels</i>	9	7	8	5	5
	<i>Web-site</i>	8	7	7	7	7
	<i>Average Grade</i>	<b>4.71</b>	<b>4.71</b>	<b>2.8</b>	<b>4</b>	<b>4</b>

### Summary of benchmarking

After summarizing benchmarking results speak by themselves that company doesn't have any strong advantage in neither part of marketing mix and need reorganization and updating strategy in order to keep current position, as analysis shows that this position will not last longer.

## 2.8 SWOT Analysis

SWOT analysis is very important in order to identify companies weak and strong sides evaluate internal and external factors. In order to get relevant picture of current situation IFE and EFE tools where used for SWOT analysis.

### 2.8.1 IFE (Internal Factors evaluation)

Internal factors are the factors that can have an influence upon the company from the inside. They are divided into strength and weaknesses. The list you can see in the table below.

Table 7: IFE

	<b>Internal Factors</b>	<b>Weight</b>	<b>Rating</b>	<b>Weighted score</b>
<b>Strengths</b>	Quality Product- BORJOMI has really high quality and in the process of production no comical are used, it is all natural.	0.13	4	0.52
	Package variation - 0.33 L glass 0.5 L glass 0.5 L PET 1.0 L PET	0.08	3	0.24
	Easy to get, in any location of country – distribution of BORJOMI is all over the country so it's very easy for customer to find it.	0.05	3	0.15
	Long history and background - strong company's image has positive influence and impact for brand	0.12	4	0.48
	Medically approved treatments	0.09	3	0.27
	Young and progressive management – for few years new group of management is working to re-brand BORJOMI, and create new image for younger generation.	0.07	3	0.21
<b>WEIGHTED AVERAGE SCORE FOR STRENGTHS</b>		<b>0.54</b>		<b>1.87</b>

Weaknesses	Internal Factors	Weight	Rating	Rating
	No online-selling – online selling are the future of every company, and every big company has it. Especially when competitor, small company is using online sales big company of course should do it.	0.05	1	0.05
	Specific taste – specific taste of soda may be the considered as weakness but company cannot change the real taste of natural water, so they produce new brands with lighter taste.	0.07	1	0.07
	Higher price than competitors – price is always a matter, and the highest price on the market, maybe shows that the product is for people with more income but its good opportunity for competitors.	0.09	2	0.18
	Low awareness in Europe – brand is mostly known in post soviet union countries and to develop company needs more active marketing strategy for European market. European customers are more demanding and new market will help company to develop.	0.09	1	0.09
	There is lack of awareness about all treatment opportunities of BORJOMI water. BORJOMI is perceived as a hangover helper and after holidays when human body is not able to digest heavy Georgian meal.	0.1	2	0.2
	<b>Total</b>	<b>0.46</b>		<b>0.71</b>
<b>Total weight score</b>			<b>2.58</b>	

### 2.8.2 EFE (External Factors Evaluation)

External factors are the factors that can influence upon the company's activities from the outside. Those can be economical, legal, technological, socio-cultural and other factors that were identified during PESTLE analysis. Those factors represent opportunities and threats for the company. The whole list you can see in the table below.

Table 8: EFE

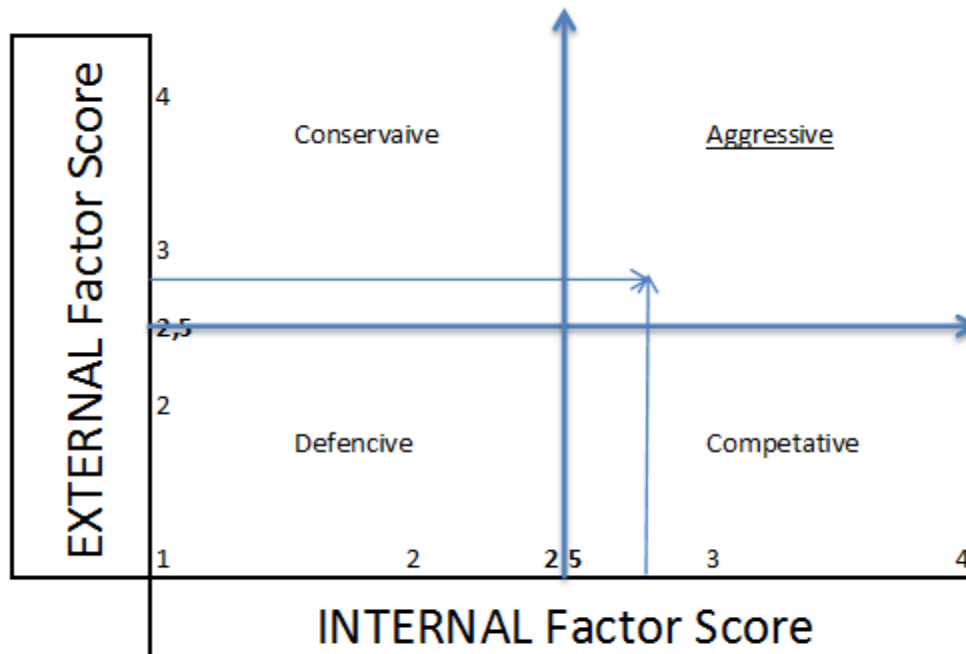
	<b>External Factors</b>	<b>Weight</b>	<b>Rat- ing</b>	<b>Weight ed score</b>
<b>OPPORTUNITIES</b>	Increasing information technologies	0.07	4	0.28
	Development of new production technologies	0.03	3	0.09
	In today's health conscious societies in Georgia, mineral water can be promoted as basic item for healthy life.	0.05	4	0.2
	Development of online shopping technologies and consumer buying mechanisms	0.05	3	0.15
	Administration (Important to have it clear for government.)	0.03	3	0.09
	Legal form of industry (More strict rules for those who makes their own products, can help hold quality of products)	0.03	3	0.09
	Change of the lifestyle of the population to a healthier one	0.05	4	0.2
	Growing level of people awareness of medical treatment. New attitude regarding the healthy nutrition	0.06	4	0.24
	New age structure for business	0.05	3	0.15
	Attitudes and habits that a person receives during life (it is connected with growing interest in healthy lifestyles, higher education, better living conditions, increasing interest in mineral water)	0.03	4	0.12
	Positive views of opinion leaders (well known people who are trusted or friends)	0.08	4	0.32
	Good news in the media that can have a good impact on business	0.08	4	0.32
<b>WEIGHTED AVERAGE SCORE FOR OPPORTUNITIES</b>		<b>0.61</b>		<b>2.25</b>



	<b>External Factors</b>	<b>Weight</b>	<b>Rat- ing</b>	<b>Weight ed score</b>
<b>THREATS</b>	Price risk	0.1	2	0.2
	Increasing number of competitors at the market of Mineral water	0.07	2	0.14
	Unstable political situation.	0.03	1	0.03
	Unemployment growth	0.03	1	0.03
	Economic Crisis	0.02	1	0.02
	Tax system	0.02	1	0.02
	Falsification of BORJOMI.	0.07	2	0.14
	Reduction population size	0.02	1	0.02
	Bad news in the media that may harm our business	0.03	2	0.06
<b>WEIGHTED AVERAGE SCORE FOR THREATS</b>		<b>0.39</b>		<b>0.66</b>
<b>TOTAL WEIGHTED AVERAGE SCORE</b>				<b>2.91</b>

### 2.8.3 Space Matrix

FIGURE 10: SPACE MATRIX



According to the space matrix, Aggressive politics (W-T strategy) is suggested. W-T strategies establish an aggressive plan to address the firm's strength in order to get maximum benefit from external opportunities.

### 3 THE PROJECT OF MARKETING COMMUNICATION STRATEGY FOR GEORGIAN BRAND BORJOMI

#### 3.1 Introduction

The purpose of this project is to create marketing communication strategies for the main brand of IDS BORJOMI Company – BORJOMI. I take into account all existing communication tools improve and re-engineer them and add some more activities, in order to reach objectives and keep the leading place on the market. Because competitors are developing too fast BORJOMI needs to meet all the customers' expectations and keep customer loyalty as long as possible. I will analyze which activities are necessary for further development; Plan the budget, estimate costs risks and evaluate the time schedule of project. During the analyst part of the thesis there was outlined few problematic parts in company's marketing communication. In this part I would like to introduce my considerations and following tools that will help company to keep desired position on market:

- ✓ *Action program 1: Advertising*
- ✓ *Action program 2: Sales promotion*
- ✓ *Action program 3: Website*
- ✓ *Action program 4: International online sales*

##### 3.1.1 Action program 1: Advertising

There is very good advertisement about the company on television or in internet. As we have mentioned above the main message is that company helps to digest heavy, not healthy food. This is not the only benefit of mineral water BORJOMI and I think company should promote all positive effects what product have on human body.

Every company wants to extend and penetrate new markets. The biggest challenge for BORJOMI is penetrate European and after that US market, but before that brand should have the strongest position on domestic market and create the best possible marketing communicate strategy in order to standardize that on foreign markets.

The first decision in developing the advertisement project is identification of the target audience, the group of prospective buyers towards which an advertising program will be directed.

*Target Market*

- + 25-55 years old men and women who want to lose weight
- + Housewives
- + Overweighed people who need to lose weight

After targeting Company should specify the objectives that are needed to reach. In case of BORJOMI marketing division should more focus on increasing customers desire to learn more some of the features of the product or brand.

*Advertisement Objectives:*

- + Increase Interest
- + Increase awareness
- + Increase Demand

***Activity Plans for Action program 1: Advertising***

**1. Creating online and paper brochures**

The ability of BORJOMI that is helping to digest is already well known, but now company needs to focus on other benefits. Create online and paper brochures about BORJOMI, and its specific treatment power. For example for people who want to lose weight. Create illustrated brochures with easy language, in what conditions and how much customer should consume in order to lose weight. Provide some successful examples with their journey details to desired weight.

*Table 9: Advertising - Brochures Time and Cost*

<b>ACTIVITY</b>	Creating online and paper brochures
<b>DURATION</b>	2 WEEKS
<b>COST:</b>	1 5 000 GEL
<b>EXECUTION DEPARTMENT</b>	MARKETING DIVISION

*Source: own considerations*

## 2. FACEBOOK advertisement

Company can use FACEBOOK advertisement to promote this new message for new target group. Create pay-per-click ads targeting people who are interested in diets and cooking pages. FACEBOOK is the most popular social network in Georgia. Advertisement on FACEBOOK has many advantages, first of all company has ability to choose target audience, regarding their interests and focus advertisement directly for them. Another and very important is that it is not as expensive as TV advertisement and product placement.

*Table 10: Advertising - FACEBOOK Time and Cost*

<b>ACTIVITY</b>	FACEBOOK advertisement
<b>DURATION</b>	2 MONTHS
<b>COST:</b>	1 0 000 GEL
<b>EXECUTION DEPARTMENT</b>	MARKETING DIVISION

*Source: own considerations*

## 3. Day Show sponsorship

There are many day shows, all high rating Televisions have day shows which have section about cooking and the main target audience are housewives. Brand BORJOMI can sponsor cooking section of most popular day show and presenters could introduce more details about the weight loss abilities of mineral waters. The biggest advantage of Television ad is that it reaches extremely large audience, for BORJOMI day TV shows are the best option to promote weight loss feature and the target audience is exactly target market for company.

*Table 11: Advertising- Day Show Time and Cost*

<b>ACTIVITY</b>	Day Show sponsorship
<b>DURATION</b>	2 MONTH
<b>COST:</b>	75 000 GEL
<b>EXECUTION DEPARTMENT</b>	MARKETING DIVISION

*Source: own considerations*

### 3.1.2 Action Program 2: Sales Promotion -Summer Sea season “Beach and minerals”

Summer season is very active in Georgia. Whole County take vacations and go to see to rest from long year stress. The season starts from the beginning of June till the middle of September. In summer as whether is hot and on beach after getting sunbath, human body needs more water and more minerals than any other season. Brand BORJOMI should use this situation, promote brand and increase sales.

#### *Target Market*

- Tourists visiting city Batumi;
- People who love taking sunbath and spend a lot of time on beach.
- Young people who are familiar with new technologies and social media.
- FACEBOOK and INSTAGRAM users.

#### *Campaign Objectives*

- Simulate Demand
- Build Goodwill
- Encourage present customers buy more
- Encourage customers to promote Brand online

#### *Activity Plans for Action program 2: Sales Promotion*

##### **1. Branding the Beach of Batumi**

Marketing manager should negotiate to the hall of the city Batumi, as Batumi is most visited seaside city in Georgia, about branding the beach.

- Settle branded beach chaise lounges across the sea;
- Settle small BORJOMI water selling points;

*Table 12: Branding the Beach Time and Cost*

<b>ACTIVITY</b>	Branding the Beach
<b>DURATION</b>	<i>1 MONTH</i>
<b>COST</b>	<i>10 000 GEL</i>
<b>EXCUTION DEPARTMENT</b>	<i>MARKETING DIVISION</i>

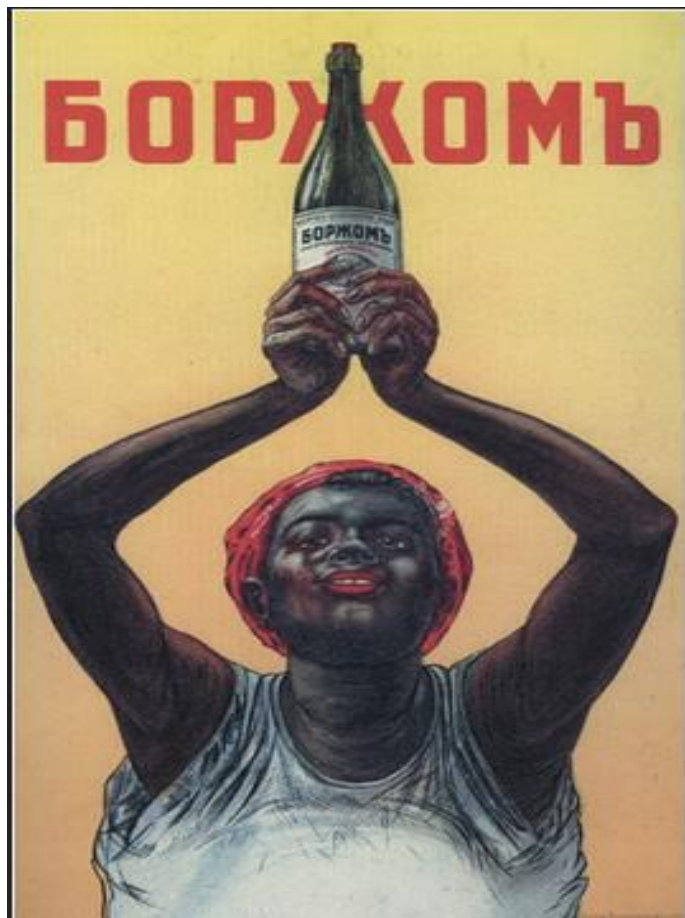
*Source: own considerations*

**2. Free sample for shared photo**

As a promotion, company can offer to customers who will take a photo with “BORJOMI” stand and bottle sculpture, share it on INSTAGRAM or on FACEBOOK they will get one bottle of free water at the sales points on the beach.

It will promote “BORJOMI” brand on social network and makes young generation more involved in promoting complain and will bring to company a lot of you loyal customers.

*Picture 2 – First Billboard of BORJOMI, offer to use as a stand for promotion campaign*



*Source: Official web-site of BORJOMI 2016*

*Table 13: Sales Promotion Time and Cost*

<b>ACTIVITY</b>	Free sample for shared photo
<b>DURATION</b>	2 MONTH
<b>COST</b>	20 000 GEL
<b>EXCUTION DEPARTMENT</b>	MARKETING DIVISION

*Source: own considerations*

### 3.1.3 Action Program 3: Website

Nowadays BORJOMI has one official multinational web-site. WWW.BORJOMI.COM. Web site is available in 9 languages for different markets. But still for such a big company web-site is too simple and not modern. Web-site should attract new customers and new markets and be more moderated and full of information. In 21<sup>st</sup> century when technologies are so developed big companies should follow to development not only in production line but on promotion part as well.

*Website re-engineering objectives:*

- ✚ Provide information to customers
- ✚ Make the information relevant
- ✚ Build brand
- ✚ Build company's image

The website should contain many tools and features, such as catalogs, reviews, comparison tools, etc. this is the place where company brand should be typically explained most broadly online. The web-side should include more information about benefits that product offers to customer. There is some information but it is not complete. There should be banners and videos with the production process and the video about the place where water in born.

Also company management should add more information about values, mission, vision and structure of company. Page needs more information about their social activity as CSR is one of the most important parts for companies nowadays.

On web-site there is part “Native land of BORJOMI”, the idea of section is quite good and helps customer to get information about Georgia, but there is too much text without any photos and attractions.

The website represents company and brand, so this is important to have attractive website and easy to find. There are various techniques can be used to optimize results for search engines (e.g. Google) so your brand appears on the first page when clients search for product



. Table 14: Website re-engineering Time and Cost

<b>ACTIVITY</b>	<i>Website re-engineering</i>
<b>DURATION</b>	<i>2 Weeks</i>
<b>COST</b>	<i>2 000 GEL</i>
<b>EXCUTION DEPARTMENT</b>	<i>Marketing Division; IT Department</i>

Source: own considerations

### 3.1.4 Action Program 4: International Online Sales

In the era on internet and online shopping I think company should follow new tendencies and make it available to order water online. A huge number of customers almost 70% of research online and if company brand as not online then company is out of game and will lose customers to the competition with online presence.

#### What does company need to complete online sales?

- Website
- Shopping cart
- Merchant account

IDS BORJOMI should add an application on web-site; online storefront and online environment for customers, where it will be possible to make orders from all over the world. Postal services are very advanced nowadays and it makes possible to deliver beverage any place company need.

Company should set some minimum quantity for order, for example one pack of water containing 12 plastic bottles. To eliminate risk for international delivery should be used only plastic bottles, glass bottles can be broken during the transportation. Also should divide counties and regions. If there is an official distribution channel in country they will deal with their order, but for example if order comes from Czech Republic the nearest country will deal with order.

Application should determine by itself where to send order and invoice and payment as well. New technologies are so developed software developers are able to create codes and software to manage international sales and don't mess with payment and order delivery.

For payment company should create Merchant account that allows businesses to accept payments by payment cards, typically debit or credit cards. Having the own merchant ac-

count for the company integrated into own shopping cart is crucial part of online selling’s mechanism to get money into bank account directly.

*Target Market*

International online sales don’t mean that company should sell online only abroad. Company should also focus on local markets and use own distribution channel for delivery. For online selling purposes target markets should be:

- ✚ Citizens of Georgia who prefer to do shopping online;
- ✚ Citizens of every country where BORJOMI is exported and popular;
- ✚ Emigrants abroad who miss country and taste of water BORJOMI;
- ✚ Tourist who visited Georgia and liked BORJOMI Mineral Water.
- ✚ Anyone who needs mineral water and wants to shop online.

*Table 15: International Online Sales Time and Cost*

<b>Activity</b>	<b><i>International Online Sales</i></b>
<b>Duration</b>	<i>2 Month</i>
<b>Cost:</b>	<i>40 000 GEL</i>
<b>Execution department</b>	<i>Marketing Division; IT Department</i>

Source: own considerations

## 4 Time Analysis for Project

When company is dealing with new opportunities and new projects setting the goals and determining objectives are very important part of this process. However one of the most important parts in order to realize project is to determine time scope. What time is necessary to finalize all steps and get the result needed? For the purposes of time calculation for the implementation of project I will use CPM Model. CPM Model gives an opportunity to analyze which activities are important to be done first and which of them are needed to be predecessors:

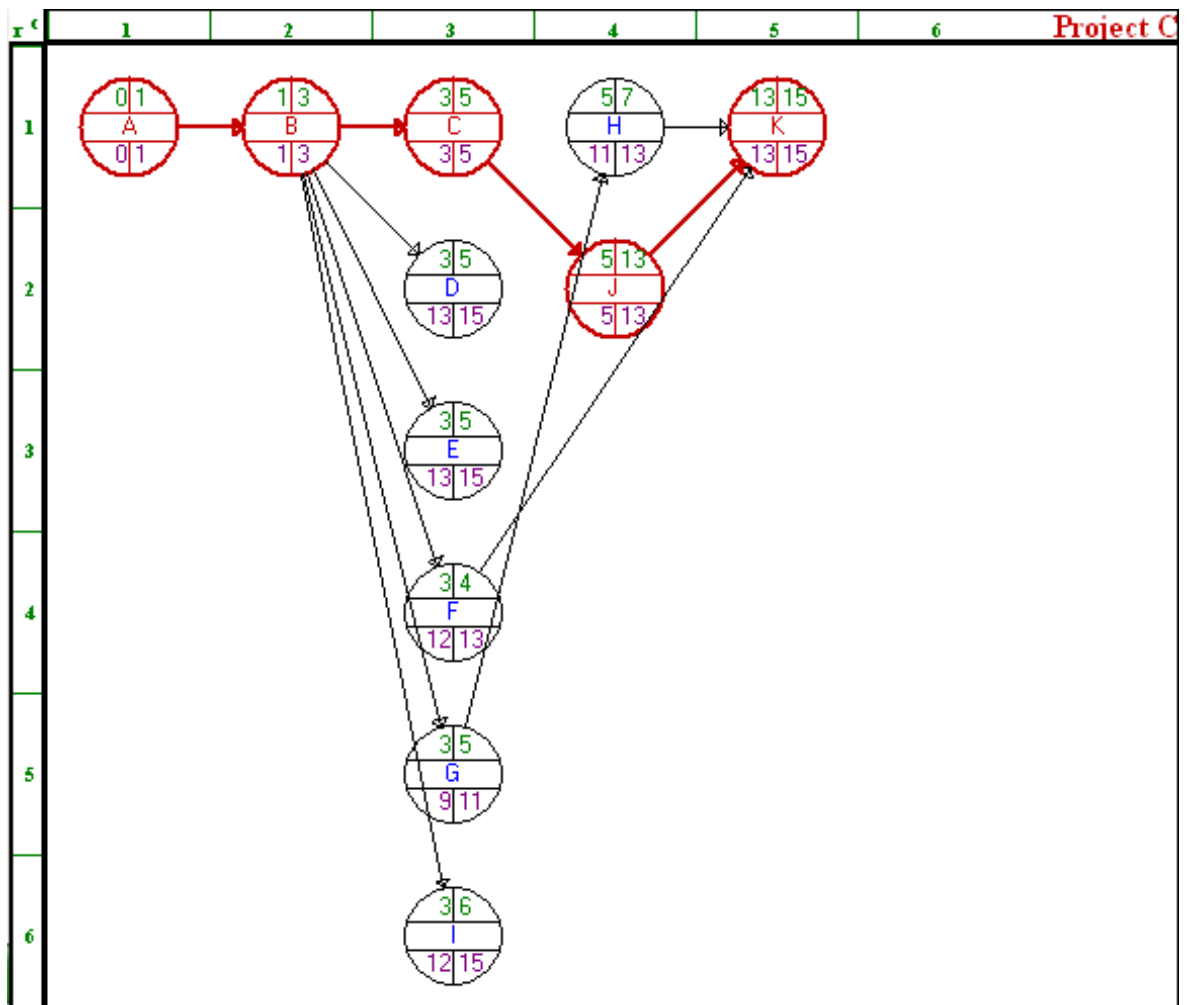
*Table 16: Time Table*

Activity	Description of Activity	Predecessor	Time(weeks)	Period of Time
A	PRESENT NEW MARKETING COMMUNICATION STRATEGIES TO THE COMPANY		1 Week	24 <sup>th</sup> May31 <sup>st</sup> May
B	MANAGE BUDGET	A	2Weeks	1st June – 14 <sup>th</sup> June
C	REENGINEER THE WEBSITE	B	2 Weeks	15 <sup>h</sup> June – 29 <sup>th</sup> June
D	COMMUNICATE WITH TV SHOWS ABOUT SPONSORING DAY SHOW	B	2 Weeks	15 <sup>h</sup> June – 29 <sup>th</sup> June
E	PREPERATION OF PROMOTIONAL DOCUMENTATION	B	2 Weeks	15 <sup>h</sup> June – 29 <sup>th</sup> June
F	CREATE FACEBOOK ADVERTISEMENT	B	1 week	15 <sup>h</sup> June – 22 <sup>nd</sup> June
G	COMMUNICATE WITH BATUMI MUNICIPALITY ABOUT BRANDING THE BEACH ANS SETTING SALES BOXES	B	2 Weeks	15 <sup>h</sup> June – 29 <sup>th</sup> June
H	ORDER BRANDED CHAISE LOUNGES AND DESIGH THE BEACH	G	2 Weeks	30 <sup>th</sup> June – 14 <sup>th</sup> July
I	ESTABLISH CROSS COUNTIES TEAM FOR ONLINE INTERNATIONAL SALES	B	3 Weeks	30 <sup>Th</sup> June– 21 <sup>st</sup> July
J	CREAT APPLICATION FOR WEBSITE SUPPORTING ONLINE SALES	C	8 Weeks	22 <sup>nd</sup> July – 16 <sup>th</sup> Sep-tember
K	TEST THE FEASIBILITY OF THE PROJECT	F,J,H	2 Weeks	17 <sup>th</sup> September – 1 <sup>st</sup> October

Picture 3 –CPM analysis

Activity Number	Activity Name	Immediate Predecessor (list number/name, separated by ',')	Normal Time
1	A		1
2	B	A	2
3	C	B	2
4	D	B	2
5	E	B	2
6	F	B	1
7	G	B	2
8	H	G	2
9	I	B	3
10	J	C	8
11	K	F,J,H	2

Picture 4 -CPM analysis Result



Picture 6 -CPM analysis Result

04-02-2016	Critical Path 1
1	A
2	B
3	C
4	J
5	K
<b>Completion Time</b>	<b>15</b>

According to WinQSB program, the total time needed for the realization of mentioned Marketing Communication strategy in 15 weeks and the critical path, on which are the following activities: **A-B-C-J-K**

## 5 Cost Analysis for Project

The main purpose of any company is to make profit, implementation of any project is considered as bringing more financial value for business. For that reason the cost of the project stands out to be one of the most important factors. If the cost exceeds the following earnings then company has no reason to realize any ideas of marketing division. The cost analysis of project is built up by the summing up all the costs of the marketing communication activities.

### 5.1.1 Advertising

Table 17: Advertising Detailed Budget

Activity	Cost
Printing of 10 000 Brochures	15 000
Budget for FACEBOOK Advertisement for 2 months	10 000
TV Show Sponsoring for 2 month	75 000
<b>SUM</b>	<b><u>100 000</u></b>

Source: own considerations

### 5.1.2 Sales promotion

Table 19: Sales Promotion Detailed Budget

Activity	Cost
150 piece of Branded Chaise Lounges	4000
3 Sales Boxes	4500
3 Advertisement Stand billboards	1500
Designer	2 0000
Staff expenses for 3 month	8 000
Free Samples	20 000
<b>SUM</b>	<b><u>40 000</u></b>

Source: own considerations

### 5.1.3 Website

The cost for website depends on complexity and methods used. As the existing website only needs to add additional information and little of modernization the cost will not be very high. According to the prices on Georgian web-developing market web the cost will be approximately 2000 GEL.

### 5.1.4 International Online Sales

Table 18: International Online Sales Detailed Budget

Activity	Cost
Web Application	15 000
Train and recruit customer service team	5 000
FACEBOOK promotion for online sales	15 000
Merchant Account	Transaction Fees
<b>SUM</b>	<b><u>35 000</u></b>

Source: own considerations

## 6 Risk Analysis for Project

On market full of uncertainties every management should pay their attention to the potential harms that may company face. First of all company should identify risks, measure the affect and create plan to avoid or at list with the Wright activities minimize harm.

The main risks for the project:

- I. Risk of unfavorable macroeconomic situation- Law, tax rate;
- II. Georgian-Russian Relationship;
- III. Inner organizational risk, competence of employer, miscommunication;
- IV. Marketing activity from the competitors;
- V. Delivery problems from the point of view of customers;
- VI. unfavorable weather for summer promotions;
- VII. Unstable Georgian Currency.

Risk of macroeconomic situation is categorized as a risk that is out of the company control. IDS BORJOMI Management is unable to predict or avoid that fact that government can change the law and the tax rate. But I can assume that as Georgian government is trying to simplify making business in Georgia there is a low probability that new law or tax rate will be unfavorable for any company. But still before any law is published there is always discussion with big companies and as a one of the biggest Georgian company and good tax Payer Company representatives are able to make their opinion to reach the relevant institutions.

For last 3 years relationship between my county and Russia are more or less stable and economic partnerships are reconciled as well but until Russia has occupied 20 percent of Georgian territory, nobody can be sure about anything. Georgian thrive to European Union is major problem for Russian Government and until Georgia is going to join EU there is always risk of escalation. However in this stage condition is stable and this risk also can be specified as a low probability risk.

Inner organizational risk is one that company should manage excellent. IDS BORJOMI management should communicate to its employees every time. Manage their day and always ask question, what they need to fulfill all requirements. Set realistic goals and deadlines. One of the most important parts of management is to control, so tracking the performance at each step is crucial part of successful project. Offer periodical training to keep employees always in action and to develop better skills as at the end of the day the project success depends on employees' performance.

As all the competitors on the market are quit new comparing with BORJOMI they put a lot of investment and effort in marketing activities, as long as they need to compete with the well known brand. To handle competitors IDS BORJOMI also needs to invest in promotional activities and use marketing communication tools in order to keep loyal customers.

To show that company cares about their customer with the innovative services combined with high quality product that will lead to the stable market share.

Delivery problems should be carefully monitored and all the fails should be improved. Delivery is not easy topic so it needs an attention. If the Online shopping delivery will go wrong there is big chance that business will suffer as a result. Sometimes just two mistakes are enough to lose customer loyalty and because of bad experience it's quite realistic to defect to a competitor. As I have mentioned delivery management is not easy so it should be monitored very carefully and in any case of faults, company should try not to lose loyal customer and refund the inconvenience customer may experience.

According to Paul Galpin, managing director of P2P if company "Gets online shopping delivery wrong and business will suffer as a result. Just two mistakes can be enough to persuade a customer to defect to a competitor." (Galpin, 2012)

For promotion company in summer the main risk is weather conditions, but this case is out of company management control as well and there only one choice, if the weather is bad in main tourist city promotion complain could be move to nearby city with better weather. But in this case before planning summer Promotion Company can advice for weather forecast agencies to get more or less information about risk.

For last year Georgian currency strongly lost his condition. As all the activities in Georgia are in USD I will introduce condition of GEL with the USD. For comparison GEL to USD in 2012 was  $1\text{USD} = 1.6\text{ GEL}$ , for now the situating is quite worse and unstable. Because the exchange rate is changing every day and people are never sure it will go up of down. For now 1 USD varies from 2.35 to 2.4. This rate is strengthen comparing with the winter rate when 1USD was 1.55 GEL and more. This risk can effect company as it may change price for exported, but government promised to try its best to lower rate until  $1\text{USD}=2\text{ GEL}$  and keep it that way. But for now fluctuations of Georgian currency is not preferable situation for companies, not only for IDS BORJOMI.



## CONCLUSION

The main purpose of this thesis is to introduce new marketing communication strategy for brand BORJOMI. This thesis is divided into three parts. In the first part of the paper was described the importance of marketing communications in 21<sup>st</sup> century market, types of marketing communication and how this activities or strategies add value to brand.

The second part of the thesis consists with introduction of brand BORJOMI, its history and creation of trademark. To get the relevant analysis various marketing tools (SWOT, BENCHMARKING, SPACE MATRIX) was used, in order to understand current situation on market and position of company. A synthesis coming from the analysis lead to identification of necessary marketing communication activates that was needed to realize, in order to stay the market leader for a long time, to extend and to create competitive advantage.

The project part was the logical continue of the company analysis. The improvements were suggested on existing marketing communication tools, advised to create online international sales as an opportunity to obtain and penetrate more worldwide markets.

The first thing before investing in project IDS BORJOMI will want to know how much it will increase the sales. Buyer behavior can be measured according to what they do, if finally they buy product or not. The project evaluation should answer questions like how many people will buy the BORJOMI mineral water after this marketing communication plan is fulfilled, how often they will buy, what are the other brands they buy and for what price and what is the main indicator for them to chose different brand.

The main issue for this project was to improve the market situation for brand BORJOMI. The anterior to project was the analysis of the company and base on examined situational conditions the mentioned activates were recommended. All of the activities were addressed to the company goals, mission and vision. The main objective of suggested marketing communication tools is to increase sales, keep customer loyalty and strengthen the goodwill of brand BORJOMI which was created for more than hundred years of hard work.

Georgian water industry and especially brand BBORJOMI has a huge potential to the global market with its unique characteristics, what county and company needs is more col-

laboration in order to promote our brands. Georgia is a small county and needs more effort and more innovation in order to compete with world's giants.

To sum up, with knowledge gained through the writing process author was able to predict that if company follow the suggested strategy it will lead to more success and the experience of writing project of this caliber will lead the author to personal career development.

**BIBLIOGRAPHY**

ALAM, Aftab, Dr.Mohammad Almotairi, and Dr.Kamisan Gaadar. "THE ROLE OF PROMOTION STRATEGIES IN PERSONAL SELLING". *ResearchGate*. N.p., 2013.web.2Apr.2016.Avaliable at

[https://www.researchgate.net/publication/258351940\\_THE\\_ROLE\\_OF\\_PROMOTION\\_STRATEGIES\\_IN\\_PERSONAL\\_SELLING](https://www.researchgate.net/publication/258351940_THE_ROLE_OF_PROMOTION_STRATEGIES_IN_PERSONAL_SELLING)

BAUER, Connie L., and John Miglautsch. "A Conceptual Definition Of Direct Marketing". *Journal of Direct Marketing* 6.2 (1992): 7-17. Web Available at <http://migmar.com/conceptualdef.pdf>

"BORJOMI". *BORJOMI.com*. N.p., 2016. Web. 2 Apr. 2016. Abaliable at: [http://www.BORJOMI.com/int\\_en/](http://www.BORJOMI.com/int_en/)

"BORJOMI: REBUILDING A BRAND ICON IN RUSSIA". *IMD - International Institute for Management Development, Lausanne, Switzerland* (2006): n. pag. Web. 2 Apr. 2016. Available at: <https://ultrasecret.files.wordpress.com/2013/01/BORJOMI-case-draft-240406.pdf>

FOURNIER, Susan, Michael BREAZEALE a Jill AVERY. Strong brands, strong relationships. First published. Abingdon, Oxon: Routledge, Taylor & Francis Group, 2015, xxxix, 435 stran. ISBN 978-1-138-78682-0.

"GEORGIA COUNTRY BRIEF", *Department of Foreign Affairs and Trade*. N.p., 2016. Online. 2 Apr. 2016. Available at <http://dfat.gov.au/geo/georgia/pages/georgia-country-brief.aspx>

HILL, Mark E. Marketing strategy: the thinking involved. Thousand Oaks, Calif.: SAGE Publications, c2013, xxiv, 335 s. ISBN 978-1-4129-8730-1.

ILIN, V.I. "Поведение Потребителей". *Marketing.spb.ru*. N.p., 2016. Web. 12 Apr. 2016. Available at : <http://www.marketing.spb.ru/read/m7/index.htm>

KELLER, Kevin Lane. Strategic brand management: building, measuring, and managing brand equity. 4th ed., global ed. Harlow: Pearson, c2013, 590 s. ISBN 978-0-273-77941-4.

MANAGEMENT STUDY GUIDE, "Marketing Communications - Meaning and Its Process". *Managementstudyguide.com*. N.p., 2016. Web. 2 Apr. 2016. Available at: <http://www.managementstudyguide.com/marketing-communications.htm>

MARKETING, 6P. "7 Steps To Develop An Effective Marketing Communications Strategy // 6P Marketing In Winnipeg, Manitoba". *6pmarketing.com*. N.p., 2014. Web. 2 Apr. 2016. Available at <http://www.6pmarketing.com/articles/branding-science/72-marketing-strategy/359-7-steps-to-develop-an-effective-marketing-communications-strategy>

"NABEGLAVI". *Nabeghlavi.ge*. N.p., 2014. Web. 2 Apr. 2016. Available at: <http://nabeghlavi.ge/?lang=en>

"NATO PA - 170 ESCEW 07 E Rev 2 - ECONOMIC AND POLITICAL TRANSITION IN GEORGIA". *Nato-pa.int*. N.p., 2016. Web. 2 Apr. 2016. Available at: <http://www.nato-pa.int/default.asp?SHORTCUT=1171>

ONLINE SALES PLAN"Online Sales Plan | Selling Online". *Northcarolinadeportal.com*. N.p., 2016. Web. 2 Apr. 2016. Available at: <http://northcarolinadeportal.com/sellingonline/online-sales-plan/#typical>

PERREAULT, William D, Joseph P CANNON a E MCCARTHY. Essentials of marketing: a marketing strategy planning approach. Fourteenth edition. New York: McGraw-Hill Education, 2015, xliii, 717 stran. ISBN 978-1-259-25163-4.

POSTAL TECHNOLOGY INTERNATIONAL, "Delivery Problems Convince 87 Percent Of Online Shoppers To Switch". *Postaltechnologyinternational.com*. N.p., 2016. Web. 2 Apr. 2016. Available at: <http://www.postaltechnologyinternational.com/news.php?NewsID=39714>

"SAIRME". *Sairme*. N.p., 2016. Web. 2 Apr. 2016. Available at : <http://sairme.co/>

SHANKAR, Venkatesh a Gregory S CARPENTER. Handbook of marketing strategy. Cheltenham: Edward Elgar, c2012, 1 online zdroj (xxi, 504 s.). ISBN 978-1-78100-522-4.

"THE 8 BASIC PROCESS OF MARKETING COMMUNICATION IN INTERNATIONAL PROMOTION". YourArticleLibrary.com: The Next Generation Li-

brary. N.p., 2013. Online. 2 Apr. 2016. Available at <http://www.yourarticlelibrary.com/international-marketing/the-8-basic-process-of-marketing-communication-in-international-promotion/5948/>

TSITSISHVILI, OLIKO. "Borjomi". *ekofacten*. N.p., 2012. Web. 16 Apr. 2016. Available at: <https://ekofacten.wordpress.com/2012/12/22/borjomi/>

"WHAT IS MARKETING COMMUNICATION STRATEGY?" *Smallbusiness.chron.com*. N.p., 2016. Web. 2 Apr. 2016. Available at: <http://smallbusiness.chron.com/marketing-communication-strategy-3442.html>

## **LIST OF ABBREVIATIONS**

**LTD** – Public Limited Company

**USD** - American currency Dollar.

**GEL** - Georgian national currency Lari.

**IMC**- Integrated Marketing communication

**ICS** - Commonwealth of Independent States, post soviet organization

**CRM** - Customer relationship management

**IFE** - Internal Factors evaluation

**EFE** - External Factors evaluation

**MarCom** – Marketing Communication

## **LIST OF FIGURES**

*FIGURE 1: TRADITIONAL COMMUNICATION PROCESS*

*FIGURE 2: MARKETING COMMUNICATION PROCESS*

*FIGURE 3: MARKETING COMMUNICATION MIX*

*FIGURE 4: DIFFERENT TYPES OF ADVERTISING OVER ADOPTION PROCESS STAGE.*

*FIGURE 5: SALES PROMOTION ACTIVITIES*

*FIGURE 6: EFFECT OF SALES PROMOTION ON SALES OVER TIME*

*FIGURE 7: TOP TRADING PARTNERS BY EXPORT*

*FIGURE 8: SHARE OF MAJOR COMMODITY GROUPS BY EXPORTS IN 2014*

*FIGURE 9: MINERAL WATER EXPORT THSD. USD*

*FIGURE 10: SPACE MATRIX*

**LIST OF TABLES****Table 1: GDP Georgia****Table 2: Benchmarking – Product****Table 3: Benchmarking - Price****Table 4: Benchmarking - Place****Table 5: Benchmarking- Promotion****Table 6: Benchmarking analysis - Comparison of given grades****Table 7: IFE****Table 8: EFE****Table 9: Advertising – Brochures Time and Cost****Table 10: Advertising - FACEBOOK Time and Cost****Table 11: Advertising- Day Show Time and Cost****Table 12: Sales Promotion Time and Cost****Table 13: Website Time and Cost****Table 14: International Online Sales Time and Cost****Table 15: Time Table****Table 16: Advertising Detailed Budget****Table 17: Sales Promotion Detailed Budget****Table 18: International Online Sales Detailed Budget**



## **LIST OF PICTURES**

*Picture 1 – BORJOMI Packaging*

*Picture 2 – First Billboard of BORJOMI*

*Picture 3 –CPM analysis*

*Picture 4 -CPM analysis Result*

*Picture 5 -CPM analysis Result*

## **APPENDICES**

**APPENDIX 1 – CPM Analysis**

**APPENDIX 2 – CPM Analysis**

**APPENDIX 3 – BORJOMI Bottle**

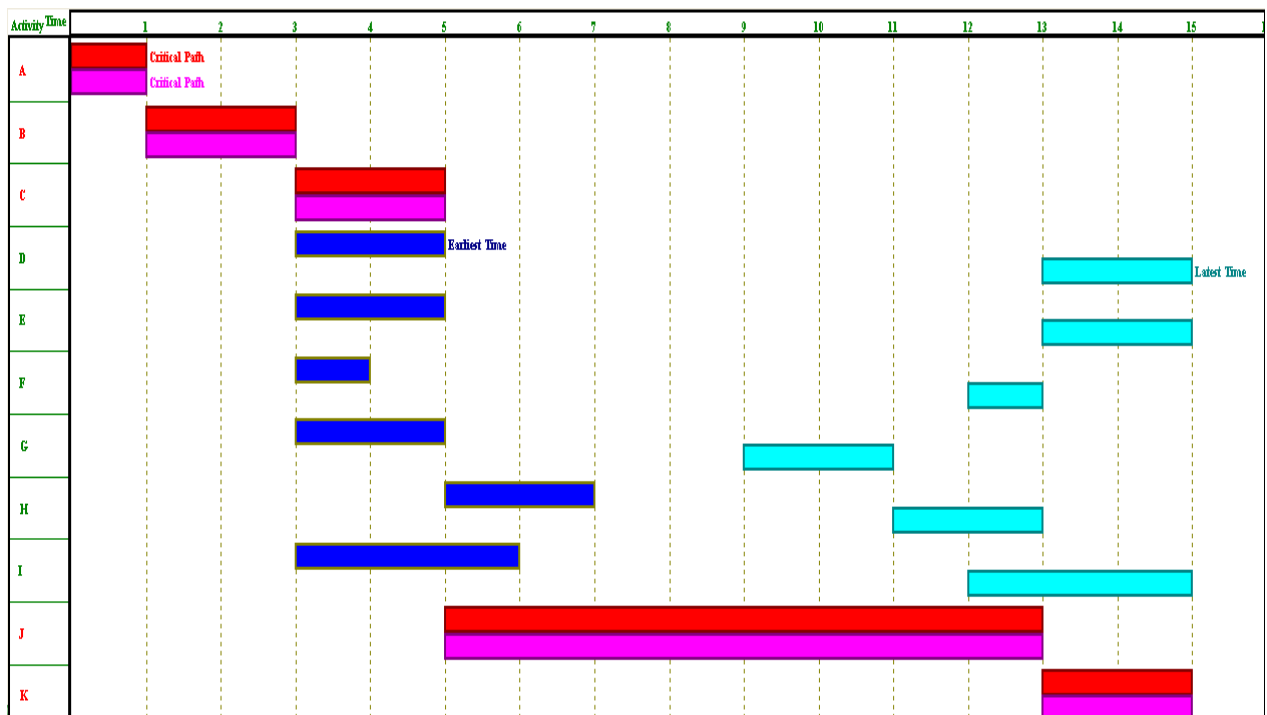
**APPENDIX 4 – BORJOMI Bottle**

**APPENDIX 5 – BORJOMI Logo**

APPENDIX 1 – CPM Analysis

04-02-2016 15:30:13	Activity Name	On Critical Path	Activity Time	Earliest Start	Earliest Finish	Latest Start	Latest Finish	Slack (LS-ES)
1	A	Yes	1	0	1	0	1	0
2	B	Yes	2	1	3	1	3	0
3	C	Yes	2	3	5	3	5	0
4	D	no	2	3	5	13	15	10
5	E	no	2	3	5	13	15	10
6	F	no	1	3	4	12	13	9
7	G	no	2	3	5	9	11	6
8	H	no	2	5	7	11	13	6
9	I	no	3	3	6	12	15	9
10	J	Yes	8	5	13	5	13	0
11	K	Yes	2	13	15	13	15	0
	Project Completion Time		=		15	weeks		
	Number of Critical Path(s)		=		1			

APPENDIX 2 – CPM Analysis



APPENDIX 3 – BORJOMI Bottle



**APPENDIX 4 – BORJOMI Bottle**



APPENDIX 5 – BORJOMI Logo

