



# **Basic marketing communication tools and their role in the entertainment industry**

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## **ABSTRACT**

The recent years, the entertainment industry of Azerbaijan has improved significantly, hence there are many organizations in this sector that offer their goods and service to the public. Due to the high number of organizations, the competition has always high level between them. All companies desire to win competition in the market, thus this give competitive advantage over other organizations. The marketing communication tool is useful device to gaining competition and the importance of them has risen in our entertainment industry. The competition is being most hard for companies without the role of marketing communications, therefore they try to find most effective communication method and suitable marketing strategy. So that, every companies want to correctly organize their activities and make a research in the market for developing them. My dissertation has written to investigate the marketing communication tools and their role in entertainment industry. In Azerbaijan, their role has increased more and all organizations have own marketing strategy, therefore this contribute them for increasing sales, reputation, gaining more consumers in the market and to win competition.

## **INTRODUCTION**

Many believe that marketing is just advertising and sales. However, advertising and sales are part of marketing. They are two integral components of marketing. While marketing is Marketing is a bigger concept than advertising and sales. The marketing is a process of predicting the needs of potential buyers and meeting these needs by offering relevant products. In our country, the market economy has developed after being independence from Soviet Union and it caused to establishing numerous organizations, thus it create the demand for the improvement of marketing activities in the our market. Due to Azerbaijan is post-soviet country, marketing is new for our companies, while they should focus more on the marketing strategy in the market. The main task of marketing is to understand the needs and requirements of each market and select those that their company can service better than others. This will allow the company to produce higher quality goods and thereby increase sales and increase its revenues by better meeting the needs of target customers. The object of marketing is to attract new consumers, promising them the highest customer value , and retain old customers, constantly meeting their changing needs. Therefore, it is essential element to gain competition in every industry sector no matter service of manufacturing sector. The recent years, the service industry has improved significantly and their share has increased in the GDP. The entertainment sector is also significant part of service industry and it is a special kind of leisure activity, which involves the physical, emotional or intellectual activity of the subject, aimed at obtaining pleasure and impressions. The entertainment industry is also crucial for the economies of most countries. Nowadays, the share of this industry sector has improved significantly in the GDP, so that due to a study by the international auditing company PricewaterhouseCoopers ( PwC), the volume of the global entertainment and media market was \$ 1.7 trillion between 2014-2018 years and it will increase by an average of 5% per year over the next five years according to prediction. The improving potential of entertainment industry cause to

develop GDP, this industry has become essential for our country since there are so many numbers of leisure and recreation centers in Azerbaijan. Due to increasing the number of them, the competition has been severe between them. In that cases, the most organization prefer to use marketing communication tools to gain reputation and increase sales for them, thus it is inseparable part of this industry sector. They need to prepare effective marketing strategy to reach higher volume of consumers that this causes to gain more profit and increase sales. Hence, Marketers who work in the entertainment industry, need to create a differentiated offer for visitors to visit the center, which is able to meet their needs and expectations.

**The object of research:** The major object of my dissertation to explore the role of marketing elements in the Azerbaijan entertainment sector and to find methods or ways to increase effectiveness of them. Therefore, for reaching my goal, I explored followings;

- Theoretical and methodological understanding of marketing and its role in the entertainment sector. An identification the methods of optimizing marketing strategies in the entertainment companies.

- Impact marketing communications for gaining competition in the marketplace.

- The global marketing expenses in entertainment market and which marketing tools are most effective for them.

- The power of integrated marketing communications to increase effectiveness in the entertainment market and evaluate the effectiveness of them.

**The method of research:** In order to find most effective way to reach consumer I made a survey among consumers and analyze their preference and which marketing tools has more influence on them. Apart from that, SWOT analyze and Porter's 5 Forces methods are another side of my research project to evaluate effect of environment to the entertainment companies.

**The practical value:** Due to the given data, the reader can find beneficial information to improve marketing strategy in the market. I analyzed the effectiveness of marketing communication tools in entertainment sector both buyers and organization in my dissertation. Thus, they find information about efficiency of marketing communication tools, which promotion tools is attract more consumer, the strength or weaknesses of companies.

# **I. LITERATURE REVIEW**

## **1.1 Theoretical and methodological approaches to the definition of marketing communications**

What is the definition of marketing? The majority of people consider that marketing only for selling and advertising because every day we are faced with so many television advertising, newspaper ads, direct mail, online ads and sales calls. Although they are crucial, they are only one part of many marketing functions and are often not the most essential ones.

Nowadays, marketing should not understood making a sale since selling occurs only after a product is produced. In contrast, marketing commences long before an organization has a product. Marketing is the process that determining consumers and social needs. Marketing is not only a social process it is also a managerial process which groups and individuals acquire what they need and want through establishing and trading products. To explain meaning of this, we assess the following necessary terms: wants, needs, goods and service, customer satisfaction, quality, value and market.

There are two definitions of marketing that used more:

*Marketing is the process of management which anticipates, identifies, and supplies buyer requirements profitably and efficiently. (UK Chartered Institute of Marketing). [6]*

Marketing is the process of designing, pricing, promoting and distributing ideas, products and services to create exchange and meet individual and organizational goals. [6]

Marketing is the discipline of business that regard with sending messages to the market about brands and their companies. Apart from this, marketing utilizes some



tools to communicate with their consumer, thus these called tools of marketing communication. Definition of marketing communication is the sharing of information, meanings and concepts about goods and services as well as organization that sell them.

A more detailed definition for marketing communication is targeted interaction with consumers and prospects utilizing newspapers, media, television, and radio, magazines billboard or poster, direct mail and also the internet. Marketing communication is the part of marketing mix, hence determines the 4 Ps of marketing, place, product, price, and promotion. *According to Chris Fill*, the needs of information processing and behavior, in addition the style of target audience should be based on marketing communication mix. [4]

Due to Philip Kotler and Armstrong, marketing communication is the key to building a profitable relationship between retailers, customers and other stakeholders. [12]

There are two main factors that are changing the world of marketing communications today. First, due to the fragmentation of sales markets, companies are increasingly using mass marketing. Increasingly, they are developing well-focused marketing programs, through which it is possible to forge closer ties with buyers of specific micro-markets. Secondly, the transition to segmented marketing is accelerated as a result of the rapid development of computer and information technology. Modern information technologies allow companies to respond very quickly to changes in consumer demand. Information about the requests and preferences of customers today is much more accessible than ever. The communicative process in marketing is an interactive dialogue between companies and their consumers, which is carried out at the preparatory stage for the sale, the sale itself, the purchase of goods and the further disposal of them.

Marketing communications process give information about a product to a target segment. It is a two-way process: on the one hand, it is intended to act on target audiences, and on the other hand, to obtain counter information about the reaction of these audiences to the action performed by the company. Both of these components are equally important, their unity provides a basis to speak of marketing communication as a system. Marketing communications are a concept according to which an organization cautiously thinks over and coordinates the work of its own numerous communication channels to develop an accurate, consistent and convincing picture of the firm and its goods. Marketing communications involves identifying the target consumers and developing a carefully coordinated promotion program to get the desired customer response. Marketing communications are directed at solving acute problems of the target market related to consumer awareness, company style or consumer preferences. This approach to the transfer of information limits the process in time and makes it too costly; Apart from the fact that most of the marketing messages are not transmitted to those who need it. Since all consumers are different, the company is obliged to develop separate communication programs for each of the market segments, for each segment niche and even for each individual buyer. Marketing communications are carried out to strengthen customer commitment to the company and to the product.

Marketing communication tools are utilized to promote a company's goods and services. There are various types of marketing communication tools such as advertising, public relation, sales promotion, direct mail and personal selling. Most companies prefer a combination of these tools.

### **Advertising**

Advertising is one of the most essential forms of marketing communication tools. The role of advertising in marketing communications campaigns is vital. Advertising can reach massive audiences with an easy way that it ensures

opportunities to let buyers to understand what a product is, what its major function is and how it deals with the other similar goods. This is the key to communication with specific consumers for using advertising. These audiences may be customer or organization based, while wherever they are located, the primary goal is to establish or keep awareness of a product or an organization.

*Richards and Curran (2002) found difference in the way advertising was identified by authors of difference textbooks. They noted that most definitions utilize the similar or same words. These keywords were non-personal, paid, media, identified sponsors, and beliefs or impact. This gave them the opportunity to propose a definition that contains a general consensus on the essence of these words. They called it the current definition:*

*Advertising is a non-personal, paid communication from a recognized sponsor, using media to persuade or impact a consumer.*

*Richards and Curran (2002) searched to develop a more comprehensive definition for advertising for using a Delphi research approach. After much argument and re-evaluation of the wording and problems, an agreement created the following proposed definition:*

*Advertising is a paid, mediated communication from a source that can be identified and designed to persuade the recipient to take certain measures, now or in future. [3, p.362]*

Advertising and promotion are the main part of our economic and social systems. In the complex society, advertising has developed into an important communications system for both customers and businesses. The capability of advertising methods to deliver messages to target audiences has given them an essential role in the marketing programs of most organizations. Companies ranging from huge multinational corporations to small-scale retailers increasingly rely on

advertising and promotion to help them market goods and services. In market economies, consumers have learned to rely on advertising and other promotion forms for information they can use in making purchase decisions.

The essential roles of advertising are also to create awareness, induce engagement and to reposition brands, by altering either perception or attitudes. The regular use of advertising, in organization with the other types of the communication mix, can be necessary to the creation and maintenance of a brand personality. Really, advertising has a significant role for the companies to the development of competitive advantage. In some customer markets, advertising is a dominant. Many people feel that some brands maintain their huge market share with a weight of advertising campaign, for example, the washing powder brands of Procter & Gamble and Unilever.

Advertising is always present, however people may not be aware of it. In today's world, advertising uses every possible media. It does this by television, print (such as magazines, newspapers and so on), internet, radio, direct selling, mailers, contests, sponsorships, posters, events, colors sounds, visuals and even people (endorsements). Radio and television have long been advertising staples, together with newspapers, billboards and magazines. Nowadays, internet advertisements, social networks, and mobile phone apps help more to contact and interact with customers.

### **Direct Marketing**

Direct marketing are a tool of marketing communications, it is based on direct personal communication with the consumer, building relationships with a view to profit. It is an interactive marketing instrument that utilizes more advertising means at every location to affect a measurable response and/or transaction. It differs considerably from other marketing tools.

Organizations that use direct marketing are turning directly to buyers, not resellers and retailers, to distribute goods. Some direct marketing organizations have retail stores, but these outlets are only a small part of their business. Direct marketing are intended to cause a response, and not just to inform about the product or to strengthen the company's image and it usually uses direct response advertising designed to motivate buyers to respond quickly - through an order or request additional information.

*The Association of Direct Marketing in U.S.A has identified direct marketing: Direct marketing is an interactive marketing system that requires one or more advertising media to influence a measurable reaction and/or transaction at every place with this movement being contained on the database. [13, p.270]*

Direct response advertising is directly connected to the consumer through special means of communication, and not through the media. Examples of such means include: direct mail advertising, advertising in catalogs, telephone advertising, direct response, internet marketing, television advertising and face-to-face selling, using computer communication tools as a communication channel.

Direct mail is the most famous kind of direct marketing. Direct mail attains both customers and business-to-business consumers. Telemarketing is other important type of direct marketing, includes making outbound calls from telephone salesman and using inbound orders, inquiries and complaints from present or prospective customers. Direct selling use salespeople (for example, Avon, Amway, Mary Kay, and Tupperware representatives) to sell directly to the final consumer.

### **Public Relation**

Public relations is a special managerial marketing function that helps to establish and maintain close communication, understanding and cooperation between an organization, a brand, a person, and the associated public. There are some definitions about public relation:

*“Public relations is the attempt by information persuasion and adjustment to engineer public support for an activity, cause, movement or institution.” – Edward L. Bernays. [1, p.11]*

Public Relations are long-term, planned efforts that are aimed at creating and maintaining mutual understanding and friendly relations between the organization and the public (potentially interested parties in the product or service of this organization). The goal of PR is to promote and protect the image (image, prestige) of a company, brand or person. In general, public relation is focused on opinion of public, whereas the goal of marketing is sales and the market. Thanks to marketing, the organization’s management can make a response to the questions: when, what and to whom to sell or what are prices.

Mission of public relations is establishing relationships between the firm and society. Trade associations have utilized PR to reconstruct interest in declining goods, such as eggs, apples, tomatoes, and milk. Government organizations use also PR to create awareness. For example, the NHLBI (National Heart, Blood Institute) and Lung of the National Institutes of Health sponsor a long-running PR campaign that builds awareness of heart illness in women.

Public relations can have a big influence on public awareness at a lower cost than advertising campaign. The firm does not pay for the time or space in the media. It pays for a staff to develop and circulate manage events and information. PR utilizes some tools. One of them is *news*. PR professionals discover or establish positive news about the business and its people or products. Sometimes news stories happen naturally, while sometimes the PR individual can suggest incidents that would establish news. *Speeches* can also generate goods and company publicity. Another PR instrument is *special events*, ranging from press tours, news conferences, grand openings, and fireworks demonstrate to laser light shows, educational programs, multimedia presentations, or air balloon releases designed to attain and interest target

segments. Public relations people also create *written materials* to affect and reach their target markets. These kinds of material are annual reports, articles, brochures, and company magazines and newsletters. *Audiovisual materials* include slide-and-sound programs, online videos, and DVDs are being utilized more as communication tools.

Companies utilize PR to create good relationships with customers, media, the investors, and their communities. Companies use public relations to communicate with their target segment by setting PR objectives, selecting PR vehicles and messages, implementing the PR plan, and assessing PR results. The Web has also become an increasingly essential PR channel, as Web sites, social networks, and blogs are providing interesting new ways to reach more people.

Companies have PR departments that they may perform the following functions:

- *Press agency or Press relations*: Establishing and placing newsworthy data in the news media to attract consumer's attention for commodities, or service.
- *Product publicity*: Promoting particular goods.
- *Public affairs*: Creating and keeping local or national public relationships.
- *Lobbying*: Establishing and maintaining relationships with government officials and legislators to impact regulation and legislation.
- *Investor relations*: Preserving connections with shareholders and other individuals or organizations in the financial community.
- *Development*: Working with members or donors of nonprofit organizations to obtain volunteer or financial support.

### **Sales Promotion**

**Sales promotion** are methods of influencing the consumers, encouraging them to purchase goods. As a rule, sales promotion is short-term and episodic in nature,

the main difference from other elements is its focus on encouraging the purchase of goods, which gives a high probability of a consumer response.

*'Sales promotion consists of a varied, mostly short-term, set of incentive instruments to boost the rapid and/or larger purchase of certain goods and services by consumers or trade, ' Philip Kotler says. [17]*

The major task of sales promotion is willing to the target segment to behave in a specific way, often to buy a product and service. Moreover, sales promotion - a set of marketing activities designed to facilitate the sale of goods to the buyer. A characteristic feature of these events is that they are held either directly or in other ways connected with points of sale (shops, trading floors of firms selling goods) - this is the fundamental difference between sales promotion and advertising.

*As per W J Stanton (Trehan, 2011): 'Sales promotion contains all those activities other than public relations, personal selling, advertising, publicity that are intended to stimulate customer demand and improve the marketing performance of sellers'. [11]*

Sales promotion is carried out both towards consumer (consumer promotion), and toward trade distribution network (trade promotion), in respect of participants in the transaction for the sale of goods / services (wholesaler, retail buyer).

Sales promotion gives additional value to consumers, as an inducement to create an immediate sale. These encouragements can be directed at buyers, agents, distributors and members of the sales force. All of network participants can advantage from the usage of sales promotion. This promotional instrument is referred to as a form of below-the-line communication because, in contrast advertising, has not commission payments from media holders with this type of communication. Sales promotions have a large number of tools and methods. In many cases, price is the determinant variable and can be used to distinguish between instruments. Sales pr



omotions are often recognized merely as a price discounting method through the use of coupons and price deals. This, although, is not the whole range, because there are so many ways in which incentives can be offered to consumers. Peattie and Peattie (1994) created a beneficial way of discriminating between price and non-price sales promotion tools. These instruments refer to sales promotions that are value increasing and sales promotions that are value adding. Price incentive methods, despite the use of various techniques associated with lower prices for goods. Non-price methods have in their arsenal a variety of forms: natural (premium), active offer and service.

Price methods of sales promotion:

- Different types of discounts on goods (fixed discount, bonus to certain groups of consumers, a discount on the additionally acquired quantity of goods, association in the sale of complementary goods, etc.);
- Coupon distribution;
- Price reduction with deferment of discounts, i.e. the provision of discounts is expected after the purchase.

Non-price methods include:

- Various types of premiums (premium may be in the form of gifts, souvenirs, samples of goods, various actions at points of sale);
- "Active offer" (distribution of leaflets, contests, mass entertainment events, lotteries, lotto, etc.);
- Service (discount cards, service centers, warranty service, product delivery or packaging services, etc.).

## **Personal selling**

This kind of marketing communication entails a face-to-face dialogue between two individuals or by one person and a group. Message flexibility is an essential process, since it is the immediate feedback that often flows from use of this promotional tool.

*In contrast with the mass impersonal communication of sales promotion, advertising or other promotional instruments, "personal sales, according to W.J.Stanton, consist of individual, personal communication." [28]*

*"Personal sales are a larger term and include an oral presentation in a discussion with one or more prospective customers with the goal of making sales." Philip Kotler says. [17]*

The traditional view of personal selling is one that embraces the hard sell, with a brash and persistent salesman delivering a volley of unrelenting, persuasive messages at a confused and reluctant consumer. Fortunately, this image is retreating quickly as the professionalism and breadth of personal selling is more largely recognized and as the role of personal selling becomes even more vital in the communications mix. Personal selling activities can be observed at different steps in the purchasing process of both the consumer and business-to-business markets. This is because the potency of personal selling is so high, and messages can be adapted on the spot to meet the requirements of both parties.

### **Types of personal selling**

There are various kinds of personal selling and all of them is given below:

#### **1. Intermediaries**

This entails selling offerings onward through a special channel network to other resellers. They in turn will sell the offering to other members who are closer to the final-user. For instance, computer manufacturers have traditionally distributed their goods through a combination of direct selling to main accounts and through a restricted number of dealers, or value-added resellers. These resellers then market

the commodities (and bundle software) to their consumers and potential customer companies.

### *2. Industrial*

Here the major type of selling consists of business-to-business marketing and requires the selling of elements and parts to others for assembly or incorporation within wider offerings.

Goodman produces car radio systems and sells them to Ford, which then builds them into its cars as piece of the final product offering.

### *3. Professional*

This kind of selling process requires offerings and ideas to be advanced to influencers and specifiers. They will in turn incorporate the offering within the project(s) they are developing.

For instance, a salesman could approach an architect to persuade them to include the alarm system created by the salesperson's companies within the plans for a building that the architect has been commissioned to design.

### *4. Consumer*

This type of personal selling requires communication with the retail trade and/or the final-user customer.

### **Advantages of Personal Selling**

-The major power of personal selling is flexibility. Salesperson can modify their presentations to appropriate the needs, behaviors, and motive of individual customers.

-Personal selling also decline waste effort. Advertisers usually spend money and time to reach more group of people, thus to send a mass message about goods. In personal selling, the force of sales identifies the target marketplace, expends effort, and makes a contact that has a high chance of leading to a sale.

- Another benefit of personal sales is that evaluating the usefulness and estimating the return on investments are much easier for personal sales than other marketing communication tools, where reclamation or revision of attitudes is often the only measurable influence.

-The subsequently advantage of personal selling is that a salespeople is in an excellent position to encourage the consumer to act. Sales people can also offer more particular reasons to persuade a customer to purchase.

-A final power of this marketing tool is the numerous tasks that it performs. For example, addition selling, a sales person can collect repair products or payment service, collect product, and return products and marketing information. Indeed, sales people are frequently best for spreading positive and negative word-of-mouth information about product or service.

### **Disadvantages of Personal Selling**

-Principal weakness of personal selling is high cost. Many businesses try to control sales expenditure by only means of commission-based pay compensation members, thus ensuring salesman is only paid if sales are generated. Consequently, a salesperson only with commissions can become risky and call only customers with the largest possible return. These sellers may miss the opportunity to improve a huge base of potential customers that will be able to generate higher long-term sales revenues. Industries can also reduce their sales costs by using extra methods such as direct e-mail, telemarketing, interchange, online communications and free numbers.

-Other drawback of personal selling is the issue of finding and recollecting high quality persons.

- Another weakness of personal sales is lack of consistency messages. Many customers choose their own sales techniques unbiased from the businesses, use their own message methods and engage in questionable sales.

-A final disadvantage is that members of sales force have various stages of motivation. The willingness of sellers to make favorite sales calls on a daily basis may differ; to make services that do not directly lead to sales; or to use new technologies such as email, laptop, or a company's website.

## **1.2. Features of the use of marketing communications tools in the entertainment industry**

Marketing strategies and techniques are used in different industries. Due to the fact that entertainment enterprises are a specific type of activity and they belong to the service sector, their management therefore involves the use of specific marketing tools. Despite the importance of developing marketing tools, the problem of developing such is complicated by the uncertainty in the field of management and marketing of services in general. The entertainment industry has a number of distinctive features that determine the specificity of marketing tools. The peculiarity of using marketing tools in managing entertainment objects is determined by the specifics of entertainment and the product it offers. The product of the entertainment industry as a whole is an impression created by offering different ways and forms of entertainment. The complex product structure of entertainment infrastructure is a feature of the entertainment industry, which determines the specifics of marketing tools. The need for entertainment appears immediately after the satisfaction of primary needs. The practice of creating special conditions for organizing entertainment processes has led to the emergence of a fairly powerful entertainment industry, which in its present form has developed by the end of the 20th century. Around the world, the entertainment industry is a very profitable business. It includes

the film industry, show programs, sports and entertainment events, music festivals, entertainment centers, discos, bowling clubs, golf clubs, billiards, rides, water parks, night clubs, as well as the Internet, television and other distribution channels information. Movie studios, performers and musicians can reach audiences on the Internet, providing buyers with more alternatives for entertainment and control over it. Entertainment industry entails more activity that provides the people with relaxation and pleasure during leisure time. Some of these activities include drama, attending theater and attending sports, opera, watching television, stage performance event and playing different board games or video games. In 2016, the Media & Entertainment (M&E) market attained \$1.9 trillion in revenues, due to the Entertainment & Media Outlook by PricewaterhouseCoppers (PwC) in 2016- 2020. In 2016, China (\$190 billion) was the second developed market after the United States (\$712 billion) in this sector, Japan was the third place with \$157 billion revenues, Germany (\$97 billion) and the United Kingdom (\$96 billion) shared fourth and fifth places. In contrast, M&E markets of Latin American accounted for \$96 billion in 2016. M&E market in The U.S, will represents a third of the global market and will attain about \$771 billion by the end of 2019, will increase 8.6 percent from 2016.

Marketing communication tools are essential for every company for transmitting information about a product to the target consumers. The target audience is a group of individuals who receive marketing messages and have the opportunity to respond to them. Marketing communications are designed by companies to give target audiences an idea of the company's general marketing strategy by sending them special messages about the product, its price and methods of sale. In our market, most companies use some marketing tools which convenient with their strategy. Nowadays, promotion of goods and services turns into continuous communication with the consumers in order to win the war with competitors, companies, which are

the main means of attracting customers. This concept is becoming increasingly wide and comprehensive in Azerbaijan market.

The promotion of goods on this market is impossible without establishing a connection between the manufacturer and the buyers, marketing communications arise to ensure the effective satisfaction of the needs of the consumer with the help of the goods. Under them refers to informing the potential audience about the benefits and features of the product. This concept includes the whole process from product development to the design of points of sale and the formulation of an advertising proposal, including the study of the market and the target segment, their requirements and needs.

The various forms of marketing communications help to achieve the following goals:

- bringing information about the product, its features, and advantages to the potential buyer;

- the formation and maintenance of a positive image of the goods from consumers;

- creating customer loyalty to the product, maintaining confidence in the product;

- formation of steady demand for the goods;

- detuning from competitors in the perception of the consumer;

- creating strong associations of the name and logo with the properties of the goods.

There are wide ranges of marketing communication tools, thus they are responsible for the commercial success of companies, and these tools are only expanding and becoming more complex.

Ways of marketing communications - means and ways of communication in marketing:

- the product itself, its labeling and its packaging;
- advertising (direct and not direct);
- public relations (PR);
- branding;
- sponsorship;
- loyalty programs;
- direct marketing;
- personal selling;
- trade marketing;
- after sales service.
- shopping, dealer communities and clubs;
- events (exhibitions, seminars, conferences, round tables, etc.).
- digital marketing
- partnership marketing

While in our entertainment market, organizations use some of them such as digital marketing, direct marketing, sponsorship, partnership and advertising to promote themselves and increase awareness among consumers.

One of the most preferable tools in entertainment industry of Azerbaijan is digital marketing. As a result of the increased availability of the Internet and the rapid growth of the smart device market, consumers around the world are gaining greater access to entertainment and media content. For five years, the cost of traditional (non-digital) media will continue to dominate the industry's global spending, but digital media will be the main driver of revenue growth in the industry.

Over the world, the share of digital content in consumer spending has increased by 2017 to 16% compared with 9% in 2012. Digital advertising expense has increased in USA too since 2016 according to The Statistics Portal. The source forecasts that the US entertainment industry will allocate 6.64 billion US dollars for



digital advertising during this year compared to 5.45 billion in 2018. Therefore, it can be define digital advertising cost has rose continuously from 2016 to 2019 and this is proof that this marketing tool is essential element for entertainment industry. Additionally, according to PwC prediction, the U.S. continues to become dominant country in terms of the global Internet advertising market, with total revenue accounted for \$88 billion in 2017. The report estimates that the market will continue to growth over 5 years the period, it will attain \$127.4 billion. Digital marketing provides the great opportunity for executive marketers in entertainment industry. In the entertainment industry, digital marketing is useful for interpreting and collecting data and also with digital marketing, entertainment executives can receive the complete picture on any marketing initiative and regulate their strategies consistently. With utilizing the internet power, drives the formation of demand, and satisfies this demand in innovative and new ways. Due to some factors, digital marketing has become important communication tools in the world, therefore today, our entertainment market utilize this device more than others.

-It is quite low cost. The price of advertising in the Internet lower than television.it is also significantly cheaper than producing any other advertisement. Digital Marketing provides a more affordable option than the traditional method.

-Easy to share. In our market, entertainment industry use digital marketing channels because sharing capabilities of it are more effective which it allow companies to reach multiple consumers. This helps to create a consumer traffic and increase sale.

- High quality contact is another advantage side of digital marketing too.

- Easy entrance to get more data. They can make feedback at any time.

-Brand development. Entertainment enterprises can usage their digital platforms to establish their company's brand and reputation. A website and social media enable firms to build their reputation.

- It helps reach their consumers at the right time. Thus, if organization which engaged in entertainment sector use newspaper or billboard then people can only see these ads at certain times. But with digital marketing, organization facilitates it, thus they can easily reach to people who saw their Google ads and also receive feedback from customers by Facebook with comments or messages. They can construct an effective consumer cycle which is appropriate for their sector.

Apart from advantage side of this marketing tool, there are several drawback for organization which use digital marketing. Firstly, low security is one of the main disadvantages, therefore many companies face with this issue. Then ethical issues are another negative side regarding with social network since some people are not kind or noble on the internet and they can write frustrating messages, mail or comment. Additionally, on the Internet, there are a lot of unreal data and sharing it is not quite easy to find useful information for consumers.

Another main marketing communication tool in this market is advertising. Advertising is the oldest and most important tools of the marketing communications. Large quantities of money are spent on advertising by companies.

Entertainment offers an important media structure for advertisers from both entertainment and non-entertainment industries. Sports sponsorship, television ads, and film product placement is can be an example for them. Entertainment companies have become one of the most vital power in the global economy in terms of service-driven, growing at annual compound growth rate (CAGR) of 4.4% in nominal terms, thus it was \$1.72 trillion in 2015 and forecasted to reach \$2.14 trillion in 2020 (PwC’s Global Entertainment and Media Outlook 2016–2020). Due to the PwC’s research, Brazil, Pakistan, and Nigeria, entertainment and media expenditure is growing more rapidly than GDP.

**Table 1. Entertainment and media industrial statistics.**

	Amount	Unit	Data	Source
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Total US communications & media spending	1.455	Tril. US\$	2016	VSS
US advertising revenues (estimate)	179	Bil. US\$	2016	Magna
Global media suppliers advertising revenue (estimate)	480.9	Bil. US\$	2016	Magna
US magazine advertising revenues	8.3	Bil. US\$	2016	Magna
US newspaper advertising revenues	12.5	Bil. US\$	2016	Magna
Total daily newspapers, US	1,100		2016	PRE

*Notes: PRE, Plunkett Research Estimate; VSS, Veronis Suhler Stevenson; ; Magna, Magna Global (an Interpublic Group company)*

*Source: Plunkett Research, Ltd. Copyright 2017. All Rights Reserved.*

*\*Includes CDs, cassettes, LPs, digital albums. [14]*

According to this table, Total US communications & media spending was 1.455 Tril U.S dollars in 2016 and share of advertising revenues were more higher, thus US advertising revenues made up 176 Billion. US dollars due to Magna source, newspaper and magazine advertising revenues were 12.5 and 8.3 Billion. US dollars, these are proof that advertising role is more vital for entertainment industry and their expenses are increasing continuously. Apart from that, Broadcast TV advertising to increase at 2.8% due to PwC report says, thus it shows that the role of TV advertising is increasing significantly in entertainment industry. In 2020, USA expenditure in TV and video is forecasted to rise from \$121.4 billion to \$124.2 billion. And whereas internet ad is predicted to rise from \$59.6 billion in 2015 to \$93.5 billion in 2020, PwC assumes broadcast TV advertising growth grow at 2.8%, hitting \$70.4 billion in 2017. Globally, revenues of entertainment and media worldwide are estimated to growth by 4.4% over the next five years at compound growth rate annually, from \$1.7 trillion in 2015 to \$2.1 trillion in 2020. All of these data demonstrate that

advertising is the most vital communication tools for companies in entertainment sector to communicating with target audiences, based on its influence potential, thus it affects people, feel, think and attitude. In terms of total consumer spending and advertising expense, United States is the first place and will remain the largest market for the entertainment industry and media over the next five years. The United States is followed by Japan, China, Germany, the United Kingdom and France. The composition of the top six countries will remain stable, while Brazil will press Italy and South Korea and will become the seventh largest market. There are many strengths of advertising for organizations, thus it creates a set of controlled messages and also has the capability to expose large numbers of expectancy as a low per prospect expense. It assists to presell a goods and services and it can help to introduce a new product quickly. The main advantages of advertising are given below:

- Impact on a huge audience;

- Wide coverage of territories - advertisements on TV are watched in many cities and countries;

- Simultaneous effects of sound and image;

- High degree of memorability;

- Individual impact - when viewing advertising on television, the impression is made by the speaker's personal appeal to the viewer;

- The opportunity to improve the status of the company, because if an organization can afford to advertise on television, then it is worth something, while the major drawback of television ads are high price and the limited time to display of clips. Megafun Entertainment Center has used television ads in 2013, thus Megafun utilized celebrity in their advertising to gain popularity among our citizen and increase awareness of people about Megafun, therefore, these ad assists them to gain reputation.

Media advertising has been one of the most famous means of promotion in this industry, thus it is useful tools to reach great number of audiences with effective way. Nowadays, most companies spend the great quantity of money on advertising, relying on the different types of media out there to spread awareness about their goods and increase their sales. Social media play the crucial role to improve awareness and increase sale. Social Ads allows for a wide segmentation, this means if our organization are willing to sell their product, they can promote them for specific users due to their characteristics, such as sex, age, socioeconomic situation. These allow them to accurately define their target customers. Brand awareness is also increase by social media. Social media influence decision of people in the entertainment industry. Some of the survey have illustrates that 79% of audiences visit Facebook to watching TV or movies at the same time. In addition, 83% people use to tweet for showing the movies they watch. In the modern day, social media is essential since most of the people go to some entertainment activities such as films and other forms of entertainment by looking at the shared by their friends, co-workers and relatives. More comprehensively, information technology, social media, and Entertainment is connected each other as human beings is connected these all the time. Innovations in technology are more an impact on how people communicate with social media and entertainment. Nowadays, young generation is more connected with social media, thus entertainment industry use this communication tool to attain their target audience with most economical way. The present time, the majority of 18-34 age group are using social networks such as Twitter, Instagram and Facebook more often, therefore they are useful social network to promote services and products of entertainment enterprises. In 2016, Facebook generated revenue of \$ 6.8 billion from advertising, while Instagram and Twitter gained \$ 1.53 billion and \$ 545 million advertising revenues consistently. These indicators illustrates that they are most powerful social network for promoting. The

expense of Social Ads is low in contrast to other advertising type, therefore, a part of the budget could invest social ads, where organizations can receive tremendous results without to spend more money. During 2016-2019, it is expected that global budgets for promotion in social networks will increase to \$ 50 billion, which is 72% higher than the current figure. Today, according to Zenith Optimedia, global spending on advertising in social networks is estimated at \$ 29 billion, and their share in the total segment of online advertising - at 16%. In this year, it may already be 20%.The volume of video advertising on the Internet is growing at 18% per year. During this year, it will be \$ 35,400 million worldwide, which will be more than the amount spent on radio advertising (\$ 35 billion). In 2017, the advertising market as a whole will grow by 4.4%, which is similar to that of the year, and by 2020, spending on advertising in social networks will be equal to the budget for advertising in newspapers.

Entertainment industries prefer to use direct marketing more often in Azerbaijan market too and role of it is more important for organizations. Direct marketing helps entertainment organizations to contacting customers in a direct way. Thus, companies which using direct media such as mailings, telephone, catalogues, mobile applications, websites, brochures, and not through intermediaries such as retailers, dealers or sales staff. Direct marketing may be utilized as a direct sales channel that selling goods and services without face-to-face contact with intermediaries such as dealers, salespeople or retailers. The mail order business is the best example. Companies are closely monitoring their marketing offerings to meet the needs of the narrowest segment of consumers or even an individual customer. In addition to creating a brand and image, they are constantly striving to get a direct, fast and measurable customer response. Direct marketing is attractive to a lot of clients. Consumers can learn about the available goods and services without losing time waiting and meeting with sales agents. The main advantage of direct marketing is the

ability to choose the target audience. Of all the available means of informing people, direct mailing and telemarketing are the best way to carry out targeted selection. For example, television cannot achieve a high degree of selectivity. Radio is also a low-selective tool. Thus, direct mail allows them to receive a response within a few hours, thus it gives companies the opportunity to immediately check the offer and make sure of the response. Television sometimes also allows them to get a quick response, even within a few hours while advertising goes on, but a large volume of money and time is spent on its production.

In many organizations, the sponsorship share is still limited in the communications budget. Sponsorship is various from other communications tools. It is a flexible communication tool that can serve a multitude of goals, while it is more suited for several aims than for others. Sponsorship is more attractive in terms of financial. It can be defined a cheap kind of advertising. Sponsorship is also easy to understand for the buyer. Sponsorship is not similar with event marketing, which, in turn, is a form of PR activity. Certainly, sponsorship can be integrated into a PR campaign. Sponsor messages are often straightforward and finite to brand names or company. The message context may be necessary in how a message is comprehended. Importance of sponsorship is increasing, thus there are number of reasons for this. At first, traditional advertising on the mass media is becoming more expensive, increasingly annoying. Sponsorship separate the brand out of the competition and to get the message across at less expense, however some forecast that sponsorship clutter become equally widespread. Sponsorship can be utilized to gain corporate and marketing communications goals. There are several objectives of sponsorship for organization in our and world market.

- It assists to companies to increase public awareness and to promote corporate image.

- Build trade relations and indicate trade goodwill.

-Enhance employee relations and motivations, apart from that it increases media attention.

-Increase awareness with actual and potential customers.

-Sponsorship increases new product awareness.

Partnership marketing is another marketing communication that use in our market. Partnership marketing is a collaboration between two or more organizations with the assist of establishing a mutually useful marketing campaign which aids all partnership members meet their business goals. Partnership marketing is an effective in terms of cost for companies to increase customer acquisition, brand awareness, product distribution and ultimately grow. Entertainment companies promote their brand by working with another company, thus partnership marketing create a number of advantages.

One of the advantages is that marketing efforts of organization are cost-effective and efficient. It also helps companies to construct long term relations with their partners. Therefore, partnership marketing assists maintain and develop positive relationships between brands.

While, there are some drawback for this communication tool. One of them is the potential disagreements between businesses. This could occur if one party support marketing idea, while others is not willing to support it. Profit Sharing is another disadvantage side of partnership marketing. Some organizations agree to profit sharing, whereas some of them can create an issue for this.



## **II. RESEARCH AND ANALYSIS**

### **2.1. Overview of the entertainment industry of the Azerbaijan market**

Entertainment is a type of human behavior that helps people to relax and have fun. It is a type of activity that is aimed at meeting the inherent needs (in any sphere - physiological, emotional, intellectual or spiritual) and ensures the supply of additional energy, new impressions from outside.

The global entertainment industry accumulates billions of dollars and is a significant part of the economy of most countries. Despite the scale of the entertainment sector, the system of economic knowledge in this field of research is uncertain and ambiguous. Questions not only of management and marketing remain open - the conceptual apparatus and the basic theoretical positions of the studied area are not fully formed.

The purpose of this research is to form the main categories of the conceptual apparatus of the modern entertainment industry. The entertainment industry, in addition to concert halls, casinos, cinemas, includes parks, amusement rides, night clubs, Internet cafes, water parks, etc. , swimming pools, gyms, etc.). Some cultural enterprises (libraries, museums, exhibitions) may also be associated with entertainment.

*Pricewaterhouse Coopers defines the concept of “entertainment industry” as follows: “... The concept of the entertainment industry includes any copyrighted activity related to film business, music, television, literature, production of computer programs, video and audio materials, as well as companies associated with their delivery and sales. ”[34]*

It is well known that entertainment directly affects the spiritual state. Through entertainment, a person satisfies his spiritual, intellectual or physiological needs, assesses himself as an individual, analyzes his role in various situations and social systems, gets a charge of emotions and thrills.

The product of the entertainment industry in a broad sense is an impression, pleasure, obtained through the consumption of products (services and goods) sufficient to meet the needs of the process and for entertainment purposes.

The entertainment enterprises is providing entertainment services and organizing leisure activities. An infrastructure object related to entertainment should be understood as an integral functioning object, which is a building, its part or combination of non-residential buildings, structures and corresponding objects offering a service or a set of entertainment services. Modern entertainment centers rarely stop in one direction, and, as a rule, at the core of their offer is a product that has an entertainment complex and a number of related services: food, accommodation, retail and others. This circumstance determines the complex and multi-level product structure of the entertainment industry.

Around the world, the entertainment industry is a very profitable business. It includes the film industry, show programs, sports and entertainment events, music festivals, entertainment centers, discos, bowling clubs, golf clubs, billiards, rides, water parks, night clubs, as well as the Internet, television and other distribution channels information.

Traditionally, the global entertainment industry is designated by the acronym REST includes a business specializing in leisure, entertainment, sports and tourism. However, officially in the USA, the media and entertainment industry which includes the production and distribution of films, television programs and

advertising, streaming media content, music and audio, radio, books and video games, is distinguished.

North America will remain the largest region for the entertainment industry and the media (in 2017, industry revenue will exceed 680 billion US dollars), while the content will increasingly be consumed through mobile devices or in digital format. However, the fastest growing regions will be Latin America and the Asia-Pacific region, where the entertainment and media markets will raise by an average of 10.6% and 6.5% per year, respectively.

The share of developed markets in Western Europe and North America accounts for the bulk of consumer spending, but they will grow most rapidly in Latin America (an average of 7.0% per year). It will be followed by the Asia-Pacific region (4.1%), North America (2.5%) and countries in Middle East, the Europe and Africa (1.6%). The American entertainment industry is the largest in the world, occupying a third of the global market. According to PriceWaterhouseCoopers, in monetary terms it will reach \$ 723 billion by 2019 (from \$ 632 billion in 2015). The countries will be dominated by the “star” group of eight markets (high growth rates and at the same time large volumes): China, Brazil, India, Russia, the Middle East and North Africa, Indonesia, Mexico and Argentina. In 2017, they will account for 22% of global revenue, compared with 12% in 2008. Annually, the average market growth rate in these countries will be more than double the growth rate of the worldwide entertainment industry and media market.

Globalization and integration of objects of the world entertainment industry have led to the creation of large entertainment centers and zones where tourists from all over the world converge. As an “anchor” for creating such centers, the gambling business most often serves. That gambling is a powerful incentive for travel and entertainment. According to this principle, all world entertainment centers are organized - the cities of Las Vegas, Atlantic City, Macau, Monte Carlo. This example

is planned to be followed by domestic designers of the four gambling and entertainment zones “Siberian Coin”, “Azov-City”, “Yantarny Bereg”, “Primorye”, which can become large centers of modern leisure and tourism. In each of the projects around the gambling business it is planned to create a large-scale entertainment base. Today, shopping malls have begun to appear attributes, not only for children, but also for young people, if we talk about priorities, then today consumers are most interested in entertainment in shopping malls in billiards, bowling gaming areas, and the tendency to combine shopping and entertainment for US shopping centers in Asia and the Middle East, and some major Russian cities. Azerbaijan has a great source entertainment sector too, so it is beneficial for people. This sector is important for tourism and recreation and in Azerbaijan, it improves continuously. The State Statistical Committee of the Republic of Azerbaijan illustrates the number of parks of culture and recreation center, additionally this agency gives information about leisure facilities in parks of culture and recreation in table 2 and table 3:

	2010	2011	2012	2013	2014	2015	2016	2017
The number of parks of culture and recreation center.		366.0	347.0	346.0	347.0	347.0	348.0	348.0

**Table 2. The number of parks of culture and recreation center**

	2010	2011	2012	2013	2014	2015	2016	2017
Dance halls	20	16	16	17	21	32	37	80
sports facilities and yards	33	14	15	16	14	35	44	45
video games, computer games, leisure facilities for young people	62	48	33	32	29	85	77	64

**Table 3. Leisure facilities in parks of culture and recreation**

*The source:* <https://www.stat.gov.az/>

According to statistics, the number of recreation parks has increased since 2003. In Azerbaijan, therefore their number reached 373 until 2008. After 2008, the indicator of park and recreation center decreased by 2014, while their numbers were the same in 2016 and 2017. It is clearly defined from the table 2, the number of dance halls has increased vitally since 2010 and their index attained 80 halls in 2017. However, indicator of sport facilities and yards decreased by 2014 as video and computer games index, in 2017 their number was 45 and 65 regularly.

According to statistics, significant improvement has occurred in this sector in our country, thus the most popular entertainment parks are these: Megafun, Metropark, Aquapark, Park Boulevard, Dalga Beach Mardekan, Amburan, Baku Karting and Event Center, Apartment9, Olimpik Star- Sports and Entertainment Center and etc. Therefore, these centers are an attractive place for our citizens to take their time with fun and relax. These types of park and recreation center have many opportunities for public and government. Thus, it has family and community benefit and also individual benefits for population since families play or stay together at parks and recreation places that it provides to spend important time together with family so it assists to build powerful family bonds. Apart from that, these locations create an economic value, therefore they contribute to healthy and productive labor force and help attract and keep businesses. Recreation places and facilities establish

revenue directly from charges and fees, while more crucial is to provide vital indirect revenues to regional and local economies from visitors. For example *Megafun entertainment center* is one of these places that is included in New Life Group of Companies which is founded in 2002. The entertainment place is situated on the 3rd floor, therefore there are more than 200 attractions, a natural ice court, a gaming machine, the wide bowling center in Baku , 4D and 6D cinemas, battle tunnel, laser games, boats, collision of cars and many other entertainment vehicles here. The people buy the card for using attractions and games in the Megafun. This is a balance card and it is available only in the Megafun. The customers can utilize this card for all of attractions except from boiling and minimal payment for new card is 5 AZN. There are some interesting attractions here such as Horror Tunnel, Magic Jungle (labirint), Ice ground and DinoPark but it is for only children. Another REST location is *Metropark* which it is shopping and entertainment center, hence the large number of shops are located here and restaurants too. While an entertainment side of center is involved Park cinema and World of Child, thus all of attraction except from cinema is for children. Shopping is more important for this place and there are so many brand shops, so they attract people to come Metropark for shopping. World of Child is essential and beneficial since families with children bring their children here to fun and also to make their shopping easily. *Baku Entertainment Center* is the first attraction center and it was opened in 1998 with the participation of President Heydar Aliyev. In South Caucasus, the first bowling alley was created here. Apart from this, there are Tuskish bath and sauna where customers can have a rest in their leisure time. This place has also shopping, restaurant, and fitness spa, thus it gives opportunity to the consumer to make several activity here. Another important facilitate for rest are attractions that they are useful and fascinating devices to take an enjoyable time at leisure times, hence, they are more exciting and fun.

	2010	2011	2012	2013	2014	2015	2016	2017
<b>The number of attractions:</b>								
<b>Mechanized</b>	66	68	61	63	47	120	140	140
<b>Game machines and computer games</b>	42	32	30	32	13	66	95	95

**Table 4. The number of attractions**

*The source: [30]*

These data is given by The State Statistical Committee of the Republic of Azerbaijan and illustrates the attractions number from 2010 to 2017 and also the committee categorized them as mechanized and game machines and computer game. It is clear from the diagram that both categories number has declined by 2014 and then the figure of them increased significantly until 2017. Nowadays, attractions is indispensable kind of entertainment among our population and they visit this kind of centers more often which has more attraction to play game or to utilize them. The most of attractions is situated entertainment centers such as Megafun, Metropark, Baku Entertainment Center and also the recreation parks such as Boulevard park, Neriman Nerimanov park and so on.

Today, cinema is undoubtedly the most widespread in the world because film industry improves continuously and this causes to increase the number of cinema centers. It is viewed in different countries by the population, in different languages and practically on all continents. And this is not surprising, because it is in cinema art that newest technologies find their use, which allow the viewer to follow the destinies of many characters in a relatively short time, traveling with them in space and time, without being limited by the limits of reality, the possibilities as an individual, so the whole of humanity. Cinema is a public product. The global film industry illustrates strong prognoses for the coming years and global box office

income is prediction to rise from approximately 38 billion dollars in 2016 to about 50 billion dollars in 2020. In the film market U.S is the third place in terms of tickets sold during a year, standing behind China and India. There are nearly 5,750 cinema sites in the U.S. as of 2017, however this indicator has steadily declined since the year 2000, and stood at 7,480 back in 1997. Cinema is more suitable for circle of friends and relatives since there are many special rooms for watching your favorite movies, thus people feel relax. Customers can also make order food and drink during watching film and this is the beneficial side of these types of cinemas. In Azerbaijan has several places for watching film, animation and etc., thus this has opportunity to gain revenue from tickets and also enable to people to enjoy. *Park Cinema* and *Cinema Plus* are the most popular places for watching cinema in our country. Apart from that, Hollywood Diamond Cinema Club, PapaCinema, Hollywood Gold Cinema Club, 5 Doors Anti-cinema, Baku Open Air Cinema are this type of places too. Park Cinema - is the largest cinema network, thus this cinemas has the highest technical requirements. Park Bulvar, MetroPark, Park Zagulba Mall, and the new symbol of Baku, Flame Towers has park cinema. In Azerbaijan, Park Cinema is the only representative of the IMAX format. Each year, Park Cinema is hosting charity events and film festivals for large audiences and films.

CinemaPlus is another cinema network that has high-resolution digital projection systems with the ability to display 3D content. Also, technologies of enhanced brightness, high-quality movie screens and sharpness of the image "Enhanced 4KBarco" allow illustrating movies in the highest quality. Viewers have the opportunity to watch a movie in a hall with luxurious Italian leather armchairs, the possibility of ordering food and drinks during a film show.

According to the State Statistical Committee of the Republic of Azerbaijan,

Cinemas (the end of year)

	2009	2010	2011	2012	2013	2014	2015	2016	2017
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The number of cinemas	9.0	9.0	10.0	9.0	10.0	7.0	10.0	11.0	9.0
The number of people watching movies	84.0	83.4	76.9	69.0	183.9	236.0	599.4	469.6	1397.1

**Table 5. Cinemas (the end of year) [30]**

It is clear from the graph that the number of cinemas was 0 since 2002 after a year, their number has increased dramatically by 2005 then it declined until 2010. The number of cinemas fluctuated between 10 and 9 from 2010 to 2017. Due to develop cinema sector, the number of spectators began to improve after 2003, whereas their number decreased significantly the period between 2008 and 2012, then the indicator of them increased by 2017 and showed the highest figure. There is the great interest for watching movie among our population nowadays, thus cinemas is an attractive and fascinating place for them to spend their time with fun. The major advantage of cinema is it assists to enjoy people which are crucial in nowadays busy world. Our statistic agency illustrates Origin of films and distribution by country of origin at the end of a year:

	2010	2011	2012	2013	2014	2015	2016	2017
The number of movies	607	429	518	718	679	906	802	757
National films	222	166	157	189	143	166	153	215
Collaborative Movies	33	2	24	6	5	58	30	-
Foreign movies	352	261	337	523	531	682	619	542

**Table 6. Origin of films [30]**

Country of origin	2010	2011	2012	2013	2014	2015	2016	2017
USA	181	152	218	348	359	404	342	318
Canada	6	4	5	-	3	8	7	3
Germany	2	8	-	13	6	36	31	7
Turkey	94	49	70	99	99	131	131	113
Russian	48	27	17	44	51	63	57	24
France	8	12	18	8	7	32	32	12
India	6	5	2	6	3	6	15	-

**Table 7. Distribution of movies by country [30]**

The given diagrams demonstrate that the number of films increased seriously by 2015, however it fluctuated in 2011 and 2014 and then their number declined by 757 until 2017. The foreign films dominated in given years, thus their indicators was higher than collaborate and national films. In 2015, the foreign movies show the highest number, hence the figure of them was 682 in that year. The most collaborative movies took with Turkey to improve movie sector and also increase practice of actors, therefore it assists to develop our movie sector. Collaboration contributes form new relationships, create new spectators, and substantially improve the final goods too. In the table 5, USA, Turkey and Russian have become top country according to distribution of movies. Generally, in our cinema, movies

indicator of all countries has reached their highest number by 2015 except from India, however the figure of them rose and fell some years. Canada and India films constituted the lowest number. Nowadays, USA, Turkey and Russian films are most popular among our population due to statistics.

Apart from the movie sector, concert and theatre are the choice of people to take their time relax and comfortable, thus attending a theatre and concert are typically a pleasure activity, and it can help to raise people emotions during the entire day. Theatre has still became the one of main attraction among our population, thus many individuals who consider that theatre is vital not only for our entertainment, but also in a rapidly growing uncultured generation, it is important tool to improving a culture In Azerbaijan, this culture is protected and improved by government. Russian Drama Theater of Azerbaijan State, Tabriz Cinema, Pantomima Teatre, Theater of Musical Comedy, Azerbaijan State Musical Theater, State Musical Theater, Azerbaijan State Academic National Drama Theater, Opera and Ballet Theatre are the major theatre centers and this is the proof that theatre has still remained the main entertainment. Additionally, there are specific advantage of concert and theatre in terms of meeting people, stress reduction, emotional outlet and also they can see their idol at theatre and concert. Therefore, these places are important entertainment to take a good time and in our country. In our country, the number of professional theatre and concert hall increased, thus it helps to develop this sector. Due to the State Statistical Committee of the Republic of Azerbaijan, the number of concert organization was 15 in 2017, thus indicator of these increased from 11 to 15 since 1991, while spectators number diminished from 2566 until 1189 during this period. Concert Hall is vitally important to concert such as music, comedy, therefore in Azerbaijan has several concert halls. Baku Crystal Hall, International Mugham Centre, Heydar Aliyev Palace, Azerbaijan State Philharmonic Hall are the main halls in our country. Some concert events organize every year and

to gain popularity here, some of them are these: Baku Jazz Festival, Jara Music Festival, Qabala Mugham Festival. The statistic agency illustrates the number of professional theatres in Azerbaijan, additionally it compares the spectators number with CIS. There are 28 professional theatre centers is registered in 2017 by government, thus opera and ballet theater, 19 drams, musical comedy and musical drama theaters and 8 children and young spectators is including into theatre centers.

**Table 8. Number of visitors to professional theaters on CIS member countries**

	2010	2011	2012	2013	2014	2015	2016	2017
Azerbaijan	61	58	63	71	77	79	76	72
Belarusian	209	195	200	196	192	189	180	175
Kazakhstan	123	126	143	128	125	128	132	154
Kyrgyzstan	31	31	63	49	41	27	34	31
Moldova	98	106	113	102	113	117	122	111
Russian	217	230	237	249	255	260	265	269
Tajikistan	51	58	46	50	65	58	54	46
Turkmenistan	-	-	-	-	-	-	-	-
Uzbekistan	-	-	92	-	-	-	-	-
Ukraine	144	147	148	151	130	132	140	146

*The source: [3]*

The given diagram illustrates the number of theatre viewers on CIS member countries. The table data clearly shows that Russian and Belarusian was dominant in terms of the visitor number at theatre, thus indicator of viewers increased from 217 to 269 in Russian during the given period, while this number declined in Belarusian from 209 till 175. In our country, theatre has developed gradually by 2017, however some years the number of visitors fluctuated and the highest point was 2015 at our theatre. Azerbaijan was higher than only Kyrgyzstan and Tajikistan according to their spectator figure, while there was not any spectator in Turkmenistan and Uzbekistan, this sector was not developed there. In 2015, the number of audience

reached the highest figure, thus their number made up 79, then this indicator diminished by 72 in 2017.

Clubs are entertainment place too, thus the young generation prefer this kind of place for dance and meeting their friend than older. As we know that dancing is favorite activity of most people to express their feeling at a given moment. People dance in many places at home, nightclubs and weddings, at studios and on the street. People come together through dance and it provides entertainment for people of all ages. Dancing assists bodies and minds relax because the music takes people away from their concern and disappointment for a while. Baku is a dynamic and lively city that people live an active lifestyle essentially the youngest people. Therefore, disco and nightclub is more preferable location for them. There are large number of disco and nightclub in Baku. Pasifico Lounge & Dining, Energy, Otto, La Vida Tequila Bar, Sky Bar & Lounge, Mojo Club are the main nightclubs in Baku. The State Statistical Committee of the Republic of Azerbaijan show the total number of club enterprises in CIS member of countries. These indicators are given in below graph:

	2010	2011	2012	2013	2014	2015	2016	2017
Azerbaijan	2772	2767	2747	2731	2729	2650	2539	2370
Belarusian	3695	3578	3473	3307	3054	2937	2819	2714
Kazakhstan	3120	3169	3162	3164	3180	3180	3164	3185
Kyrgyzstan	702	695	704	703	704	--	698	--
Moldova	1228	1230	1234	1232	1229	1218	1219	1219
Russia	46632	44978	43712	42350	42068	40355	41350	42546
Tajikistan	931	931	868	868	877	924	886	15
Ukraine	18593	18537	18476	18476	18476	--	17133	7090

**Table 9: Number of club enterprises on CIS member countries (by end of year) [30]**

Due to the given table, the number of clubs has decreased continuously since 2010 in our country, however their number was 2772 in 2010, after 7 years this index reduced seriously, so the number of club enterprises became 2370. Russia and Ukraine was leading countries in terms of club number among CIS member of

countries, while indicator of clubs declined over 7 years in these states as Republic of Azerbaijan. Although, the number of club was 46632 and 18593, then these figure declined significantly till 42546 and 17090 in Russia and Ukraine consistently. According to this table, Azerbaijan was the fifth place due to club indicator.

## **2.2. Methodology of Research**

Entertainment industry has grown significantly in recent years, it shows that this sector is important for government and population. For improving the popularity and create an awareness, the entertainment industry use some marketing communication tools, thus information is given in the previous chapters about it. These tools is more important for every business to become successful in the competitive environment since they assists to industries to assemble useful to give information about their target customers, hence the company can be focus on only specific customers away from wide range of people. Because of the fact that demand of the customers alter rapidly, thus in that case the information can be helpful for them. Research of marketing is the process of searching, collecting, processing data and preparing information for making operational and strategic decisions in the enterprise system. Data collection is an important process for organizations to gain competitive advantage in the market. The success of marketing research is depended on the reliability and relevance of the data. While, the quality of the data depends on the methods that used to data collection. The choice and utilize of methods for conducting marketing research need a great experience and expertise. The main methods for collecting data are primary and secondary research in the market.

Primary marketing research is a kind of way to collect information directly from a source (most often, a client), thus it is the original information. In addition, primary

marketing research is very specific and meet specific goals. Primary method collect data by using survey, interview, focus group, observation and etc.

Observation is a method of obtaining information through circumstances perceived by the senses without any impact on the object of observation. Observation is a process that has a specific goal, which is planned and systematically summarizes all the collected facts and is monitored for the reliability and accuracy of the collected data. It helps to analyze the person's behavior and attitude in the market.

Another method is survey that is a way to get information through asking for people's opinions. This is the most common form of information gathering in marketing, and approximately 90% of marketers use this method. The survey can be both orally and in writing. In a written survey, participants are given questionnaires with a request for completion. Oral or telephone interviews are commonly referred to as interviews.

Focus group is other method to get data, during a focus group, a group of people—usually 6-12 persons—is come together in a room to make a discussion of any topic. Thus this method is so effective for saving money and time and also useful tool to get detailed data about group and personal feeling.

An interview is one of the most popular method and use a conversation for collecting information. A research interview entails an interviewer and questions. Interviews can be divided face-to-face or over the telephone. The internet is also helps for interviewing.

Secondary research- it is an effective way to obtain a wide range of market information in a limited time. This method is based on the study of sources of secondary information. This contributes save time and business costs for collecting information. However, experts always emphasize that no matter how useful and convenient the secondary market research is, it will never compete in importance

with the primary one. When conducting secondary research, the Internet may seem to be the most obvious source of information, which, in general, is not unreasonable, as the search in it is convenient and simple, and provides minimal time and effort. At the same time, professional marketers often emphasize that for really high-quality information, it is best to turn to other sources, such as specialized universities, data from competitors, the government, various departments, professional publications, additionally analysis of data from statistical agencies, electronic sources of information, as well as data from authoritative sources and so on. Secondary studies are needed to understand in the current market situation, understand and analyze its trends.

In my dissertation, I used primary and secondary research to collecting data about entertainment industry and consumer's opinion about it. As secondary research, I utilized documentary analyze include research materials, statistical reports, electronic source and also wide range of books. Therefore, all of these materials help me to write theoretical side of my dissertation and also enable to utilize statistical reports is given by government and other statistical agency. Another method is survey that I used it in this diploma work. I collected data from customers about the entertainment industry that there are some questions about this sector to explore total awareness of customers. Particularly, I focused on consumer's opinion about entertainment product and services, additionally their loyalty level and also influence of discounts, while the main goal of this survey to measure role of marketing tools in this sector.

My survey questionnaire involved 15 questions, thus the first three questions are about sex of consumers, their age group and occupation. Question 4 and 5 is about their income and education level. Thus, these are the general questions about the customers. Question 6 and 7, 8 are about allocate time and money for entertainment and their preferred places. Question 9 and 10 involved the role of



marketing. Question 11, 12 and 13 are about the factor which affected to choice of consumers while select entertainment place for enjoy and effect of discount on consumer's choice as well as loyalty level in this sector. The final questions are about information source about entertainment place and word of mouth marketing role.

**List of questions:**

<b><u>No</u></b>	<b><u>Questions</u></b>
<b><u>11</u></b>	What is your gender?
<b><u>22</u></b>	What is your age group?
<b><u>33</u></b>	Enter your occupation
<b><u>44</u></b>	Enter your education level
<b><u>55</u></b>	What is your income level?
<b><u>66</u></b>	How many hours do you devote weekly for fun?
<b><u>77</u></b>	How much money do you spend every month to spend time in the entertainment places?
<b><u>88</u></b>	Where do you prefer to go in your free time?
<b><u>99</u></b>	Which promotional tools are important in recognizing entertainment places?
<b><u>110</u></b>	How do advertising and promotional tools affect you?
<b><u>111</u></b>	Which factor do you prefer in the choice of entertainment places?
<b><u>112</u></b>	How much does the discount campaigns attract to you?
<b><u>13</u></b>	How loyal you are to your favorite entertainment places as a customer?
<b><u>114</u></b>	Where do you get information about entertainment places?
<b><u>115</u></b>	Does word of mouth marketing affect your choice of location?

**Table 10: List of survey questions.**

My survey questions for assembling data about consumers preference and role of marketing in entertainment industry as I mentioned above. My questionnaire involves 102 participants.

The demographic indicators of respondent are given below table:

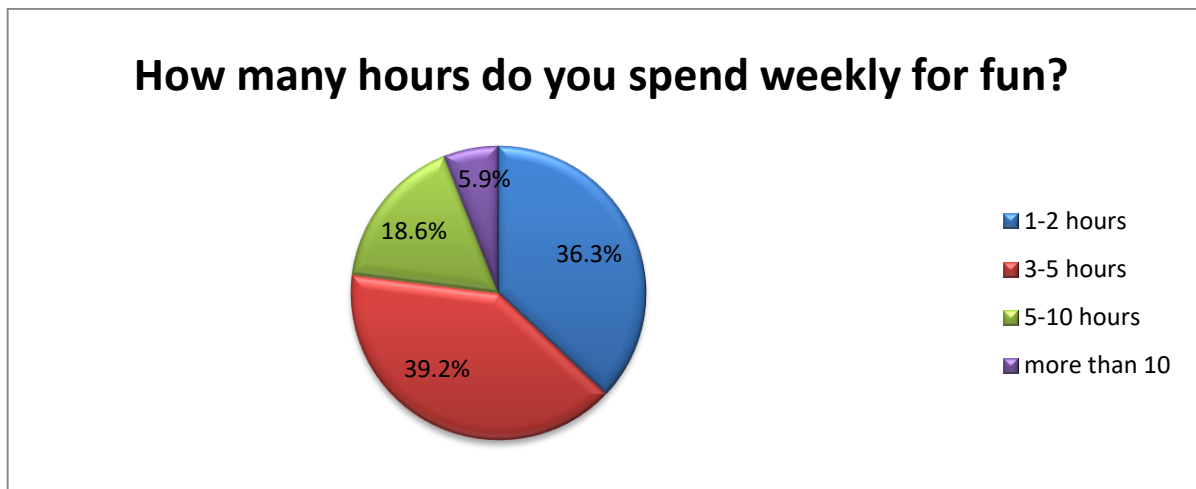
<b>Gender</b>	<b>Number of people</b>
Male	58
Female	44
<b>Age</b>	
15-18	12
18-25	61
25-35	15
35-50	10
more than 50	4
<b>Occupation</b>	
Public sector	19
Private sector	19
Student	52
Pensioner	3
Unemployment	9
<b>Monthly income ( AZN)</b>	
0-200	50
200-450	24
450-750	17
More than 750	11
<b>Education level</b>	
Secondary school	14
Bachelor degree	67
Master degree	17
Postgraduate	4

**Table 11. Demographic indicator of respondent in survey**

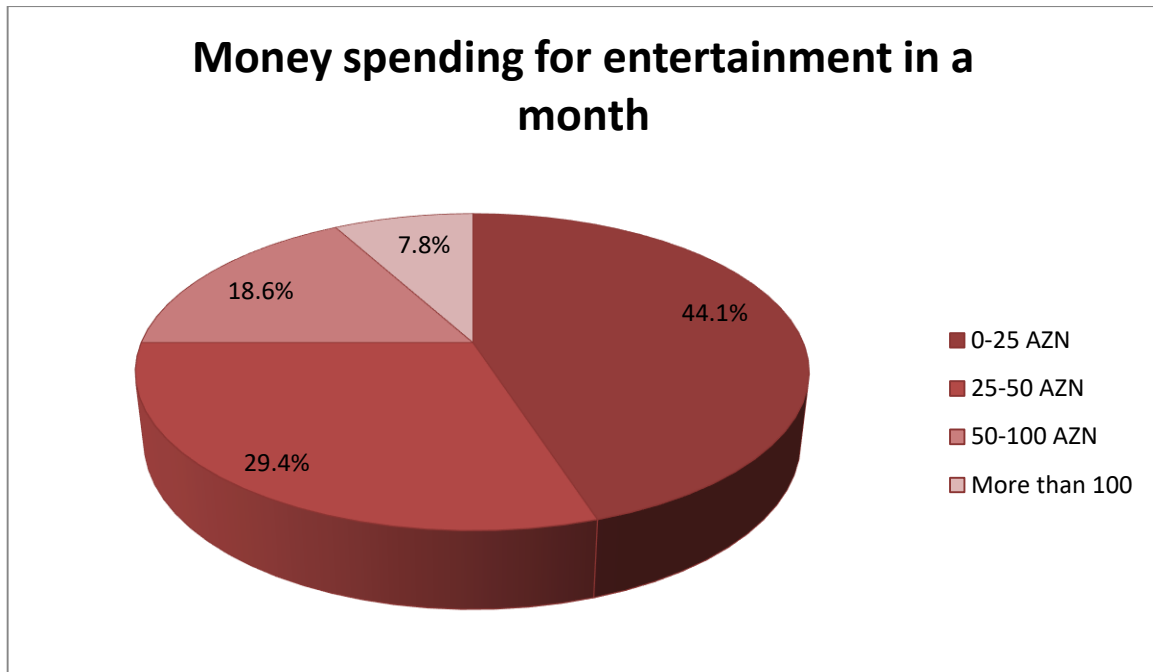
Demographic indicators of survey respondents are divided by their gender, age group, occupation, monthly income and education level. According to survey result, the number of male respondent is higher than female. In the survey, the 59.8% of participants include in 18-25 age groups, the 14.7% and 11.8 % of them include in

25-35 and 15-18 age groups consistently, aged group of 35-50 makes up 9.8%, more than 50 years constitute only 3.9%. Due to respondent occupation indicators, the high number of survey participant is students that their number are 52, the workers of private and public sector amount to the same percent (18.6%) in this survey. It is clear from the table, the monthly income of 50 respondents is between 0-200 AZN, the main reason of this, the great number of respondent is student. The 23.5 % of them gain 200-450 AZN monthly, 17 and 11 respondents gain 450-750 and more than 750 AZN during a month accordingly. Education background of participants shows that high percent of them have bachelor degree.

The next questions in the survey are about the time and money spending for entertainment industry. The below charts give information about the result of questions. The chart for time spending illustrates that 39.2 percent of respondents allocate 3-5 hours weekly for entertainment. The result of other question demonstrate that more respondents spend 0-25 AZN during a month in entertainment place.



**The chart1. Time spending for entertainment.**

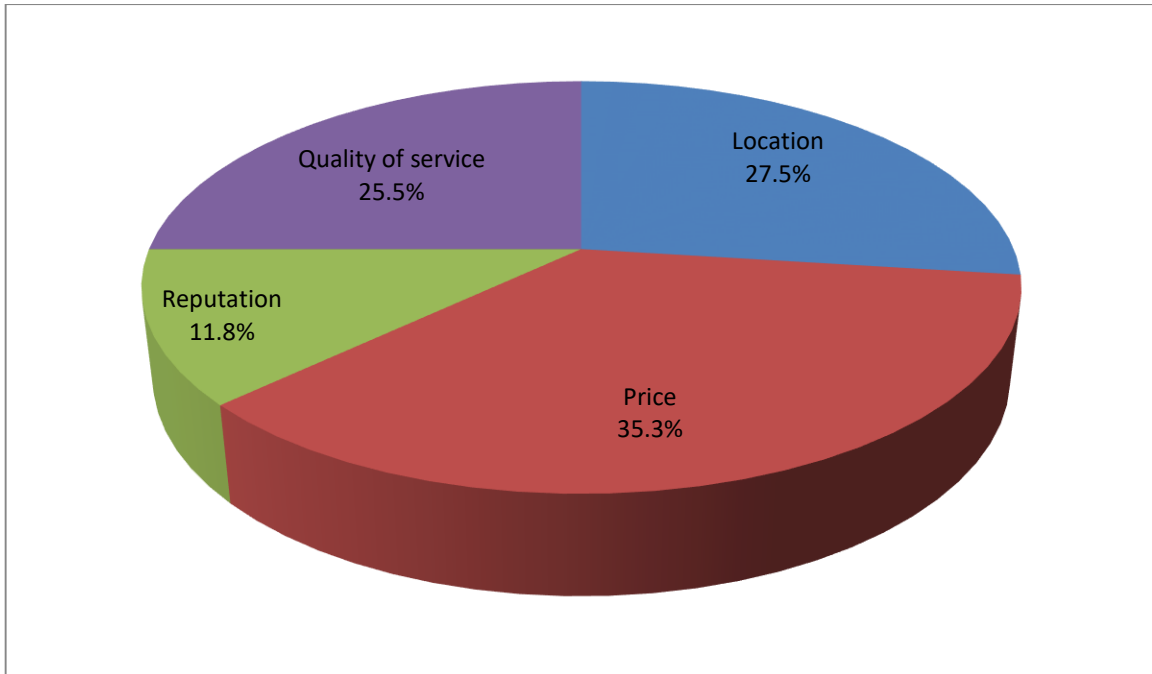


**The chart 2. Money spending for entertainment in a month**

According to survey, the most people prefer to visit park and game centers( billiard, bowling, playstation centers and so on) for spend their time with fun.

The great percentage of people gave answer that social media and advertising is the most effective method to promote entertainment centers. Additionally, the 38.2%of them show that influence of promotion tools are positive, whereas the 32.4% of them made response that it has moderate effect for them. The 7.8% people do not affected from marketing promotion.

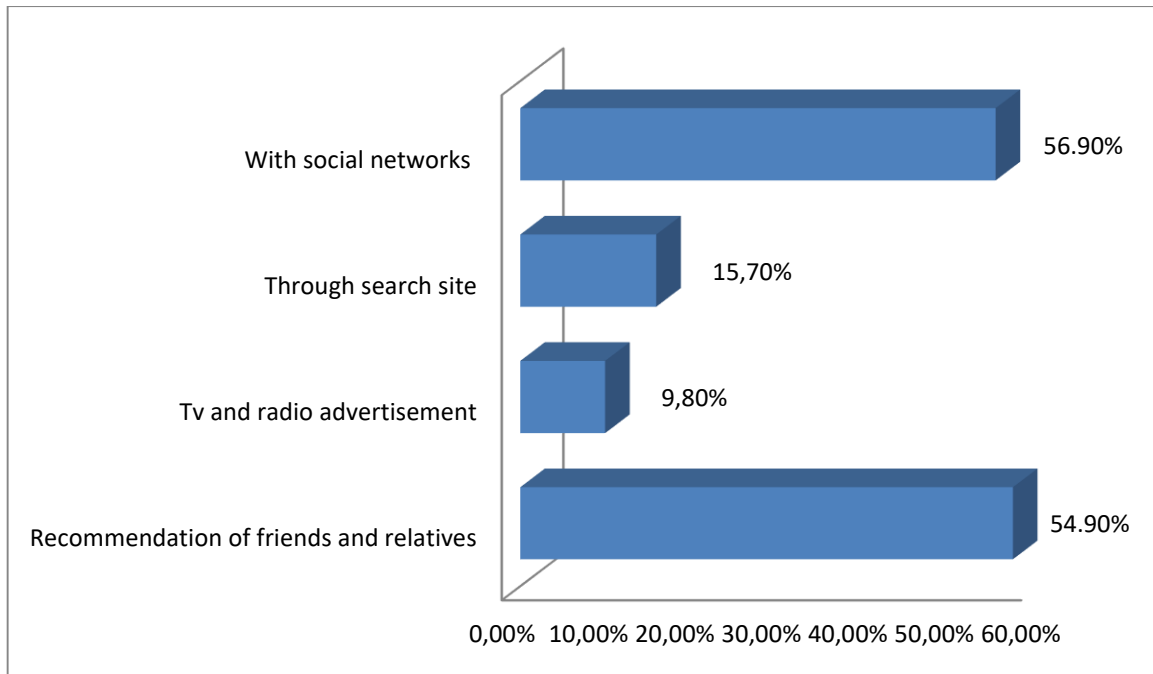
The subsequent question is about the factor affecting for selection of entertainment place. Thus, the below chart is demonstrated outcome of questionnaire:



**The chart 3. The factors for selection entertainment place**

It is clearly define that price is important factor for choice entertainment center, thus it makes up 35.3% of response shows that it has most powerful effect for them. The second important factor is location that it amount to 27.5 percent among respondent.

The next question is about discount effect, thus the 39.2 % of respondent made answer that it has moderate effect for them, whereas 26.5 % people made response that they affect more from discounts. Due to loyalty of consumers to entertainment place, the partly loyal has high percentage than other, thus it account for 35.3% and 24.5 % prefer to spend time in different places every time, only 16.7 % respondent is loyal for their entertainment place.



**The diagram1. Information source about entertainment centers.**

The given diagram shows that the main information source for respondents are social network and recommendation of friends and relatives. Therefore, the final question result is proof that word of mouth marketing is important for them to know and visit entertainment place. The 80.4% of respondents confirmed that word of mouth marketing influence their decision.

Apart from this, I made a SWOT analyze of cinema sector, thus it is an important part of entertainment industry, the essence of this analysis is the analysis of internal and external factors of the cinema companies, risk assessment and competitiveness of the goods in the industry. Often, companies conduct a SWOT analysis not only of their product, but also of competitors' products, since this tool very clearly systematizes all the information about the internal and external environment of any organization.

The advantages of the SWOT analysis are that it allows you to look at the position of a company, goods and service in the industry quite simply, in the correct context, and therefore it is the most popular tool in risk management and

management decisions. SWOT Analysis builds organization's strengths and help to overcome organization's threats. It helps to creating goals for strategic planning.

Additionally, Porter's Five Forces is another analysis method that I used in my dissertation to analyze microenvironment of entertainment industry. Porter's Five Forces is a method that analyzes and identifies five competitive forces for every industry, and assists determine a weaknesses and strengths of companies.

It is an analyzing method to evaluate a competitive environment of organizations. This method identifies the power of an organization's competitive rivals, potential new entrants, power of buyers and suppliers, and threat of substitute goods that influence a company's profitability. Analyzing these elements can be utilized to lead business strategy to increase competitive advantage. Benefits of Porter's model is that it assists the organization in evaluating the competition level in the industry in which company is operating, thus if competition is low then it can have pricing power, in that case the company earning good profits. Five forces analysis contributes companies to understand the factors influencing profitability in a specific industry, and can assist to inform about whether to enter and to improve capacity a specific industry and developing competitive strategies.

### **SWOT Analysis of cinema sector**

Strengths:

- Create new workplaces that helps to decrease unemployment level
- Differentiation has always made in cinema sector to distinguish the experience of having films through comfortable seating, large top grade monitors, and create favourable condition for watching films.
- Brand reputation or Brand name.
- High quality service that attract so many customers to visit these kinds of places.

- High qualified staff.
- Location is important factor as a strengths.
- Availability of some discounts.

Weaknesses:

- Competition level in the market for a larger share of audience, especially between cinemas such as Cinema plus, Park cinema, Nizami cinema center and other, in addition competition with theatre sector.

- Cost of promotion and advertising expense and choice of media channel for advertising since media preference of audience can change.

- The cost of new technology and innovation.

- Lack of regional diversification, thus the most of cinema centers is located in capital and a few big cities.

- Lack orientation on low income level consumers.

Opportunities:

- Development of cinema business in regions, to widespread service for new consumers.

- Create novelty in this sector to gain competition in the market

- Co-operation with foreign media and entertainment sector to improve products and service quality and increase reputation.

- Promotion of Azerbaijan's entertainment industry in international festivals and competitions.

- Relationship with tourism sector to involve wide range of consumers.

Threat:

- Tougher competition in the market among local companies.

- Entry of international brands in the industry that can cause losing market share and profit of national organizations.



- Improving of online free movies sites in the market.
- With technology and innovation improving so rapidly, thus industry will be able to face uncertainty for success in marketplace

## **Porter's Five Forces of Cinema centers**

### **Threat of New Entrants**

The threat of new entrants in this sector depends on the power of the barriers to entry, and also the response of existing companies in the market. This factor can occur if new companies and existing theaters create innovation, and put low price then the Cinemas can face difficulties. Thus, cost reducing and lower pricing strategy is effective for price oriented consumer that they easily change their opinion about cinema. While, this is not easy for new entrance since major cinema centers has reinforced their market place and there are target audience and market share and also strong marketing strategy that it helped to them to gain reputation in the market. Additionally, cinemas can take action for Threats of New Entrants with following ways:

- With innovating new goods and services. New products are not only for gaining new customers, but also give potential consumers a reason to purchase a ticket for watching movie.
- To make co-operation between competitors to decreasing the threat of new entrance.
- Spending money on research and development.
- Additionally, high capital requirement is another factor is affecting to new entrance.

### **Bargaining Power of Buyers**

In the cinema center, the bargaining power of buyers is high. This bargaining power is part of the economy that if low cost alternatives are available, more

consumers are probably to select them. The availability of substitute goods such as online movies, theatres, operas, concerts and so on gives the power to consumers, thus price oriented consumers follow the low price. The bargaining power of the consumers to seek increasing discounts and offers since some buyers is price sensitive, therefore in our cinemas, there are some discount to increase consumer traffic in the market. Low switching costs is other factor to give power to consumers, thus it makes easy for buyers to transfer from one provider to another. For instance, buyers can easily switch from Park cinema to other cinemas.

### **Bargaining Power of Suppliers**

The bargaining power of suppliers can be different due to type of supplier in the entertainment industry. Approximately all companies in the Movie sector, Theaters industry purchase their resource from several suppliers. Leading position of suppliers can decline in the cinema market. Powerful suppliers utilize their negotiating power in services sector to receive higher prices from the companies in Movie Production and Theaters. Cinema companies can challenge with power of suppliers by constructing effective supply chain with numerous suppliers.

### **Threat of Substitute Products or Services**

If there is a high threat of substitute goods or services then companies face difficulties to keep their consumers. In the cinema centers, the innovation can be performed by substitute sectors such as theatre, opera and others. Additionally, so many online movie sites are substitute for cinema sector. Substitution is the threat for cinema firms in terms of pricing and profits, and market share. Cinema companies should be oriented their service too rather than just product oriented and also understanding the needs of consumers for tackling with threat of substitute goods.

### **Competitive rivalry among competitors**

Competition has all sectors of economies that companies get ready for competition all times. The cinema sector in Azerbaijan has competition among companies to gain market share and high profit, therefore they use some advertising campaigns, product or service differentiation to reach high volume of consumers. In addition, collaboration is another process to improve revenue and increase market share. In Azerbaijan, there are several cinema companies, thus all of these companies is rival for each other in the market such as Park cinema, Cinema plus, Nizami cinema center and so on.

### **III. Ways to improve the effectiveness of marketing communications tools in the entertainment industry.**

#### **3.1. The use of integrated marketing communications as a means of increasing the effectiveness of the use of MC**

The demand for entertainment is characterized by a number of features. The scale of demand depends on the availability and amount of free time, socio-demographic characteristics and incomes of the population. Factors of participation in entertainment - gender, age, cultural level, education, occupation, features of education and attitudes, incentives. Needs for entertainment are associated with the life cycle of a person, as well as annual, monthly, weekly and daily cycles. Enterprises of the entertainment industry are organized by the state, commercial and non-profit structures. As every organization, entertainment enterprises utilize various marketing communication tools since they assist transmitting information about a product to a target audience. It should be understood that no firm is able to act immediately in all markets, while satisfying the demands of all consumers. On the contrary, the company will succeed only if it is aimed at a market whose customers are most likely to be interested in its marketing program. A group of people who receive marketing messages and are able to respond to them is the target audience.

One of the main communication trends of the last decade is more active usage of integrated marketing communications. The concept of it combines all the tools of marketing communications - from advertising to packaging, designed to form appeals sent to the target audience and employees to promote the company's products to the consumer. Integrated marketing is a process of understanding the needs of consumers, directing the company's production and commercial efforts to meet them, as well as applying an integrated approach to making all marketing and management

decisions. IMC is recognized as data driven and customer oriented method of communicating with the customer. IMC is the method of integrating and coordinating a company's entire marketing communication tools, functions, and sources into a seamless system that increases the impact on consumers and other end users at a low cost. IMC is designed to collaborate with all marketing communication tools which are mentioned above.

*The American Advertising Agencies Association defined Integrated Marketing Communication (IMC) as: ' marketing communication concept is planning that identifies the added value of a detailed plan that assesses the strategic positions of different communication fields and combines these disciplines and combines these disciplines to ensure consistency, clarity and maximum communication influence ” .*  
[5]

Philip Kotler emphasized the main definition of IMC in 1999, referring to BMI as "the concept under which an organization cautiously coordinates and integrates and its many channels of communication to deliver a straightforward, coherent and compelling message about the company and its products". At the heart of the IMC definition is the careful coordination of all marketing communications components being used by an enterprises in order to make certain that they all communicate collectively in one (or a single) voice, which will strengthen and reinforce the main organizational or brand message. [5]

Each element of the promotional mix has a special role in an IMC program. Advertising is the popular and most widely discussed type of promotion, probably because of its widespread. It is also a crucial promotional method, especially for enterprises whose goods and services are targeted at mass customer markets. There are some causes why advertising is an essential part of many companies. Firstly, it can be a very cost-effective tool for communicating with large audiences. Advertising can be utilized to establish brand images for a company or brand, a very

important ability for firms selling goods and services that are hard to differentiate on functional attributes.

Nowadays, the fastest-growing sector is direct marketing, which companies communicate directly with target users to create a response. Traditionally, direct marketing has not been defined a tool of the promotional mix. The main elements of direct marketing are mentioned above, thus a good is promoted by an ad that willing to the customer to buy directly from the manufacturer. More recently, the internet help to growth direct marketing. So that company's website facilitates shopping through catalogs or to make an order by mail, online, or by phone has led the highest growth of direct marketing. Direct marketing plays a crucial place in the integrated marketing communications of customer-goods organizations and B2B marketers. These organizations spend great quantity of money annually for developing and maintaining databases containing the phone numbers and/or addresses of present and potential consumers.

The sales promotion is generally considered as marketing elements that provide additional value to the distributors, the sales force, or the ultimate customers and can stimulate instant sales. The sales promotion involves two major categories: trade-oriented and consumer-oriented activities. Consumer-oriented sales promotion is targeted to the ultimate user of a goods and service and includes sampling, premiums, couponing, contests, rebates, and various point-of purchase products. These tools is willing users to make an immediate buy, therefore can inspire short term sales. The target of *trade-oriented* is toward marketing intermediaries such as distributors, wholesalers, and retailers. The price deals, trade shows, and sales contests are some of the promotional tools utilized to encourage the trade to stock and promote a company's goods.

Public relations are usually become in the form of a news editorial, story, or announcement about an organization and its goods or services. Publicity entails non-

personal communication to the great number of audiences like advertising, but it is differed from advertising, publicity is not straight paid for by the company. The company attempts to receive the media to involve or manage a favorable story on a goods, service, event, or cause to influence awareness, opinions, knowledge, and/or attitude.

The final element of public relation is a person-to-person communication that seller tries to contribute and persuade prospective consumers to buy the organization's goods or to performance to create an idea. In contrast advertising, personal selling entails direct connection between purchaser and seller, face-to-face or by some kind of telecommunications such as telephone sales. This interaction provides communication flexibility for marketers, so the seller can observe or hear the potential consumer's reactions and modify the message consistently.

The implementation of integrated marketing communications has specific advantages for the organization in terms of an increase in sales and the receipt of intended profits, cleanliness of the communication channel as a result of breaking barriers and obstacles and saving money by removing elements of parallelism, additionally duplication in the framework of a single program. The corporate efforts of the company's management should be primarily focused on developing communication marketing strategies. The modern business environment is unreliable and dangerous. For each company, it is highly relevant to have their own communications aimed at achieving the mission, giving attention the construction of a communication strategy model. The winner will be the company whose management was able to carefully consider all the components and the sequence of marketing communications. The modern integrated communications management strategy is the plans of management decisions in the field of optimization of integrated marketing communications, allowing to demonstrate the company's image and reputation in the society. Of course, it is very difficult to determine the results of

the results of the use of marketing communications and their share in commercial success. Practice notes that maximize the success of those firms that develop strategies and allocate significant investments in the creation of reliable communications.

The management of communication strategies is aimed at planning and implementing the interaction of the company with all the subjects of the marketing system based on a well-grounded strategy of using a set of communication tools that ensure stable and effective demand generation and promotion of supply (goods and services) to the markets in order to meet the needs of customers and generate profits. To ensure a sufficient level of efficiency of integrated communications, it is necessary to analyze the most significant factors influencing the growth of sales volumes and the formation of awareness, popularity, preferences through information, reminder, persuasion and image creation.

The main factors of the effectiveness of integrated communications in the activities of organizations are: the market potential of its business, effective usage of marketing communications tools that have the impact on commodities, price potential on the communication work of the organization; level of development of social and corporate responsibility and culture of the organization; high quality service. Evaluation of the effectiveness of integrated communications is carried out through a comparative analysis of costs and benefits both across the enterprise and individual marketing projects (participation in the fair, transfer of a part of the business to online, implementation of a public relations program, development of a packaging concept, sales promotion, organization of advertising , personal sales, etc.).

It is important to understand what this process is based on and what the vital elements are to make a relevant analysis for the marketing communication process and its influences it generates. Schramm & Roberts (1971), Dominick (1990), and



Kotler (1993) can be claimed that only a few of nine components are included in a complex marketing communication process model (Figure 2).

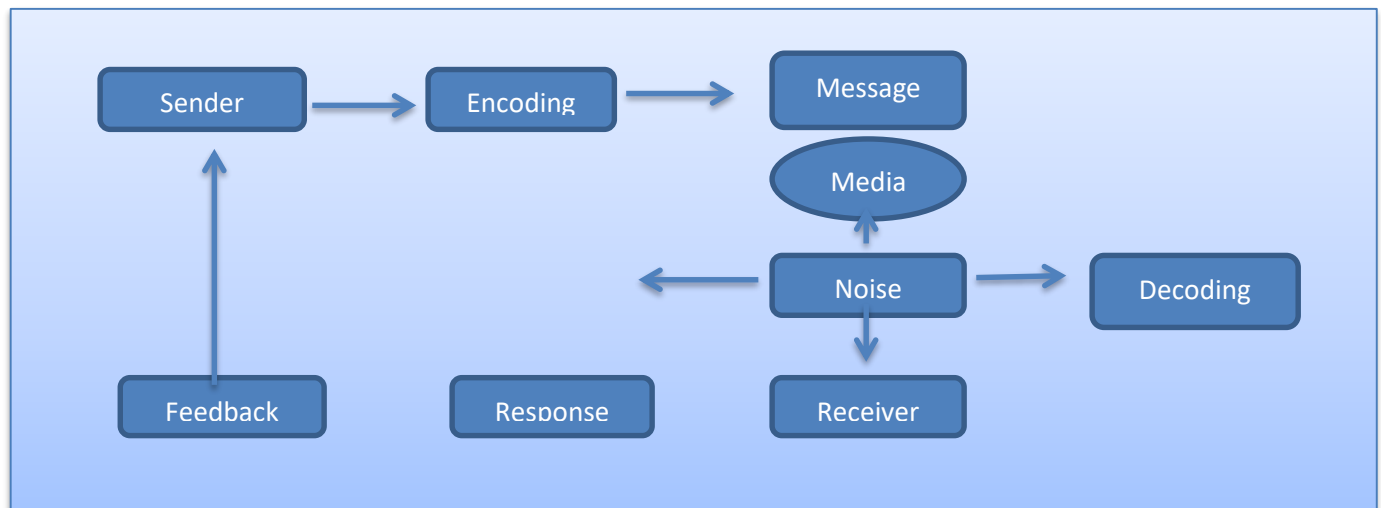


Figure 1. Components of the marketing communication process

Source: Tony Yeshin, Integrated Marketing Communications, 1998, p.13.

Each element of the marketing communication process is categorized by certain principles that need to be noticed for improving communication and the influences created on the target segments. These can be illustrated in the below:

- The sender of the message should be viewed as the information source "strong, attractive, credible" in order to identify and simulate the recipient's buying behavior for company's product and services;

- The communication will be effective when the broadcaster understands very well who the receivers are and what the need of them and expectations are;

- The sender should find the right ways of describing the idea to be sent through the message in order to understand and to decode the message that is sent to the receiver accurately. The major actions for the success of the campaign concern the structure, content and the type of the message, with regard to the message to be transmitted to the receivers;

- The message attains its objective and only has an effect on the receiver if it is passed on with an appropriate channel, where opportunities for personal and non-personal communication channels are oriented;

- The recipient's reaction to the message and their feedback and response is part of the overall reaction;

- The feedback can be seen as part of the reaction to the communication source;

[5]

As mentioned above, communications (channels) can be used to convey messages to the target audience, thus the table 10 give information about the major advantages and drawbacks of communication channels.

**Table 11: Main advantages / disadvantages of media channels**

Communication medium	Main advantage	Main disadvantage
Newspaper	Timeliness, elasticity, good coverage national market, wider acceptance, high trust	Week reproduction quality, short life, small audience
Magazines	High demographic and geographic discrimination, prestige and reliability, high quality reproduction, and long life.	Long ad buying lead time and some waste in circulation
Televisions	Combines sound, sight, and movement, high attention, appealing to the senses, high attain to the consumers	High total expense, high clutter, brief exposure and less spectator selectivity
Radio	Mass usage, high demographic and geographic selection, in addition the low cost	Audio performance only and lower consideration than television, fleeting exposure
Outdoor	high repeat exposure, flexibility, low expenditure and competition	Inadequate audience choosing, creative restrictions
Brochures	Full control and flexibility, it can dramatize messages	Overproduction could lead to runaway expenses
Direct mail	Flexibility, audience selectivity, personalization, no ad rivalry within the same standard	High cost and “junk mail” image

Newsletters	High selectivity and full control, relative low costs, interactive opportunities	expenditures could run away
Telephone	Majority users, opportunity to give an individual touch	High cost and rising consumer resistance
Internet	High selectivity and low cost, interactive possibilities;	Increasing clutter

Source: [5]

Therefore, the according to advantage and drawbacks of communication tools, the organizations can choose the integrated version of this communications to increase effectiveness since all of them has some drawbacks apart from their advantage. The integrated communication of them can create an effective promotion and communication methods for organizations. Integrated marketing communications (IMC) and creative technologies in advertising has increased. Today, effective communications with consumers have become the basis for the success of any modern company: from small retailers to large producers, including government and other organizations (museums, theaters, symphony orchestras).

Having clearly defined marketing goals and objectives, one can systematically build a so-called “post-marketing” space, which will contain all the necessary communications - interpersonal contacts, relationships, relationships that ensure the development and operation of the enterprise. The concept of IMC implies the existence of various methods: technical, organizational, informational and economic, this complex also includes strategic management of critical situations, corporate and business ethics, all of which affect the effective construction of communications in various fields and areas of the organization’s activities. Integrated marketing communications combine absolutely all the technologies below the line (BTL), above the line (ATL), modern trends in guerrilla marketing, direct marketing, advertising creativity, as well as the improvement of the complex for building the necessary interpersonal relationships. BTL is a series of marketing techniques

includes direct marketing by email or mail, sales promotion, marketing communications, exhibitions and telemarketing. Above-the-line marketing includes advertising in media such as cinema, print, television, radio, outdoor posters and the Internet. Marketing campaigns can utilize both above-the-line and below-the-line. Integrated marketing communications are considered as a complex concept necessary for the economic activities of various companies in modern market and economic conditions, as well as strengthening their position in the market for goods and services and maintaining competitiveness. Based on the concept, each trademark carefully plans and coordinates the work of its multiple communication channels to focus the consumer's attention on the brand of the proposed company. Integrated marketing communications occupy an important place in the activities of enterprises and organizations and are aimed at ensuring productive communication between the consumer and seller. Marketing communications help to identify and control the dynamics of consumer preferences, so that for each target audience to form a specific proposal of interest. After all, the ability to listen and understand your client becomes the key factor for integrated marketing communications success. Cinema sector is one of the main entertainment activities of people that it uses various tools of marketing communication to increase effectiveness. The specificity of film production as a marketing object is that each distribution channel provides the same key product (film), but in various forms of bringing it to the consumer. The marketing of the film market is based on the principle of creating such products and providing such services that are necessary for the consumer and satisfy their needs. Marketing covers almost all areas of the film market to the extent that they affect the production, sale and promotion of products and services. Thus, cinema marketing is an activity that is aimed, on the one hand, at making a profit from the film's rental and, on the other hand, at meeting the needs and requirements of the audience; This is a process aimed at the development of leisure time of the population, which reveals the needs

of the market and makes the interested participants of the film market respond to them.

A characteristic feature of the film market marketing is that intermediaries, when offering cinema services and film production on the market, should consider not only the solvency and demands of consumers, but their willingness to spend their free time consuming these services. It is important to understand the effectiveness of the channels of mutual influence, to determine what contributes to them and what impedes the integration of film production, film distribution and film consumption.

Due to Media Research of Nielsen, £229.5 million was spent advertising movies to the British public in 2017. The advertising spending is divided into five categories:

- Television, covering television commercials.
- Outdoor, which includes posters, adverts on the side of buses and train stations
- Press, which relates to adverts in magazines and newspapers.
- Radio, covering radio commercials.
- Online, which includes spending on banner adverts, social media promotions and site takeovers/tie-ins.

Television advertisements on movie sector constituted 58 % in 2009. While this indicator has been decreasing (it was 49% in 2018) it remains the biggest outlet for movie promotion by far. Outdoor advertising is the second largest, amounted to 22% in 2009 and has increased until 28% by 2018. Online advertising illustrates the largest growth for cinema sector, from 7% in 2009 to 15% last year, thus this is more effective advertising method nowadays, especially among young generation.

According to categories of films, cinema sector should create the relevant marketing strategy, thus in that case, they can assess which marketing tools are more effective for each genre. Therefore, In UK, the genres of Romance(57%), Horror(56%), and Comedy(55%) rely most on television marketing Fantasy and Sci-

Fi films spend more on outdoor marketing (29% and 28%, consistently). Biographies and Dramas utilize most on printed press expenditure. There are some reasons for this, including:

- The main selling indicator genres is the quality of the movie
- Their spectators are usually older and of a greater social status than other genres, thus this kind of audiences prefer to reads newspaper more.

Interestingly, radio is most effective tool for Horror genre, perhaps since it is a strong way to scare people. Online marketing is effective also for Horror, thriller films more, thus it also useful device to reach more audiences in an easy way.

It is clear from these statistic, cinemas should use some marketing communication instruments together in terms of increase efficiency. This can help to allocate advertising expenses to right segment, thus if there are Horror, thriller or comedy films cinemas can use television, online and radio advertising tools together and this strategy assists this sector to reach more audiences.

In Azerbaijan, the advertising spend is quite lower than UK since the advertising has not improved as UK. However, the improvement of this communication tools in the market can create significant development of entertainment market. Thus, the marketers can use the some marketing communication tools together since it increases effectiveness of marketing tools and create synergism effect in the market.

IMC can help to our organizations can create boost profit, and sales, competitive advantage, in addition it helps an organization to build strong bond between consumers and sellers. However, the marketing communication tools send a message to the consumers for increase awareness and sales, IMC can use all communication tools together and it enable to companies to send a most effective message to consumers about goods and services. The messages which carefully linked also assist

consumers by updated information , special offers and giving timely reminders which, thus these help them move comfortably during their buying process and decreases their ‘misery of choice’. IMC makes messages more reliable, therefore it is more believable. The consistent, relevant and useful messages assist to create long term relationships with buyers. Therefore, the organizations in the market should be used integrated marketing communications for due to all of its advantage for them.

### **3.2. Evaluation of the effectiveness of the elements of marketing communications**

Effective communications allow not only to inform consumers about the goods for which there is demand in the market, but also to create this demand. Thus, the effective use of marketing communications allows us to solve the strategic and tactical objectives of the company associated with the company's global mission in the market. The concept of the marketing communications effectiveness always implies a comparison of the result obtained from the use of communication with the sum of costs in monetary terms. And if these costs are expressed in an increase in sales, then, of course, this communication is effective. A variety of marketing activities involves various methods of assessing their effectiveness, that is, a comparison of goals and achieved results. This survey is devoted to the analysis of existing methods for assessing the effectiveness of marketing tools. By marketing communications, we understand the process of transmitting information about our offers to the target audience in order to create an idea about the general marketing strategy of the company through special messages about the product, its price, and methods of sale. The task of marketing communications is to arouse the interest of

the consumer audience or to convince them to accept a certain point of view. MC may include advertising, promotions, event events, personal selling, direct marketing, PR, and other means and ways to convey a message. The survey illustrates a classification of methods and methods for assessing the economic and communicative effectiveness of the complex of marketing communications and its various elements.

Evaluation of the effectiveness of any marketing event is carried out on the basis of information obtained during the marketing research. The data is summarized and analyzed by various methods:

Quantitative research;

Qualitative research;

Qualitative methods involve the use of a marketing audit, during which a comprehensive analysis of the external environment of the organization, as well as all threats and opportunities, is carried out. At the same time, two areas of marketing control can be distinguished: results-oriented marketing control and marketing audit, it analyzes the qualitative aspects of the organization. Qualitative research includes collecting, understanding and analyzing data by observing people's behavior and what they say. Such information is difficult to measure by statistical methods. For this, additional sorting of the received answers and their breakdown into negative, positive and neutral are necessary. Such a study helps to identify the respondent's attitude towards a marketing event, in particular, advertising goods on various media, promotions at a point of sale or organizing a press conference.

Quantitative methods for evaluating the marketing effectiveness require a comparison of marketing costs with the gross profit and advertising costs to sales. In general, the effectiveness of marketing activities (profitability index) is defined as the ratio of total discounted profit received from the implementation of marketing activities in each year of the billing period to the total discounted costs of these



activities. Quantitative research equates the process of conducting various surveys with structured questions of a closed type. Response questions are more likely to be answered with multiple-choice questions, and a large number of reliable data can be obtained. Such questionnaires are easily amenable to statistical analysis. The analysis of profitability and cost analysis can also be one of the options for a quantitative method for assessing the effectiveness of marketing. When evaluating marketing activities, it is necessary to present the parameters characterizing the activities of a specific business unit - sales, organization's market share, margin and net profit. The use of tools of applied sociology is also focused on evaluating the effectiveness of marketing communications. Scoring methods for the effectiveness of marketing calculation determine its effectiveness for each event in compliance with a number of criteria for the conformity of the structures and processes of the marketing concept with scoring specific points for each creation. Below is a classification of methods and methods for assessing the economic and communicative effectiveness of the complex of marketing communications and its various elements. It allows companies also dwell on the pros and cons of various approaches to assessing the effectiveness of marketing instruments, which will allow them to see the limits of possibilities and the optimality of measurement results. Economic efficiency is considered as a comparison of the costs of marketing communications with the turnover, profit and other indicators of the company. Therefore, in assessing the economic effectiveness of advertising, the company's turnover for a certain period of time is taken as the basis.

■ The growth of turnover under the influence of advertising can be calculated by the formula:

$$TD = ( TC \times P \times D ) / 100,$$

where: *TD* - adwditional turnover caused by promotional activities in monetary units (e.);

$T_c$  - the average daily turnover before the start of the promotional period (e);

$D$  - the number of days of accounting turnover in the advertising process;

$P$  - the relative increase in the average daily turnover during the advertising period compared to the pre-advertising period (%).

■ The ratio between the profit received from the additional turnover associated with promotional activities and the actual advertising costs is calculated by the formula:

$$E = (Td \times Nt) / 100 - (Zr + Rd),$$

where:  $E$  - the economic effect of advertising ;

$TD$  - additional turnover under the influence of advertising;

$NT$  - trade allowance per unit of goods (in% of the selling price);

$Sp$  - the cost of advertising;

$RD$  - additional costs for the growth of trade;

The result of promotional activities can be:

■ positive - the cost of advertising is less than the effect;

■ negative - advertising costs above the effect;

■ neutral - the cost of advertising is equal to the effect.

The advantage of this method is that with its help you can see the additional turnover, the volume of sales obtained through an advertising campaign. He is well established in retail. The downside of this technique is that it is difficult to determine the optimal budget of an advertising campaign, because in the course of its implementation, other factors could also influence the increase in turnover.

■ The cost effectiveness of advertising can be determined using the ad-return indicator:

$$P = ( P \times 100) / 3,$$

where:  $P$  - the profitability of advertising;

$P$  - the profit from the advertising of goods;

*H* - advertising costs.

It works well when calculating the effect of advertising on launching, entering and after an advertising campaign. For example, in the case of using contextual advertising, you can determine the number of clicks on the site, views, and in the course of a survey of actual consumers to establish the effectiveness of contextual advertising. The disadvantage of this approach is that the profit received from advertising the goods cannot be considered as the only indicator of the profitability of advertising.

■ The economic effectiveness of advertising can be determined by the method of targeted alternatives, by comparing the planned and actual indicators, evaluated as a result of investing funds in an advertising campaign:

$$E = ( Pf - W ) \times 100 / ( Po - W ),$$

where: *E* - the level of achievement of the goal of advertising (%);

*Pf* - the actual change in the volume of profits for the period of the advertising (e.);

*By* - the planned change in the volume of profits for the period of the advertising (e.);

*H* - the cost of promotional activities in the period under review (e.)

Advertising volumes and sales (profits) are not always directly related. Changes in sales volumes are influenced by the efforts of competitors, fashion, consumer expectations, etc.

The advantage of this method is that it can definitely establish the achievement of a specific goal of advertising or establish that the goal cannot be achieved with such events. The disadvantages of the method of target alternatives are also in the local nature of the economic and social situation in which the advertising campaign took place. The situation could be influenced by the elemental forces of changes in

the external environment, which may no longer manifest themselves. The method of assessing the economic effectiveness of marketing communications, known as ROI (Return On Investment), has received the greatest popularity in recent years. ROI is a financier term borrowed by marketers. It literally means "return on investment." In the literature with respect to marketing, you can find such concepts related to ROI as marketing ROI and return on marketing invest ( ROMI ). The content and meaning of these terms are the same [4]. We give the basic formula for calculating ROI:

$$\text{Marketing ROI} = ( \text{Total Investment Return} - \text{Cost} ) / \text{Cost} \times 100\%.$$

As Volkov L rightly points out, do you count only the direct costs of creating and paying for the media, placing a commercial, outdoor advertising, or do you still need to add some share of what the total marketing costs are? In addition to advertising, the company invests in the organization and content of the marketing department. This may include direct salary costs for marketers, equipment depreciation and rental of premises, as well as all or part of the costs incurred by the personnel department for finding the right specialists, paying for electricity, water, sewage, telephone and Internet service providers, etc.

ROI can be calculated for some marketing campaigns and communications. These include marketing actions that stimulate immediate purchase, as well as increase the loyalty of already established customers, for example, direct marketing appeal to the consumer by direct mail, catalog orders, orders on the Internet, etc. Here it is possible to calculate the funds invested in marketing and compare them with the result. By consistently changing marketing efforts and controlling sales results, you can increase marketing ROI. This method of determining the effectiveness of MC shows itself well in evaluating sales promotion. For short-term promotions that lead to higher sales, it's easy to calculate marketing ROI, since there are data on sales in the previous promotion period, and

during the implementation period of the promotion, and after it ends Using CRM allows the company to identify customers and track contacts with them through various channels for a long time. In the sector B2B, the effect of the introduction of such programs can be calculated not only by products or sales units, but even by groups of clients and individual clients. In sector B2B, this can be more difficult, but information about individual loyalty campaigns (for example, rewarding customers with points, discounts, goods or other loyalty incentives) is quite suitable for a limited period of time to determine changes in sales and ultimately, to determine marketing ROI. And yet, for integrated marketing promotion programs, large-scale advertising campaigns, it is not possible to calculate ROI. Profit firms using the price and advertising signal can be calculated by the formula:

$$P_i = (P - c) q_i - A_i, i = 1, N$$

where:  $P$  - the profit of the company;

$i$  is the sales volume of a particular company;

$P$  - the fixed price of the goods sold;

$c$  - constant unit costs;

$q_i$  - the cost of sales;

$A_i$  - advertising expenses;

$N$  is the number of firms.

How to determine what amount of advertising is optimal for the company in the basic conditions and this market structure? The article “Advertising and Market Structure” by Schmalenzi R. describes in detail the fundamental approaches to this problem.

In the Butters model of J.R., advertising has a purely informative nature, i.e. It provides product information that directly increases the effectiveness of advertising. This model can be relevant, provided that all sellers offer the same product on the market at different prices, informing buyers about the price of their

goods. In this model, consumers purchase a product at the lowest price of those that they found in advertisements. In the absence of advertising or if it does not reach consumers, it can be assumed that they do not buy anything. In this case, advertising creates public benefit, provides a mutually beneficial trade. If the advertisement in which the most favorable price for a product known to the buyer is announced reaches the consumer, in the absence of other competing ads, then the product can be bought. The downside is that this approach can be taken conditionally, since consumers themselves can find information about the benefits of the product. Thus, advertising does not perform a purely informative function if there are sources of information beyond the control of sellers.

In the model of Grossman, J.M. and Shapiro S., it is stated that if a product is differentiated, then advertising should provide information about the properties of the product. The authors show that with a constant number of trademarks there is too much advertising per one of them. This is a reflection of the wasteful competition for market share.

American advertising specialist Rosser Reeves (the author of the famous unique selling proposition formula (USP) to assess the communicative effectiveness of advertising introduced two indicators: the introduction of advertising and involvement in consumption. The indicator of the introduction of advertising is defined as the ratio of the number of persons who remembered the current advertising to the number of persons who did not remember it. To calculate the indicator of involvement in consumption, we first determine the number of buyers for every hundred people who remember the advertisement. Then a hundred people who are not familiar with advertising. The difference between the first and second and will be the desired indicator, an indicator of involvement in consumption. Thus, the formula for calculating the involvement in advertising is as follows.

$$SVP = AVR - VVR ,$$

where: *SVP* - an indicator of involvement in consumption;

*AVR* - the number of buyers for every hundred people who remember advertising;

*VVR* - the number of buyers for every hundred people who do not remember the advertisement.

The advantages of this technique are its ease of use and accessibility. The concept of engaging in consumption has become widespread among advertising professionals. This kind of technique can be used in any available audience. The downside is that the data obtained can be considered conditionally as true only for the entire target audience. Since testing positive and negative responses from respondents requires more segmentation according to demographic, psychograph and behavioral characteristics of entire target audience.

■ To determine the degree of attraction of attention to outdoor advertising using observations. The degree of drawing attention to this kind of advertising (*B*) is determined by the following formula:

$$B = O \setminus P,$$

where: *B* - the degree of attracting the attention of passersby;

*About* - the persons number who have paid attention to advertising in a certain period;

*P*- The total number of people who passed by advertising over the same period.

The disadvantage of this approach is that observation is passive. The observer simply registers the number of people who have paid attention to the advertisement (shop window, exhibition stand or outdoor advertisement) and counts the total number of people who have passed by. The advantage is that the manufacturer receives first-hand data from a marketing specialist, i.e. field research information that is not in any database. However, the obtained primary data of field observation

can be compared with the data obtained in the same way in other years and take attention other conditions and circumstances.

All of these evaluation methods is more useful for all organization, however in our market, the evaluation method do not use more companies, the result of it, they can lost their market share and also the competition in the entertainment market. It gives more opportunity for our companies to create effective marketing strategy and increase their potential to gain competitive advantage. They can collect useful information about their consumers and also their marketing strategy by evaluating effectiveness of them. Therefore, all of entertainment organization in our market should use some evaluating method for developing and gaining more revenues, apart from that they can create strong relationship by analyzing their consumer need, it is one of the more important factor in the market.



## **IV Conculusion**

I made a documentary analysis to write theroetical and methodological part of my dissertation in primary chapters, thus as I mentioned above, I give information generally about entertainment industry, marketing tools and their role. Therefore, this part is essential to understand thereotical side of dissertation. I explored global and national entertainment industry during my preperation and to compare our industry with global entertainment industry to analyze the weaknesses, possible oportunites in the marketplace and in order to find the best way to improve and developpe this industry sector. In order to achieve this purpose, I utilize survay method, SWOT analysis and Porther's Five Forces analysis. Firstly, I made a survay between 102 respondents and gave some questions to evaluating their opinion about marketing of entertainment industry. The results of survay has assembled, and analyzed according to responses of individuals who participate in survey. Due to survey result, I examined that promotion tools influence positive to the consumers of entertainment sectors and the social media is most important tool for increasing awareness of people about entertainment industry. In addition,word the word of mouth marketing is quiet significant for consumers in terms of awareness of organizations. Thus, the positive word of mouth marketing can bring great reputation for entertainment company.

The improving loyalty is another factor to maintain consumers since the more percentage of consumers was partly loyal to entertainment sector, for changing partly loyal and disloyal consumers to the loyal one. The companies in the entertainment sector should use loyalty strategies to achieve continuous customer satisfaction, therefore our entertainment companies should be focus on loyalty programme. Especially, they should be perform some discounts for their buyers since

the price is important factor for all consumers in our market, hence the discount can be attract them to use some entertainment activities. It will be effective for price oriented customers in the market. Another important thing for improving entertainment sector is the location factor that it has crucial opportunity for companies since it is the second factor after the price that affect consumers opinion for selecting entertainment place. Therefore, in our entertainment market, organization shoul focus on these two factors for increasing consumers and to gain market share in the competitive marketplace.

According to other SWOT analysis methods in my dissertation, I have some suggestion for the cinema sector of Azerbaijan :

- First of all, they should give attention their brand name in the market and make a great effort to maintain this reputation in the market, thus the brand distinguish company's product from others and also it creat the memorable impression on customers.

- in addition differentiation of product or service is important since there are so many substitute product in the market as alternatives. In that case, cinema sector should focuses on changing or improving something in their cinemas such as decoration, service quality, price or maybe films categories and so on.

- As I mentioned above location and discount is crucial also for cinema sector, thus our cinema used some discount for people such as Genc ol campaign in the Cinema plus and today has Ulduzum discount which if you buy 1 ticket by code of Ulduzum then the second ticket give free for people in the Park cinema, Cinema plus and Nizami cinema center it is partnership between Bakcell and cinema centers.

- Innovation or novelty is essential too, however the cost is high, innovation has vital role for cinemas in the competitive environment, it makes possible to differentiate companies product from another easily.

Due to Porter's 5 Forces method, in our cinema industry, market research and innovation, furthermore the co-operation, they can easily challenge with threat of new entrance in the market. Apart from that, due to their market share and brand name of possible cinemas in the market, it is quite difficult for new entrance to enter the market, thus it requires high amount of money for competition. The buyer power is high since there are the numerous substitute product or service such as theatre, concert, opera and etc in the market, thus the buyers can easily alter their opinion about cinemas product. Therefore, for maintaining consumers, cinemas should create effective marketing and price strategy. While, the power of supplier is different due to their type, therefore our cinema sector need to create effective supply change strategy. As other industry sectors, in this market, there are competition between cinema organization that they use some marketing strategy to gain competition. I suggest that they should use integrated marketing communication as it creates synergism effect and can reach high number of consumer in effective way. Furthermore, they should evaluate the effectiveness of marketing communication tools, thus it ensures useful information about economic or cost effectiveness of their advertising strategy. Due to the result of evaluation, they can establish the most effective strategy.

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