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**THE ANALYSIS OF ADVANTAGES AND
DISADVANTAGES OF PROMOTION METHODS OF
CRAFT ENTERPRISES IN THE LATVIAN MARKET**

Abstract: This article considers the issue of craft enterprises in the Latvian market, as well as the advantages and disadvantages of different types of promotion, used by the companies for the promotion of their services/goods in the market. Analyzing different types of promotion, used by companies, the author expresses the opinion regarding the most successful methods of promotion the company uses.

For the analysis, the author chose three different craft enterprises in Latvia which promote their services in the market. Advantages and disadvantages of their promotion were taken in consideration. The craft enterprises under research were: „Suvenīru fabrika”, „Mersart”, and „Made in Latvia”. It has been concluded that „Mersart” craft company which applied website; Social networks and the services of the advertising agency for promotion achieved better promotional results, however, spending more financial resources for the purpose.

Keywords: craft enterprises, methods of promotion, goods, services, Latvian market, Latvia.

JEL Classification: M30

Introduction

Craft has always occupied a privileged position in our society. Craft objects are useful quotidian items, but can also be singular objects displayed in museums and galleries, valued for their high level of craftsmanship. The skill and aesthetics they embody can be monetized in economic value, but such objects can be studied as well to discover the techniques, materials and craftsmanship secrets that bear inestimable cultural and historical value. Crafts also reflect, embody and shape the social and cultural values, discourses and developments that are prevalent in societies at given historical times. Craftspeople manufacture values as craft object play an important role in shaping culture, society and technologies. Their works are the reflection of the social and cultural field. Techniques and skills particular to a craft tradition are part of a society's or community's intangible cultural heritage (Amalia Sabiescu, Martin

Woolley, Catherine Cummings, and Janine Prins, 2015). However, the program of support of handicraft enterprises which would promote SMEs' growth and help them to effectively tackle problems and barriers is not still developed in Latvia.

The analysis of publications

The topic of promotion for marketers is relevant. For example, one of the authors, Martin S. Bressler (2011, 2012, 2014), doing research of promotion, states that small businesses, engaged in craft economy (the author's note) can also differentiate their business venture from other, larger businesses, through their various promotional programs. Small businesses that understand promotion as a part of an integrated marketing campaign recognize the importance of this.

However, according to M. L. Kaluzhsky, promotion measures are aimed at the improvement of effectiveness of sales through the communication impact on staff, partners and consumers.

Smart small business owners seek opportunities to partner with other businesses and events. Businesses can coordinate their business promotions with local events which might include a Christmas or other holiday event. The image could be either formal or informal, based on product quality, atmosphere, lifestyle, or some other characteristic. Also, it is important to find new co-promotion ways and apply much creativity in the times of economic recession, state M. S. Bressler, L. A. Bressler and M. E. Bressler (2011).

A reverse family business is a relatively new concept of SMEs development, and namely in services, proved its existence by M. S. Bressler, K. Campbell and B. Elliott (2014) in their paper 'The Reverse Family Business: An Emerging Trend in Entrepreneurship'. They investigated the situation when parents work in businesses led by their children. Out of the 828 small business owners in the USA who responded to the survey questionnaire, 113 reported that one or both of their parents are working in their business. This new evidence of small enterprises development and functioning shows deep social and economic connection between the generations as well as possibility to have reverse business model at small family enterprises, when children set up a new business and employ their parents (such a situation stated 54% of the researched respondents). It gives the ground for assumption of innovative methods of management and promotion in various business fields, and particularly crafting, which brings in the younger generation, as well as shows the way for acquiring new labour resource to the field.

Business model, marketing and promotion of traditional craft are explored in Slovakia by such researchers as E. Hvizdová and B. Balogová (2016).

It is possible to discuss the published researches and articles on the topic of research of promotion of craft services or a craft product promotion, but the topic of the reveal of the advantages and disadvantages of methods of promotion of craft enterprises and their analysis in the Latvian market has not been considered and therefore represents an existing issue.

The goal of the article is to carry out the analysis of the advantages and disadvantages of promotion methods of craft enterprises in the Latvian market, in particular enterprises chosen by us as the examples.

As objectives, the author has determined to reach the goal by identifying:

- the definition of craft as an element of cultural heritage;
- the identification of issues and needs of craft enterprises;
- the advantages and disadvantages of different methods of promotion;
- the most successful method of promotion of craft enterprises in the Latvian market.

Results

Crafts as an element of cultural heritage

Traditional craftsmanship is perhaps the most tangible manifestation of intangible cultural heritage. There are numerous expressions of traditional craftsmanship: tools; clothing and jewelry; costumes and props for festivals and performing arts; storage containers, objects used for storage, transport and shelter; decorative art and ritual objects; musical instruments and household utensils, and toys, both for amusement and education. Many of these objects are only intended to be used for a short time, such as those created for festival rites, while others may become heirloom that are passed from generation to generation. The skills involved in creating craft objects are as varied as the items themselves.

Like other forms of intangible cultural heritage, globalization poses significant challenges to the survival of traditional forms of craftsmanship. Environmental and climatic pressures impact on traditional craftsmanship too, with deforestation and land clearing reducing the availability of key natural resources. Even in cases where traditional artisanship develops into a cottage industry, the increased scale of production may result in damage to the environment.

Many craft traditions involve ‘trade secrets’ that should not be taught to outsiders, but if family members or community members are not

interested in learning it, the knowledge may disappear because sharing it with strangers violates tradition.

The goal of safeguarding, as with other forms of intangible cultural heritage, is to ensure that the knowledge and skills associated with the traditional artisanry are passed on to future generations so that crafts can continue to be produced within their communities, providing livelihoods to their makers and reflecting creativity.

Legal measures, such as intellectual property protections and patent or copyright registrations, can help a community to benefit from its traditional motifs and crafts (UNESCO, 2003).

Clarifying, what is an intangible cultural heritage, it is possible to note that the term ‘cultural heritage’ has changed content considerably in recent decades, partially owing to the instruments developed by UNESCO. ‘Cultural heritage does not end at monuments and collections of objects. Cultural heritage also includes traditions or living expressions inherited from our ancestors and passed on to our descendants, such as oral traditions, performing arts, social practices, rituals, festive events, knowledge and practices concerning nature and the universe or the knowledge and skills to produce traditional crafts’ (UNESCO, 2003).

While fragile, intangible cultural heritage is an important factor in maintaining cultural diversity in the face of growing globalization. An understanding of the intangible cultural heritage of different communities helps with intercultural dialogue, and encourages mutual respect for other ways of life.

The importance of intangible cultural heritage is not the cultural manifestation itself, but rather the wealth of knowledge and skills that are transmitted through it from one generation to the next. The social and economic value of this transmission of knowledge is relevant to minority groups and for mainstream social groups within a State, and is as important for developing States as for developed ones.

Intangible cultural heritage does not only represent inherited traditions from the past, but also contemporary rural and urban practices in which diverse cultural groups take part;

We may share expressions of intangible cultural heritage that are similar to those practised by others. Whether they are from the neighbouring village, from a city on the opposite side of the world, or have been adopted by peoples who have migrated and settled in a different region, they all are intangible cultural heritage: they have been passed from one generation to another, have evolved in response to their environments and they contribute to giving us a sense of identity and continuity, providing a link from our past, through the present, and into our future.

- Intangible cultural heritage does not give rise to questions of whether or not certain practices are specific to a culture. It contributes to social cohesion, encouraging a sense of identity and responsibility which helps individuals to feel part of one or different communities and to feel part of society at large;

- Intangible cultural heritage is not merely valued as a cultural good, on a comparative basis, for its exclusivity or its exceptional value. It thrives on its basis in communities and depends on those whose knowledge of traditions, skills and customs are passed on to the rest of the community, from generation to generation, or to other communities;

- Intangible cultural heritage can only be heritage when it is recognized as such by the communities, groups or individuals that create, maintain and transmit it – without their recognition, nobody else can decide for them that a given expression or practice is their heritage (UNESCO, 2003).

Having determined crafts as elements of cultural heritage, let us analyse the issues and needs of craft enterprises in Latvia.

The issues and needs of craft enterprises in Latvia

The craft enterprises are directly affected by such known challenges as demographic changes, the ageing, scarcity of workers, as well as depend on such issues as the attraction of a great number of young and skilled people for the purpose of increase of employment of population and number of small and craft enterprises.

The demographic issues are related to the age structure of the European population, the subsequent decrease of working age of the population and aging of a labor force of the company. While such measures, as the increase of the number of women and the level of employment of older employees play an important role in this context, besides that the active response measures are required.

In order to solve the stated problem, namely the issue of promotion of craft enterprises in the Latvian market, enterprises have to think over carefully their promotion policy and use such powerful promotion tool, as website, where the company will be able to assert itself. One more of promotion tools, which not only today is very popular, but also very effective, is social networks. By the means of social networks companies not only can cover a large target audience, but also to raise the awareness and popularity of their goods/services.

In addition, to solve the problem, related, for example, to the lack of labor force, the craft enterprises can hire people with disabilities and young specialists to increase the level of employment of the population.

In this article, the author analyses in details as 3 different Latvian craft enterprises promote their services in the market, as well as advantages and disadvantages of their promotion.

The first company „*Suvenīru fabrika*” promotes its services, using the website.

A well-designed website it is a serious tool for solving a wide variety of tasks. With your own website, everyone can start his/her own business, to develop the already existing business, to present its services/goods and impose the other requirements on the system. Workhorse, operating 24 hours per day, has the possibility of access from anywhere in the world. Everything is limited only by the imagination and needs.

Identifying advantages and disadvantages of promotion method of the company „*Suvenīru fabrika*”, let us identify

Strengths:

➤ The website it is a face of any modern company (on it can be introduced any information, which can be useful for partners, customers, dealers.)

➤ There is a possibility of constant modernization and increase of functionality.

➤ The website it is mass media (information distribution, on the website the news, a catalogue of products, solutions and services, diverse, helpful information are placed, there is an opportunity to organize a forum for discussion of important issues, discussions).

➤ The website can operate in multi-lingual mode that will provide an opportunity to provoke the interest of people from various nooks of the planet.

➤ The companies, which don't have at least a minimum online presence lose up to 25% of customers, who know about the given company by hearsay, have tried to find its requisite details via the Internet and have come across competitive companies or even drop an idea of cooperation with this company because of the banal inability to find information about how to contact with it.

➤ Using the website it is possible to attract your target audience. This is done by the contextual or media advertising.

➤ The website provides an opportunity to decrease the burden of employees of the company (on the website is placed all the necessary information: the availability of goods, their prices, functional capabilities of different models, delivery terms, the possibility of credit, etc.).

➤ The credibility to the companies, which have a quality website, as a rule is higher than to the companies, which don't have the website at all.

➤ The website operates 24 hours per day, 7 days per week, 365 days per year.

➤ On the website it is possible to place individual information, designed for dealers, partners, which is protected for the access to the other visitors (special prices, dealers and partner discounts and newsletters, etc.).

➤ The analysis of attendance will allow getting the various information due to which it is possible to analyse the interest to specific service or goods.

Weaknesses

➤ Serious webprojects require expensive support and at least in small staff or to order the support of the website. The hosting of the website is required that entails a small, but fixed costs.

➤ On the website or server can be made attacks and break-ins. (When ordering the maintenance of the website, the consequences of such attacks are easily removable).

The exclusive design is very expensive — from 1000\$. (It is associated with the long, difficult work of web - designer and layout designer.) (Iligan Studio, n. d.).

The second object of the analysis of methods of promotion is the craft company „*Made in Latvia*”.

This company promotes its services and goods not only by the means of the website, but also on the social networks, such as facebook and draugiem.lv. This method of promotion as any other method has its advantages and disadvantages.

Promoting your product/service/company on the social networks it is possible to highlight the following advantages:

- 1) To communicate for long –term with your consumer;
- 2) To increase sales growth/traffic/subscriptions;
- 3) To find namely your target audience by age, sex, etc.;
- 4) To raise the awareness of your product/service/company;
- 5) To raise the awareness and knowledge about you, your target audience;
- 6) To form and increase the loyalty of the audience;
- 7) Quickly respond to the issues of consumers;
- 8) To detect and neutralize the negative reviews about you in time;
- 9) To form a brand;

This method of promotion has the following disadvantages:

- 1) In the absence of work experience with the social networks, there is a risk of unproductive spent of time and financial resources;

2) Not all “topics” are promoted on the social networks equally well. In most cases it works well for B2C, C2C, with B2B it’s not very simple;

3) There are risks to be non-demanded and misunderstood by consumers;

4) There are risks of wrong choice of target audience;

5) There are risks of wrong choice of strategy that can entail a large number of negative reviews and opposite result for us;

6) It is necessary to be ready for constant interaction with the target audience.

Promotion on social networks is a powerful tool, which allows you to work effectively with the image of the company, to increase the loyalty of the audience. It is, of course, not an alternative of search promotion or contextual advertising; it is another type of promotion, which, along with the above-mentioned tools and with the maximum responsible approach – gives very good results (V. Sokolova, 2011).

The third company „*Mersart*” promotes its services also by the means of a website and advertising agency.

Further the author has analyzed the advantages and disadvantages of such promotion through an agency and work with own specialist.

Advantages:

- ✓ Usually, it is cheaper than to have a specialist on the staff;
- ✓ The confirmed professionalism of employees (certificates, statuses, etc.);

Disadvantages:

- ✓ No dipping in your business;
- ✓ With a small budget, there is a risk that your project will be served residually. It is associated with the stupid system of motivation in the agency, when the main part of the salary of the employee makes the percent of turnover of large customers. Naturally, in such situation the employee spits on small ones, because their existence has a small influence on his/her salary;

- ✓ There is no direct contact with the executor. As a rule, executor leads 10 different projects and he/she has no time to communicate with the customer. For this purpose one more layer has appeared - account manager (who, by the way, also has 10 different projects). Broken telephone works out quite often.

Promotion, using the specialist on the staff.

Advantages:

- ✓ Prompt response to your requirements, remarks;
- ✓ Excellent control over the process of promotion, full transparency;

- ✓ Full dipping in your business;

Disadvantages:

✓ For small business more expensive than agency;

If the management has no specialist sufficient for his/her evaluation, motivation and control of competences, the specialist may not work for 100% (adsforsite.ru, n. d.).

Having analyzed, all advantages and disadvantages of methods of promotion of each of the companies, the author can conclude that the most successful methods of promotion has chosen the company “Made in Latvia”, as the use of social networks for business today is very popular and because of its popularity and large number of users on the social networks allows increasing the awareness of its services/products, as well as the company itself and as a consequence to increase the volumes of sales. In addition, such method of promotion helps to increase the awareness and knowledge of target audience about you. Besides that, the possibility emerges in time to detect and neutralize the negative reviews about the company.

According to the opinion of the author, the successful methods of promotion have chosen the „Mersart” company, such as: promotion by the means of a website and work with the own specialist.

Further, the author of the research the obtained results of comparative analysis of craft enterprises and their methods of promotion systematizes in the table (See. Table 1).

Table 1. The comparative analysis of craft enterprises and their methods of promotion

Company	Website	Social networks	Advertising agencies
Suvenīru fabrika	X	-	-
Made in Latvia	X	X	-
Mersart	X	-	X

Source: Own results

Conclusions

In the article, the crafts were considered by the author from the point of view of an element of cultural heritage. The carried out research has allowed the author to conclude that crafts has always occupied a privileged position in our society, as well as reflect, embody and form social and cultural values.

The author has analyzed the advantages and disadvantages of methods of promotion of craft enterprises in the Latvian market, using the

example of specific enterprises, namely „Made in Latvia”, „Mersart” and „Suvenīru fabrika”.

Besides that, there were identified the issues and needs of craft enterprises. The research identified the most successful methods craft enterprises promotion in the Latvian market.

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