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FACULTY OF ECONOMICS

MASTER'S THESIS

**MARKETING COMMUNICATIONS AND DISTRIBUTION OF THE
BEVERAGE PAŠARETA**

Ljubljana, July 2015

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INTRODUCTION

As the main subject of the thesis, the author will cover marketing communications and distribution of the beverage Pašareta. Pašareta is a non-alcoholic, soft drink recognizable by its red colour. It is well-known in the Istrian peninsula, where its production started in 1924. Since then, without any media promotion or communication, it has received a good reputation. As Pašareta is extremely popular among young people in Istria, but also among older consumers, the idea of its promotion and distribution across Croatia did not remain concealed for long. Many of those who had a chance to taste Pašareta wondered why it has not been promoted and distributed along the entire Croatia and possibly abroad. Because of its good taste, a very interesting colour, and positive reviews from its consumers, the author of the thesis decided to develop a distribution and marketing communications program which would help beverage Pašareta increase the number of its consumers. Ferenčić Ltd. is an example of a good traditional family business that shows great possibility for further development. Their success on a small market could potentially be spread on larger markets in Croatia. Although the company Badel was trying to sell another version of Pašareta called "Passareta", many consumers were not happy with the taste and remained loyal to the original produced by the company.

As many other soft drinks, Pašareta tastes sweet, but the recipe to its distinguished taste is held secret by Ferenčić Ltd. Its packaging and labels are not attractive to young consumers because of the old-fashioned design. Although there is an upcoming trend of vintage designs, Pašareta's look should be reconstructed in a way to remain consistent to its values and roots, but have an added value of a modern design. Its quality is establishing the brand's authority that is on par with the competition, and with a good marketing communication support, Pašareta could be highly respected among consumers. The author wants to acquire loyalty to the beverage Pašareta and awareness of its existence. Among a myriad of different products in a number of categories, it is very hard to create and maintain brand loyalty, which is why companies should constantly invest their resources in order to keep their existing customers and attract the new ones; the quality of the product and service must always be on the highest level. Quality of the product is one of the essential components contributing to the brand awareness and one of the main reasons customers are continually purchasing a certain brand. By showing acknowledgment to customers and staying in touch with them, company shows that it cares about its product and wants to keep its customers satisfied. First of all, it is necessary to be very well acquainted with the brand, so that marketing department can be familiar with the product's advantages and therefore successfully create brand awareness. When brand awareness is created among customers, brand recognition and recall follow up. Brand choice will be as strong as brand awareness. Generally, brand awareness shows consumers' consciousness about a particular product and company itself. Awareness does not necessarily mean that consumers completely understand the brand. Awareness is usually focused on customer's

perception and feeling about the brand. Although people are aware of everything around them, the intensity of that awareness varies. It is changing its structure regularly and awareness is actually the total sum of all consumers' experiences. Brand awareness shows the possibility of the consumer to remember a brand which may include brand recognition and brand recall that develop a strong and dominant brand (Aaker, 1991).

Figure 1. Pašareta bottle



Ferenčić Ltd. is a small family business established in 1924 in Pazin. Its activity started with the production of soft drinks in the area of Pazin, in time continuing to expand and sell throughout Istria. Today, the company consists of twenty employees, and its headquarters are located at the address Stari Pazin 6, in Pazin. The owner of the company is Franko Ferenčić. Given that it's a small company, mutual cooperation between employees is much better and of higher quality. Although departments do not exist within the company because of the small number of employees, each employee knows what the company is responsible for, and what their function in the company is, which makes better communication among them. Ferenčić Ltd. has never used any kind of promotional activities since their main market was limited to the territory of Istria (Ferenčić, 2013).

In order to be successful, every company has to differentiate their products through branding, because the lack of marketing communication can lead to failure of the product on the market (Aaker, 2007). Brand management has always been very important part of every company, but branding has become a top management priority for a higher number of organizations in the last decade. It is very important to define what brand is before understanding the brand equity. According to the American Marketing Association, "a brand is a name, term, sign, symbol or combination of them that is designed to identify goods or services of one seller or group of sellers and to differentiate them from those of competitors". Most companies put the focus of their strategy on the brand's attributes to develop the brand's identity. Unfortunately, focusing brands only on this component can cause decrease in customers' loyalty and lead to copying the brand's features by competitors. Stable and successful brands are not concerned only about brand's identity, but also about brand individuality and long-term relationship with customers (Aaker, 1994, p.122). When a company wants to create and maintain a strong brand, Aaker and

Joachimsthaler (2000) recommend that it focuses on how it wants to be perceived in public by considering the brand as a person, as an organization, as a symbol and, finally, considering it as a product.

Brand awareness is a part of the marketing tool and indicates whether consumers can recall or recognize a certain brand, or if they are familiar with it (Keller, 2008). In order to build good brand equity, brand awareness has to be on a high level. Brand represents very important and worthwhile piece of organization's knowhow, also very competent to influence consumer actions, and, if developed in a right way, it provides the security of constant revenues to its owner. The expanded value of these benefits, whether direct or indirect, is called brand equity (Kapferer, 2008, p.142). The term brand equity and its meaning have begun to be used extensively by advertising practitioners in the 1980s. Important contributors to the theory in the 1990s were Aaker (1991), Srivastava and Shocker (1991), Kapferer (1992), and Keller (1993, 1998). All the concepts known by practitioners support the idea that brand equity gives an added value to a product and follows the experience of a product by consumers' consciousness of a certain brand name (Winters, 1991; Chaudhuri, 1995). The primary assumption of brand equity is connected to the experience the consumers had with a certain brand, the place it has taken in the head of consumers and the information they learned about a brand. Brand equity is also presumed to be an "added value" to a product in the thoughts, words, and actions enriched by the consumers. There are different ways in which this added value can be manifested and created, but also in a way that can benefit the company, such as bigger revenue or lower production costs. It is very important for marketers to completely understand the sources of brand equity and their affect on sales in order to provide a useful strategic function. It is very important to fully understand the whole concept of brand equity so that a good strategic plan within a company can be made. Also, brand equity has to follow marketing decision in order to receive a positive effect on sales or other outcomes. Different sources of brand equity can help managers or sales people to fully understand the whole concept and it can help them focus on crucial resources that are very important when building company's brand equity. By understanding brand equity and all its advantages, managers can influence the outcomes and recognize how and where brands add value. When consumers are able to connect their brand knowledge to the brand name, it means that the brand equity was successfully used by managers (Aaker, 1991, pp. 47-57).

Hence, good understanding of the brand will certainly lead to higher brand awareness which is one of the most important parts of the brand itself. Good brand awareness shows higher brand knowledge (Keller, 2008, pp. 71-75) and affects consumer decision-making process. Consumers' consideration set represents a few different choices that a consumer has when choosing among several brands of the same function. Another key measure for brand equity shows how much a brand is present and known on the market. Therefore, brands that are known to the customer are going to climb to the top of his consideration set,

also called the evoked set (Kapferer, 2008, p.142). When consumers are deciding among different brands in the decision making process, brand awareness can represent the key measure for final purchase (Hoyer & Brown, 1990, p. 142). Therefore, performance of the brand on the market is increased by higher brand awareness.

Due to increasing globalization, markets are becoming very complex and demanding. Therefore, companies need to be increasingly involved in the understanding of the market in order to maintain and improve their market position. Companies that want to be successful on the market and continue their growth need to constantly search for consumers' feedback. According to received feedback, they need to keep improving their services in order to satisfy customers' needs in such a demanding market. Since the main goal of the companies' marketing efforts is to keep existing consumers and attract new ones, they need to work on providing constant satisfaction to their customers. A company can claim it has good marketing strategies when it has dedicated extensive time in research, planning and implementation. Positive impact of marketing on business can be seen only by setting realistic goals that can be reached in a couple of years.

Marketing communications are becoming more and more important for any developing business. In the last few years, they have become inevitable practice for all kinds of businesses that want to grow on the market. In order to create a well-defined and collaborated marketing communication strategy, all partners, such as manufacturers and retailers, must share all the crucial information that can help position product on the market. They both have to agree on different product promotions such as price reduction and timing of the promotions (Dobša, Bojanić-Glavica, & Kero, 2009.) Advertising helps the brand become more exposed and known to consumers, which in turn increases their brand awareness (Keller, 1998, pp. 120-123). Also, with better advertising, there is a higher chance that a brand will be included in consumers' consideration set leading to a better market performance of the brand (Krishnan & Chakravarti, 1993). Finally, as a brand is progressively being advertised through different media, the brand awareness grows (Huang & Sarigollu, 2011).

If consumers are repeatedly exposed to a certain brand, this may lead to the enhancement of brand awareness (Keller, 2008, pp. 73-75, 339-341). One way of increasing brand awareness is constant exposure of the brand in retail stores. Thus, there's a growing possibility the consumers will recognize the brand and that its place in their minds will be improved (Huang & Sarigollu, 2011). The retail stores are furnished in a way to organize the products by categories. This is an optimal solution to keep the brands more linked to the customers, and an arrangement that increases the probability of the final purchase (Huang & Sarigollu, 2011). One of the most crucial segments in retail stores is shelf visibility. The more a brand is visible to the consumer, the better is the possibility it will be placed in the consideration set for final purchase. Hence, there is a high correlation

between shelf visibility and frequently purchased products (Smith & Park, 1992, pp. 296-313). Very useful way of increasing brand awareness is offering samples which provide the consumers with a personal experience of the product. Studies have confirmed that there is a positive correlation between shelf visibility and brand awareness (Huang & Sarigollu, 2011).

Marketing strategies cannot be transferred from one company to another mostly because each company is unique. Big companies will not use the same marketing techniques as small companies, since their structures differ extensively. If there was a possibility to transfer marketing concepts from a big company to a small one, some adjustments would have to be made. Marketing communication is crucial for new and existing companies and businesses, but experience has confirmed the great discrepancy between the theory and practice. The purpose of entrepreneurial ventures is to explore different market opportunities and to successfully deliver products and services to consumers that are willing to pay for it (Kraus, Fink, Rossl, & Jensen, 2007). When products are oriented toward the customer's expectations and needs, companies are ready to make different types of innovations on the market by using their entrepreneurial behaviour. This kind of business is crucial for new and existing companies since, in this way, they are implementing different marketing concepts important for further growth. Marketing has always been a fundamental part of the business activity which leads to growth, development and existence of small and medium enterprises (SME), but also existing companies (Gruber, 2004, pp. 164-199; Carson et al., 1995). Companies need to be able to offer solutions to customers' problems since this is a very important part of implementing a marketing concept within a company. Marketing should be applied within a company, not only as departmental function, but also as an integrated concept crucial for developing business (Kraus, Fink, Rossl, & Jensen, 2007). Marketing orientation should be completely integrated in any business, with emphasis on customers' satisfaction. Entrepreneurial orientation is different from marketing orientation, but both are equally important for any strategic implementation (Miles & Arnold, 1991, pp. 49-65). The biggest problem for many SMEs and new enterprises is that because of their size, they cannot afford having formal marketing department. There are usually one or two individuals who make marketing decisions and one of them, in most occasions, is the owner himself (Stokes, 1995). Small and medium enterprises usually have very low access to human and financial resources. Because of this limit, SMEs usually do not have opportunity to implement marketing communication immediately in their strategic planning. Until their business expands, their resources are limited and they need to use them in the best possible way to succeed. Small businesses usually have typical marketing style and orientation, showing their simplicity in marketing strategies because of no formal structure of marketing department and limited resources in most areas of the business (Hill & Wright, 2000, pp. 23-46). All small businesses have very distinctive and similar problems in marketing communication strategies, such as low customers range and limited area of impact. SMEs

usually do not have the variety of products in their portfolio and use market penetration and product development instead of market development and product diversification strategies (Kraus, Fink, Rossl, & Jensen, 2007). Because of their size, SMEs operate in smaller markets with smaller variety of products or services. This happens due to the impossibility to afford departments inside the company which would conduct market analysis. Very important difference between smaller and larger companies is that smaller companies care a lot about quality and customer satisfaction since this is the crucial part of their success. Because of their size, they have usually only one owner who dictates the way of doing business, which can help them in flexibility since they do not have to answer to variety of directors. In this way the reaction to customers' needs is quicker. Traditional marketing concepts can seem unprofitable to SMEs at first sight, but implementing some changes to conventional strategies can boost their growth and have other positive effects (Reynolds, 2002, pp. 191-205). Entrepreneurial marketing is important part of any business since the mindset this concept promotes is relevant for any type of business. Therefore, entrepreneurial marketing can boost word-of-mouth promotion by sharing customers' recommendations, especially at the very beginning of the business when companies are, in most cases, oriented only on the product quality (Stokes, 2000, pp. 47-50). The owner himself has the crucial role in entrepreneurial marketing, given that his management orientation and understanding of marketing communication are critical for implementation within the company. However, as the firm grows, the owner's authority in company slowly weakens because the decision-making strategies regarding marketing communication strategies are usually taken over by marketing experts (Bjerke & Hultman, 2002).

Company Frenčić has never used any marketing strategies, as it was relying only on the word-of-mouth marketing. Although this marketing communication has brought them great success on the Istrian peninsula, there is a great window of opportunity that needs to be used in order to spread the company and retrieve bigger market share. The first owner of the company did not have any needs for business growth as he was satisfied with the market share they had, but as the younger generations took over the company, they recognized the great possibility of extending their business.

Problem formulation. Pašareta has been unknown to the Croatian market, apart from Istria. Its main marketing communication was developed through word-of-mouth promotion. Due to the non-existent media coverage of the brand, the challenge is to develop its marketing mix on the whole Croatian market (not only Istria).

Purpose and objectives of the master's thesis. The purpose of this thesis is to develop new distribution channels and marketing communications of beverage Pašareta which gained its position in Istria, but not outside of it. Also, it is important to develop a plan for marketing channels and their extensions. More important than the product is the communication with target customers for whom the offer itself is formed. The goal of this

master's thesis is to place the beverage Pašareta on the market as product that has very long tradition and is produced entirely in Croatia. Very important is to present the beverage to a new market across the whole Croatia in order to attract a larger group of consumers. Also, very important is to explain the originality of the product in order to avoid comparison with the new Cockta Rossa that has similar taste and same colour as Pašareta. Cockta Rossa is the product owned by Atlantic group from Croatia. By developing marketing activities, Pašareta will become more recognizable to people who will stimulate word-of-mouth marketing. Also, the goal of this thesis is to create a realistic marketing mix in order to help Ferencić Ltd. to achieve new stage of its company life cycle. It is important to offer an efficient marketing communication and distributional variable for the 5-year development plan.

The purposed research questions of this thesis are: Which marketing communication tools would be the most efficient for promotion of the beverage Pašareta in the Croatian market? Which distribution channels should be used in order to spread beverage Pašareta throughout the whole Croatia?

Limitations. Author has come across some limitations. The biggest limitation is lack of information about the beverage Pašareta available online. The only insight that the author got about the company was during the interview with the CEO. On the other hand, the CEO of the company was not willing to communicate too many information about the company. Beverage Pašareta is representing a small local brand that immediately appealed to most of the people after it was introduced to them. Pašareta was introduced to the group of people from faculty VERN in Zagreb (June, 2013) where the author of the thesis held a short presentation about this soft drink. This was a small group of 63 people, but they are still returning to Istria to buy Pašareta every few months since it is not distributed outside Istrian region. It is expected that the beverage Pašareta can represent a very strong competition to the established multi-national brands such as Coca-Cola and Cockta. With the correct marketing communication, Pašareta can become not only a substitute to the already established brands, but can gain loyalty among consumers.

1 SMALL AND MEDIUM ENTERPRISES (SME)

SMEs represent an important part of any economy in the world; in Croatia, SMEs achieve 51% share in the total revenue, 67,04% in employment and 43,06% in export (Alpeza, Biškupić & Eterović, 2012). In the last 10 years, many researchers have conducted various empirical studies on marketing communication in SMEs, but only few of them concentrate on integrated marketing communication (IMC) (Low, 2000, pp. 27-39; Gabrielli & Balboni, 2010, pp. 275-287). According to the studies in IMC (Schultz et al., 1993; Nowak & Phelps, 1994, pp. 49-60; Low, 2000), SMEs are those who use the IMC to the fullest, mostly due to the simple hierarchy that results in management flexibility and good

business relationship with customers. Instead of being concentrated on impact that marketing communication has on the market, owner's orientation often falls only on company's profits and revenues which results in conflict between the owner himself and the marketing department. Communication in SMEs is usually not properly structured; strategies are being implemented as the market requires it, but not before. Also, the communication between employees and the owner is often informal and flexible, reflecting simplicity that is specific for SMEs (Gilmore et al., 2001, pp. 6-10). It is often focused more on short-term goals to increase or maintain the sales level, rather than on long-term goals such as product quality. In order to grow in size and expand as a company, SMEs should develop integrated communication within the company by using different marketing tools following the philosophy of integrated marketing communication.

The marketing area has changed drastically in the last years. The need for low-budget and efficient marketing tools has changed the way marketers develop new marketing communications.

From the very beginning, IMC has been very interesting for marketers. Firstly, IMC was genuine and it was simply adjusting marketing messages in a "look-a-like", "sound-a-like" manner, as well as sending important information to customers about a brand (Hull Business School, 2006). Knowledge of IMC has developed in time, so researchers have started including employees and suppliers in the IMC meaning. It has been proved that the internal audience has a great impact on IMC, such as employees, suppliers, manufacturers, stakeholders and the brand itself, and they represent very important value for marketing strategies (Kitchen & De Pelsmacker, 2004). Researchers point out that the great values of IMC are constant messages that target consumers are obtaining on a regular basis through various communication channels, such as media. Since IMC has been recognized as profitable strategy and has also been proven to reduce media wastage, it provides companies with better competitive advantage (Duncan & Everett, 1993, pp. 30-37). Although there is more room for improvement of the IMC, it has been positively accepted among all researchers and practitioners in the world (Duncan & Everett, 1993; Schultz & Kitchen, 2000). The influence on SMEs has not been yet fully developed since there is not enough research taken within smaller companies. So far, all of the research have been taken within large companies. The number of SMEs has been increasing and their importance has become crucial for developing economies. In the beginning it has been thought that IMC would be mostly connected to SMEs than any other business type (Schultz et al, 1993; Nowak & Phelps, 1994, pp. 55-59; Low, 2000, pp. 31-37). Because of the increasing globalisation, media fragmentation, technological sophistication and consumer knowledge of marketing communications techniques, there is no business in the world that can be protected from these increasing trends (Hull Business School, 2006). Since SMEs are located throughout the whole world, they have access to various information channels and can also communicate anywhere in the world. They need to communicate with their target markets effectively in order to succeed (e.g. to increase

their sales) (Knight, 2000, pp. 45-51). SMEs have become more and more important in every country in the world and because of their uniqueness, the implementation of IMC within SMEs will need deeper investigation.

2 BRAND AWARENESS, RECALL AND RECOGNITION

Research studies have shown that the stronger the brand is, the higher the level of the consumer brand awareness (Vrontis & Pappasolomou 2007). Brand awareness is defined "as rudimentary level of brand knowledge involving, at least, recognition of the brand name (Hoyer & Brown, 1990, p. 141). It has an important step in customers' decision making process. Brands that customers are familiar with will have a priority in their consideration set for possible purchase over any other brands of which customers are not even aware of. Because of this, only the brands that customers know, recognize and respect can be eventually purchased (Baldauf, 2003). For growing brand management of SMEs, companies should also use different brand structures, such as audio and video components, which will maintain and increase brand awareness with consumers (Krake, 2005, pp. 222-242). In short, every good brand should have well defined characteristics which are distinguishing it from any competitors. It's the only way products can keep their place in consumers' minds.

Brand awareness is mostly demonstrated in the consumer's possibility to recognize the brand under the influence of various conditions (Keller, 2008). When it comes to luxury products, consumers usually take more time in the decision making process and are trying to get informed about unidentified brands (Anselmsson, Johansson, & Persson, 2007).

There are five brand-related processes that are of great importance for further analysis of brand awareness and recall: identifying, experiencing, integrating, signalling and connecting with the brand (Schmitt, 2011). Brand recall refers to the fact that a consumer is thinking about a product category and he can remember only specific brands. That process is a part of a consumer's memory. The stronger the brand is, the better it is situated in a consumer's mind, therefore, there is a better chance it will be recalled in the thinking process.

Identifying process is related to the moment a consumer identifies the brand and its category by forming associations and comparing different characteristics between brands. Experience of the brand refers to past involvement and know-how a consumer has had with a certain brand. Integrating attributes all brand information combined into an overall brand concept and relationship consumer has with the brand. Signifying means that the brand is being used in the informational cultural purposes. Finally, connecting with the brand refers to a feeling that consumer has developed for a brand, that made him become personally attached to it (Schmitt, 2011).

These processes are continually overlapping and one without the other cannot work.

Usually, these processes don't need to necessarily occur in the order described.

Brand equity has been referred to as an important concept both by professionals and intellectuals (Keller & Lehmann, 2006, pp. 735-749). All parts of brand equity positively impact and affect consumers' perceptions and consideration set (Reynolds & Phillips, 2005). Since brand equity has been an important part of any business, such positive influence should be increased in order to grow brand equity (Keller, 2008). Consumer based brand equity measures different opinions and processes that are developing in consumer's mind in order to be able to integrate brand equity within the company. It measures associations and attitudes toward a brand (Keller & Lehmann, 2006). By following these measures, companies have good possibility to discover all necessary sources of brand equity important for diagnostic capability. These measures are serving as a good evaluation about the future performance of the company (Buil, Chernatony, & Martinez, 2011). The two main researchers who have designed the idea of brand equity were Aaker and Keller. Aaker (1991) claimed that the most important dimensions of brand equity are perceived quality, brand awareness, brand opinions, and loyalty. According to Keller (1993), brand equity evolves mostly around two concepts: brand awareness and brand image, as two crucial parts. In order to create brand knowledge, through promotional and distributional variable of drink Pašareta, the author of the thesis will first have to create brand awareness and brand image of the beverage. This will be done through different promotional activities than will be mentioned in this thesis.

Keller's brand equity model, also known as customer-based brand equity, is actually representing four main questions that are going through every consumer's mind, usually subconsciously: Who are you? What are you? What about you? What about you and me? These questions help consumers determine the experience they have had with a brand and they are comparing few different brands in the decision making process. In the end they evaluate the brand and purchase it by using word-of-mouth promotion (Keller & Lehmann, 2006, pp. 107). Keller and Lehmann's (2006) value chain contains few different stages: brand awareness (recognition and recall), associations of the brand, attitude (perspective towards a product), attachment (loyalty to a product), and activity (final decision about product purchase and its consumption frequency, as well as word-of-mouth promotion). Farquhar (1990) has concluded that attitude plays a significant role in brand equity. Most analyses on attitude's role have been conducted by two researchers, Fishbein and Ajzen (1975). They concluded that a consumer develops brand awareness when the attitude towards a brand is positively evaluated (p. 218). Therefore, all experiences connected to a certain brand form customer's brand recognition and recall.

Briefly, customers' attitudes toward a brand and their opinion about a certain brand, whether positive or negative, predetermine their choice behaviour. These experiences also affect customers' will for word-of-mouth promotion.

3 MARKETING ENVIRONMENT FOR THE BEVERAGE PAŠARETA

As the beverage Pašareta has already been introduced in this thesis, the author of the thesis will present marketing environment in which Pašareta will develop.

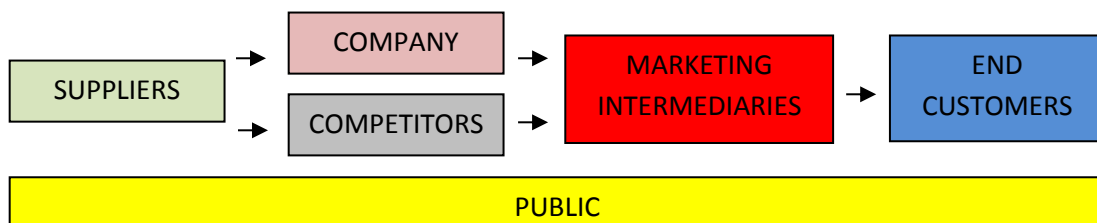
Since the main goal of marketing is to produce and sell what people actually need, the most important part of marketing plan is to fully recognize the marketing environment concerning the brand. Marketing environment consists of macroenvironment which shows different social aspects that affect business directly (e.g. competitors, substitute products and economic situation) and microenvironment which demonstrates (e.g. our customers, product itself, employees) aspects of business which are very close to the company and which a company can influence.

Company cannot influence macroenvironment since those are forces that cannot be changed by the company, but it may have an impact on microenvironment by controlling elements of marketing mix which have a crucial impact on the overall success of the enterprise. PEST analysis shows different forces that affect macroenvironment: political, economical, social and technological elements. All companies need to understand the environment in which they are performing in order to know how to adapt their businesses. As macroenvironment is continually changing, the microenvironment has to follow the same trend by implementing changes necessary for a company to be successful on the market. It is very important for the company to be constantly familiar with the changes and the new opportunities that are emerging on the market in order to follow its success.

3.1 Microenvironment

Microenvironment represents forces that are close to the company and affect its ability to serve its customers. Those forces are: company, suppliers, marketing intermediaries, end customers, competitors, and the public, which together form the company's system for delivering value, as shown in Figure 2. (Kotler, Wong, Saunders, & Armstrong, 2006.)

Figure 2. Main elements in the company's microenvironment



Source: P. Kotler, *Upravljanje marketingom: analiza, planiranje, primjena i kontrola*, 1994.

The company is one of the parts of the microenvironment. It is very important that the company has a clearly defined mission, vision, strategy and policy, and that these are aligned with the overall objectives of the company. Departments in the company should

collaborate very well with each other, so every part of the company could be adjusted in order to make decisions quickly and more effectively.

Ferenčić Ltd. is a family business established in 1924 in Pazin. Its activity is the production of soft drinks in the area of Pazin that in time continued to expand and sell throughout Istria. The company has twenty employees and its headquarters are located at Stara Ulica 6 in Pazin. There are three employees in the sales and marketing department, which is arranging all new potential clients and trying to build goods business relationship with the existing ones. Because of the small scale of the company, mutual cooperation between departments is much better. Although departments are not strictly specified, individual employees know what their responsibilities and function within the company are. This approach to business conduct helps them maintain very good communication among departments (Ferenčić, 2013.)

Mission of Ferenčić Ltd. is the following: "we want to be the initiators of optimism and refreshment in the world in order to show our value and create distinction among the competition (Ferenčić, 2013)." Company started changing its perspective and it's willing to invest in their marketing and promotional activities in order to become recognizable to the consumers in Croatia. The company would like to begin with the distribution of their product to all the parts of Croatia, and eventually to Bosnia, Serbia, Montenegro and Slovenia. Long term goal is to create awareness, brand recall and loyalty in the European area.

The vision of Ferenčić Ltd. is following: Its employees want to represent the birthplace of inspiration, be the best at what they do, and offer the consumers the best soft drink on the market, successfully outperforming the competition.

SWOT analysis represents strengths and weaknesses of the drink Pašareta and Ferenčić Ltd., where the beverage is manufactured; it also gives an overview of the opportunities and threats existing in the market, the company should be aware of when managing their marketing mix. SWOT analysis is based on the interview that the author of this thesis had with the director of the company and its marketing employees. They have a good insight into the marketing trends active in the last few years and are trying to take the opportunities to develop their brand. On the other hand, the author of this thesis has also taken secondary sources in order to analyze SWOT in more depth. Very important is the analysis of the competition such as Coca-Cola, Pepsi and Cockta, whose SWOT analyses can be found on their websites.

Table 1. SWOT Analysis

<p>STRENGTHS</p> <ul style="list-style-type: none"> • A distinctive flavour • Specific colour • A long production tradition • Affordable prices • The possibility of combining with other drinks and food • Positive consumer reaction • Low cost of production • Recession – current lower prices in comparison to the competition 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> • Poor promotion on the wider market • Unrecognizability outside Istria • Available in just one taste • Availability on a limited area • Insufficiently advertised beverage • Lack of innovation with regard to the product • Unattractive bottle label – Ferenčić Ltd. is aware of it but have never changed it due to the original director’s wishes • No emphasis on marketing within the company. • Absence of a website that would be an additional source of information about the product • The possibility of being taken over by competitors • No relationship with marketing intermediaries
<p>OPPORTUNITY</p> <ul style="list-style-type: none"> • The trend of drinking soft, carbonated drinks in the summer • New production technology – Ferenčić Ltd. is using recycled goods in order to stay ecologically conscious • New distribution capabilities – using degradable packaging • Use of the Internet for the marketing efforts • New markets since Croatia entered the EU 	<p>THREATS</p> <ul style="list-style-type: none"> • A large number of established competitors • A negative image of carbonated drinks – awareness of diseases • Unfavourable economic situation

Pašareta is a very specific drink with red colour and a distinctive flavour. It has a great advantage over its competitors because its consumers love its taste that differs significantly from the other carbonated drinks they have tried. It has a very long tradition, dating to 1924, but its design is old-fashioned, therefore not very well accepted among younger population. When analyzing Pašareta, the author of the thesis compares it to Coca-Cola, as the leading brand of the carbonated drinks, and Cockta, as a similar drink manufactured in Croatia. Apart from a few pictures, there is not much information that could be found on the internet about Pašareta. One of its advantages is its lower price when compared to Being both Coca-Cola and Cockta. The biggest disadvantage is the fact that it has never been promoted in mass media, relying only on word-of-mouth promotion, and it is currently available only in the Istrian region. Its great opportunity is the trend of drinking soft, carbonated drinks during summer on the entire territory of Croatia. Long term opportunity is the new market that is opened since Croatia has entered EU on 1 July 2013. The biggest threat to the beverage Pašareta itself is the competition that is present on the market. Coca-Cola Company and Pepsi hold a very large share (about 70 percent) (Vrdelja, 2011) of the Croatian market, due to their popularity around the world. They are constantly changing and adjusting to the market's needs, and developing new products and designs. Excellent marketing development strategies have brought them good media coverage which is very important in order to succeed on the market. They are also distributed throughout the whole Croatian market and are available in every store. The lack of investment in promoting Pašareta could also be an initial obstacle due to large exposure of its competition. Pašareta, as any other carbonated beverage, contains ingredients such as sugar which can cause weight problems and slow down metabolism. The growing health-related awareness could also represent an upcoming problem, even though it's currently not particularly popular in Croatia. The imminent trend indicates that there is a rising number of consumers who are willing to pay more for certain goods, as far as they indicate health benefits on their labels. Results of a recent survey conducted in Germany, France, UK, Spain and Italy show that consumers are becoming more aware of their diet and perceptions of beverage and food labelling. Those who were questioned have claimed that they care more and more about their health and it is crucial for them that goods have appropriate labelling (Soft Drinks International, 2009).

Economic analysis works in favour of Pašareta because its prices in cafés and stores are lower than its competitors' prices: Coca-Cola and Cockta. Due to the new production technology, allowing Ferenčić Ltd. to use recycled inputs and stay ecologically conscious, prices are also much more acceptable than competitors'. Nowadays, customers in their twenties and older express their awareness about health issues by reducing carbonated beverages in their diets to prevent diabetes and other diseases. A considerable opportunity for Pašareta has arisen when Croatia became a part of the EU, giving our companies easier access to the European market.

3.1.1 Suppliers

PLASTICO Ltd. supplies Ferenčić Ltd. with the raw material used to produce beverage Pašareta. PLASTICO Ltd. is also a supplier of glass bottles and caps that are personalized and include the company logo. Labels are also part of the supplied materials that Ferenčić Ltd. combines with a bottle.

Because of the small scale of the company, engaged in the market of soft drinks, it does not use a lot of external services, but rather relies entirely on their own production (Ferenčić, 2013).

3.1.2 Marketing intermediaries

Due to its size, Ferenčić Ltd. has never developed business relationships with marketing intermediaries (such as resellers, physical distribution agencies, marketing services agencies, and financial intermediaries). In the past, the company had sold its products directly to the consumers or retail businesses, so it never required any type of conventional marketing services (e.g. advertising through mass media).

For the time being, no relationship with marketing intermediaries is required, since it is a small company able to handle business on its own. However, marketing service agencies might be necessary to guide the company's advertising efforts and promotion of Pašareta in the best possible way.

3.1.3 Customers (target group)

Understanding end customers enables the company to form an appealing offer and adapt it to its target group. By forming the offers according to the requirements and wishes of their customers, companies successfully increase the demand for certain products.

Ferenčić Ltd. is mostly concentrated on two groups of consumers. The first group includes business customers such as bars and restaurants, and the second group refers the end consumers, primarily between the ages of 15 to 30. By observing the changing habits of young people, the way of promoting the beverage among youth should be changed accordingly.

Considering the fact that children are one of the "strongest" customers nowadays, part of the promotion should be targeted toward population under the age of 15, but also the ones over 30, who enjoy a non-alcoholic soft-drink with their morning coffee.

3.1.4 Analysis of the competition

The closest competitors are those companies that operate in the same market and apply the same strategy. The company needs to identify a strategic group in which it competes, a group of companies that follow the same strategy in a given target market. Although the competition is most intense within a strategic group, often there is a rivalry between the two groups. The rivalry may exist for several reasons: some strategic groups can be attractive to customer groups that overlap, customers may not see a big difference in the offers of different strategic groups, each group may want to expand their market share, especially if companies are roughly the same size and strength, etc." (Kotler, 2001, pp. 98). Although Ferenčić Ltd. is a small business compared to other currently largest competitors in the market, its uniqueness still helps it keep up with its biggest rivals. Coca-Cola and Pepsi are certainly the strongest competitors of Ferenčić Ltd. and Pašareta. Due to their global popularity among consumers of all age groups, Coca-Cola is among the world's biggest companies, which holds a large percentage of the market, and not necessarily just the non-alcoholic carbonated beverages market. Large companies that have a dominant position in a particular industry can use certain strategies that smaller companies cannot afford.

Non-alcoholic drinks can be divided into two groups: carbonated and non-carbonated, so Pašareta's main competitors are in the group of carbonated beverages. The largest market share certainly belongs to brand of Coca-Cola and to The Coca-Cola Company (it holds 70% of Croatian market) (Vrdelja, 2011), which has built a reputation and tradition, and established itself in the consciousness of consumers who highly value it. Its main competitor is Pepsi. Various trademarks of Pepsi Company on the Croatian market are distributed by a Croatian company Badel 1862. These are the following products:

Table 2. Competitor's range of products

Pepsi	7Up	Mirinda	Coca-Cola
Pepsi Twist, Pepsi Light		Pepsi Cola	Coca- Cola Zero Fanta (Fanta Orange, Fanta Lemon, Fanta Exotic, Fananas Fanta, Fanta Shokata, Fanta World: Jamaica - apple, lime, FantaThailand - mango, Brazil Fanta) Sprite, Schweppes (Bitter Lemon, Tangerine and Tonic Water)

Except for the foreign brands, there is competition in the national market that holds a certain portion of the market in the region. One of the strongest of them is Cockta, which is part of the Atlantic Group, and is present in four flavours: Classic, Lime, Orange, and Cockta Rossa. In 2011, Cockta was placed third in the Croatian market for carbonated drinks by the value (7.5%) and by volume market proportion (7.6%) (Trgovac, 2011). Except for Cockta, there are a few national brands on the Croatian market distributed by Badel 1862: Nara, Inca and brands Vindija – Vindi carbonated drinks: Cola, tonic water, Orange, Lemon – Lime, Bitter Lemon and Ginger Lemon. Jamnica and its brand of soft drinks (Sky – Cola, Orange, Lemon) should be listed among the major competitors to Coca-Cola on Croatian market.

The price of the beverage is more favourable than the prices of its competitors, and it is designed for low and middle grouping¹. In supermarkets and local shops 1.5 litre of Pašareta can be bought for 10 kuna, and when ordered in bars and restaurants, its price is the same.

The goal of the pricing policy is to keep the price of the beverage acceptable for the vast majority of consumers, thus beating the competition. Using a lower price raises the demand for beverage Pašareta, especially in bars where the price is lower and Pašareta is even up to 4 kuna cheaper than drinks such as Coca-Cola and Cockta. However, the price of drink is not in accordance with the style and design of the product, and certainly not with the promotion of the beverage. Because of its unattractive design, it is harder to develop perceptions about the quality of Pašareta among consumers. Although it is more expensive than Pašareta, Coca-Cola has a better position in the market due to its strong promotion and diversity of supply.

When spreading to the rest of Croatia, company can use the strategy of penetration rates to accustom end consumers to the product, and then it can gradually raise the price.

3.1.5 Public

The public is any group that has an actual or potential interest in or impact on the organization's ability to achieve its objectives (Smith & Park, 1992).

Ferenčić Ltd. was not under any influence of the media, nor has it ever been advertised through the mass media. Firstly, the company will have to raise the public awareness for the beverage Pašareta in order to reach wider population. Ferenčić Ltd. should work to build a better image and publicity in order to promote Pašareta outside the Istrian region.

¹ Low and middle income groups

Although Pašareta is respected and well known at the territory of the Istrian peninsula, and young people often return to Istria to buy Pašareta, its popularity has not reached a level it could. Most consumers think that the look of the bottle and label should be changed and that the design of the beverage should be refreshed and put in the "foreground". Due to the unattractive appearance of the bottle and its label, originally created 1924 and redesigned in 1989, many of the people surveyed by author of the thesis, agreed that the beverage would not have been purchased had it not been for the colour of the drink (Ferenčić, 2013).

3.2 Macroenvironment

Macroeconomic environment represents the powers that a company cannot control nor have any influence on, and the most powerful of them are: demographic environment, economic environment, natural environment, technological environment and the social environment.

3.2.1 Demographic environment

Demography is the study of the population or its number, density, location, age, gender, race, occupation, and statistical data. Demographic environment is of great importance to marketers because it involves people, and people make the market.

The demographic picture of Croatia is worse every year, and many predict that the population of the Republic of Croatia will decrease in the next 50 years, which will lead to a population of three or three and a half million. The new demographic group "echo-boomers" that represent nearly 80 million in overall population (Državni zavod za statistiku, 2013) are the generation born between 1977 and 1994. They form big and increasing market consisting of children and teenagers. They affect their parents' spending habits. Market of toys, games, computers, clothes, furniture, and food is increasing. Even banks offer special services for children. Due to the very large number of echo boomers who have been using internet and television more than their ancestors, advertising on the internet, fast food restaurants and a variety of media (step by step) could raise awareness of drink Pašareta. Viral marketing could spark the interest in a new soft drink in many Croatian teenagers. During the summer, the sales could certainly increase by offering Pašareta to tourists who would become familiar with another Croatian product.

Echo boomers actually represent a great opportunity for the beverage Pašareta because of the appeal its colour would have on them. It is also Pašareta's trademark that should be exploited in its promotion among younger generations that form a large market.

Age is the most important characteristic when evaluating consumer choice. The older generation is more health conscious and tends to consider nutritional factors between

products (diet or zero-calorie options). The younger generation is more prone to products that are fun, new, and hip. Celebrity endorsements, attractive commercials, and sweepstakes become more important to the younger generation in their product decision.

Considering the fact that a large part of the market consists of children, who would most likely choose to buy the products that are new and fun, Pašareta has a strong chance of succeeding on the new market.

3.2.2 Economic environment

The economic environment consists of forces that have a great effect on decision making process about the brand (Kotler, 2006).

Due to the current economic crisis, Republic of Croatia has increased savings in all aspects and there has been a great decrease in employment. Faster prices' growth rate will adversely affect the purchasing power of citizens, which will have a negative impact on consumer spending. However, consumers still retained their habits and do not intend to give them up. Beverage Pašareta certainly has a lower price than its competitors, which enables it to continue to retain the position on the market.

Consumers from high, middle, and low class can afford beverage Pašareta at a very low price compared to the competing beverages. Because of the majority of the middle class (65%) in Croatia and their culture of drinking beverages in bars and drinking carbonated beverages, Ferenčić Ltd. is focused precisely on the middle class consumers.

The soft drink industry experiences market shocks in periods of recession. Since 2008, the industry has struggled to regain its previous market strength. The industry is expected to take a positive turn with an expansion of 27% by 2015; the highest increase since 2008. Consumers of soft drinks have continued to spend their money frugally over the past few years following the 2010 recession. Current economic environment represents both an opportunity and a threat for the drink Pašareta. Its acceptable price, which is lower than the competitors' prices, especially in supermarkets and cafés, represents a great opportunity for the drink Pašareta and a prospect of the sales increase. On the other hand, decreased spending can influence sales since the population of Croatia has increased savings.

3.2.3 Natural environment

The natural environment represents natural resources necessary to producers for manufacturing or those affected by marketing activities.

From the very beginning of its business conduct, Ferenčić Ltd. regularly recycled remnants of its production, and took care of the environment. Due to the increase in energy prices, there is an increase in cost price. They are also trying to switch to the biodegradable packaging to help the environment (Ferenčić, 2013).

The “green trend” has not become very popular in Croatia yet, but it is increasing in Western Europe. Biodegradable packaging can be a good opportunity for the company to show to their customers that they care about the nature and its environment. This can be a good way to promote themselves to tourists from Western Europe. On the other hand, biodegradable packaging will increase the costs a bit which can pose a threat for Croatian population who is not following the green trend that much.

3.2.4 Technological environment

Technological environment is the force that certainly contributes to better production, better work and a better future for people. At the present time it is difficult to survive without technological aids that a hundred years ago did not exist. Technology helps in faster and better production, but its introduction has to be careful. Today's technological trends change quickly, with the obsolescence of one year on average.

Besides applying technology in the production process, Ferenčić Ltd. did not turn to technology for promotion, through the means of present innovations, such as applications for mobile phones. Ferenčić Ltd. uses a very small number of machines in its production due to its scale.

3.2.5 Social environment

The main difference between Western and Eastern cultures is the knowhow that the consumers have about the cultural values that directly affects market supply. Lifestyles, social values and attitudes of consumers have implications for marketing as a business approach or process.

Today's fast-paced world is designated by a constant “lack of time”. Nevertheless, both younger and older generations have not given up on their hedonistic habits of drinking beverages in bars. Although the most wanted drink is still coffee, people often order sodas and carbonated beverages to complement their coffees. Such an opportunity should not be missed, and the co-branding could create a lucrative business. After reaching brand awareness with promotional activities, Ferenčić Ltd. should start cooperation with some of the café businesses in order to offer Pašareta to customers or to have promotional activities, for example "Coffee Julius Meinl with Pašareta at half the price".

Ferenčić Ltd. should be aware of the society in which it produces, and it should create its offer according to that society. Nowadays, due to the lack of time, many eat at fast food restaurants, and the inclusion of Pašareta in drink offer at these restaurants could definitely develop awareness and higher sales of the beverage.

4 CONSUMER ATTITUDES TOWARDS BEVERAGE PAŠARETA

In order to provide the information needed for developing marketing communications and distribution for the beverage Pašareta, qualitative and quantitative research was conducted. This thesis shows secondary data on specific issues concerning the background of the drink Pašareta and brand awareness (recall and recognition). However, in order to provide a quality answer to the main research question, which was: Which marketing communications and distributional variables are the most important for developing Pašareta on the Croatian market, the study will also cover primary data. The author of the thesis covered the main research questions regarding promotion and distribution of Pašareta, meaning how Ferenčić Ltd. used marketing communications in order to promote Pašareta and how they used marketing channels in order to place Pašareta on the market, comparing it with author's recommendations and ideas to spread the market of the beverage.

The research was conducted in 2014 with the help of an internet survey tool (Google Consumer Survey) and 150 responses were collected and analyzed. Link to the online questionnaire was sent to colleagues, business partners, friends, relatives and acquaintances via email. These people were able to forward the questionnaire to their own connections. The respondents were selected by gender and age (from 15 to 65). The author of the thesis wanted to have a wide range of answers to the survey in order to have an in-depth analysis and perception of people about the beverage Pašareta. The results were gathered in Croatia in Croatian language.

The survey acts as a tool for identifying the reason of buying specific soft drink. The author wants to explore whether the design, good media coverage or even availability contributes to a better sale of the product. Part of the research referred to the competition, which is very important for the understanding of the whole concept of soft. The survey shows which brands are well-disposed among the population in order to see which advertising tools can be taken.

Because of that, the qualitative part of research also includes focus groups where people were asked about their perceptions, opinions, beliefs, and attitudes towards beverages in general and the beverage Pašareta in particular. The focus group interview was conducted face-to-face, and some answers were ranked according to the list of priorities for easier analysis. The interviewer did not make an audio recording of the interviews. Instead, the interviewer made notes to make the interviewee feel more at ease.

The last step refers to the analysis of focus group interviews. The two most common strategies used to organize notes, conducted while interviewing focus group, are organizing by question and organizing by theme. The author has decided to analyze the results by question, in which the answers of all interviewees will be compared. In that way, author will be able to more easily compare what is the most important when it comes to the beverages.

To provide an insight into behaviour of a particular segment of buyers of healthy food products, we conducted a focus group. The group was formed of six students (of various disciplines; 4 female, 2 male), aged 19-24, who had previous experience in buying healthy food and also some general brand awareness. Discussion was half-structured, divided into three general parts; it lasted about an hour and it was performed on 11 January 2012, on neutral premises where no one from the focus group got under any influence of drink Pašareta or any of its competitors.

Focus group research was used to improve marketing communication of Pašareta. The main purpose of the focus group is to provide the data to enhance, change or create a product or service targeted at a key customer group. The participants were invited to help me conduct a search for master's thesis. The author of the thesis told the interviewees that she is writing about promotional and distributional variable of beverage Pašareta and from that point the conversation started. It was discussed about their general buying behaviour and their attitude concerning carbonated drinks. In the end, they discussed the beverage Pašareta as well as what Ferencić Ltd. can change in order to improve it.

FOCUS GROUP ANALYSIS:

1. General buying behaviour

All the discussants pointed out that their buying behaviour is mostly focused on the design of the beverage itself. Female (23): "When I don't know the drink, the first thing that I look at is the design of the beverage which is very important to me. Crazy as it is, it is more attractive to me."

Not all the discussants were buying for the whole household, but they were all regularly visiting stores at least for their own supplies and had an important role in buying decisions for the whole household.

Most of the discussants agreed that they go to specific stores for some products which they know to have a good price/value ratio. Female (22): "In the last few years I found out that I can get a lot of quality products in stores, but I buy only the products which I 'm familiar with. If I see new product exposed in the store, I would definitely be interested. Also, promotional stands with hostesses giving away gifts for products bought, can also interest me."

2. Attitudes towards carbonated drinks

When asked what they perceive as the best refreshment during the hot summer days, most discussants first mentioned ice creams, then carbonated cold drinks.

Also, cocktails are one of the best sold drinks during the summer especially in the evening. Coming up with the cocktail recipes made with Pašareta can definitely increase the business to business cooperation.

When asked what carbonated drinks they know and usually drink, 95 % of them first mentioned Coca-Cola. The second and third choice was divided between Cockta and Sprite. Only one person mentioned Pašareta and said that she is sorry when she has to leave Istria because she is not able to drink Pašareta in Zagreb.

– Female (22): “I love Coca-Cola. It has so many prize games and different surprises for their customers that would really make anyone fall in love with it.”

– Male (24): “I don't like Coca-Cola, it doesn't taste so good to me. I prefer Cockta or Pašareta. I tried it once during my holidays in Istria and I bought some for home.”

3. Buying behaviour regarding carbonated drinks

When buying carbonated drinks, most of the discussants first mentioned cafeterias and then retail shops. They mostly drink carbonated drinks when going out for drinks with friends.

– Four female members of the focus group stated that they often drink carbonated drinks with their coffee or they mix it with alcohol. They usually buy Coca-Cola and mix it with some kind of alcoholic drink.

They are also very attracted to different parties with the theme of the drink and have already attended Coca-Cola party.

Female (25): „I love parties with the theme of a certain beverage. We usually get nice presents and great prize games are always performed.“

4. Discussion about Pašareta beverage

Pašareta was known only to two members (M, 24 and F, 23) of the focus group. One of them (F, 24) lives in Istria and usually buys Pašareta in cafeterias and the other person (M, 24) always drinks Pašareta when he comes to Istria since he lives in the other part of Croatia. The other discussants are not familiar at all with Pašareta. Some of them did not even hear about it, and some heard of it, but had never had an opportunity to try it.

The author showed them the bottle of Pašareta. On first sight they did not like it and they all agreed that the design of the drink looks old-fashioned and unattractive, although they found the colour of the drink appealing. After tasting it, they all agreed that it's very sweet

and they all liked it. Male (23): “Pašareta is a very strange, but catchy name. Its red colour reminds me of fire and I can imagine myself lying on the beach and drinking Pašareta.“

– Female (22): „I don't like the design of Pašareta at all. It looks too old-fashioned and it does not have anything on the design that would attract me to buy it. Although, I must agree that the colour of the drink looks amazing.“

They all agree that Pašareta would have to start its promotion aggressively in order to become more popular among customers who would definitely start purchasing it.

INTERVIEW

Attitudes towards carbonated drinks

The author of the thesis interviewed seventy nine people aged 15 to 50 from September 2013 until March 2014. The interview was conducted face-to-face for 50% of respondents and for the rest, the author used Facebook acquaintances in order to receive their feedback. The main factor of selection of the respondents was age. The response rate was 100% since the author contacted people she is familiar with. Questions asked on the interview could be seen in appendix D. For the majority of them (52) carbonated drinks are their first choice during summer days and especially when going out with their friends. Also, majority (39) usually order carbonated drinks when drinking coffee. However, all of them feel that carbonated drinks are very expensive in cafeterias, especially during recession when savings rate has been increased. They are always looking for an alternative, but cannot find carbonated drink that can replace the value for money they receive from their usual orders. Very popular drinks during summer are also cocktails which can represent great opportunity for Pašareta and are consumed by all our interviewees.

Carbonated drink brands

All of the interviewees marked Coca-Cola as the brand of carbonated drinks they are familiar with. Also, Sprite and Fanta have been mentioned as carbonated drinks they have all tasted, but are not their fans. In addition to foreign brands, there is competition in the national brands that hold a certain portion of the market in the region. Strongest of them is definitely Cockta that is part of Atlantic Group, and is present in four flavours: Classic, Lime, Light, Red Orange, Rossa and Chinotto. Half of the interviewees marked Cockta as the drink they like and half of them do not like its taste.

Besides Cockta, other national brands of carbonated drinks are offered, such as brands produced by Badel 1862: Nara, Inka and brands Vindija - Vindi fizzy drinks: Cola, tonic water, orange, lemon-lime, Bitter Lemon and Ginger Lemon. Among the main competitors to Coca-Cola is certainly Jamnica with its own brand: Sky (Cola, Orange, Lemon). The interviewees have named all of the above mentioned national drinks, but they all agreed that their promotion is not the strongest, therefore, they never remember those brands. However, their first carbonated drink of choice is Coca-Cola. When they were asked what

was it about Coca-Cola that specifically makes them order it, their answer was that it is so omnipresent, it naturally comes to their mind.

Pašareta carbonated drink

Only three of the interviewees out of seventy nine people know Pašareta as the brand they have tried when they visited Istria. All of the interviewees that have tried Pašareta agreed that it has to be distributed throughout the whole Croatia and its promotion strategy has to be developed. “The price of Pašareta and its taste can easily replace Coca-Cola and it can represent very strong competitor to all foreign and national carbonated drinks” as said by one of the interviewees. All of the three interviewees agreed that Cockta Rossa has very similar taste to Pašareta, but upon tasting both of them, they agreed that they feel the originality in Pašareta.

5 DEVELOPMENT OF DISTRIBUTION CHANNELS FOR DRINK PAŠARETA

The main goal of the marketing process is to distribute products to the end consumers. Distribution is usually not going directly from manufacturers to end consumers, but there are intermediaries who help in this process and who can grant better service to their final consumers. It is very important to choose the right distribution channel, so that a company can optimize its function on the market through right channels. Such decisions are of long term nature and exercise their impact on the cost structure of the firm as well.

Channel distribution refers to the intermediaries or the process through which the products are transferred from the producer to the ultimate user. Nowadays it is not a common practice for manufacturers to sell their products directly to customers. There are usually distributors between the producer and the end consumer which have different functions on the market. Some intermediaries, like wholesalers and retailers, buy from the manufacturers and then resell it on their own market. They are known as merchant middlemen and the others are brokers, representative sales agents who look for the customers in order to sell goods, but do not physically take any of the goods. These are known as middlemen.

Although Ferenčić Ltd. with their drink Pašareta already uses some distribution channels, when it comes to extension to a larger portion of the market, these channels have to be deepened for the company to facilitate its continued operation and to be able to focus on identifying new opportunities that appear on the market. For the time being, Ferenčić Ltd. is only using first level distribution channel, but in order to expand its business, it will also need to expand distribution channels.

5.1 The number of levels in distribution channel

Ferenčić Ltd. previously used consumer marketing channel (channel 2), in which the flow of products is going from the manufacturer, through retail to the end consumers. That channel brought the most revenue to Ferenčić Ltd., and it is recommended to be used in future as primary distribution channel. Once bottled, Pašareta may be distributed, not just using one channel – First level distribution channel that they are currently using, in which the company will be working through a variety of different channels before making it into the hands of the final consumer. While a portion of the soft drinks is sent from the bottler to distributors, who serve as middlemen facilitating further distribution and warehousing, the majority of soft drinks are sold directly to merchants.

Figure 3. First level distribution channel



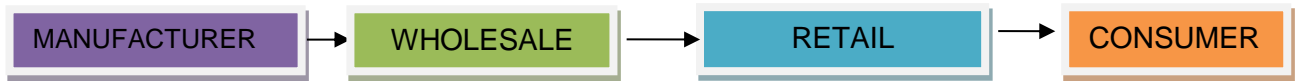
Source: P. Kotler, V. Wong, J. Saunders, & G. Armstrong, *Osnove marketinga*, 2006, p. 861.

Figure 3 shows consumer marketing channel (first level channel) for drink Pašareta which Ferenčić Ltd. is now using in the distribution of the beverage. The company is a manufacturer who sells beverage Pašareta to retailers, who are later selling the beverage to the end consumer.

When it comes to extension of the offer to the entire Republic of Croatia, drink Pašareta could be distributed through wholesale. One of the possible wholesalers are small businesses who work with HORECA industry, who have been in the market for more than 10 years and already have an established group of customers. In this situation Ferenčić Ltd. should agree which wholesalers will work for each Croatian region in order to prevent competition among wholesalers. Advantages of each wholesaler are that they already have a group of customers who they work with and it will be easier for them to enter in hotel business with Pašareta; they already have connections and they know who they need to convince to buy the beverage. Disadvantage is that each wholesaler can put their own price when selling to HORECA clients, which can, in turn, end up too expensive for them. How this distribution channel is suitable for producers who sell to multiple customers, when expanding to other regions of the Republic of Croatian wholesale channel would certainly facilitate Ferenčić Ltd.'s business. Through wholesale channels, Ferenčić Ltd. would sell Pašareta in larger quantities, and with proper promotion, drink would get a well-deserved publicity on the market. Wholesale channel could be used in HORECA channel. Company could assign a particular territory to the wholesaler under an agreement which would give exclusivity to the wholesaler in specific Croatian region.

Figure 4 shows Preview of consumer marketing channel (second level channel) for drink Pašareta

Figure 4. Second level distribution channel



Source: P. Kotler, V. Wong, J. Saunders, & G. Armstrong, *Osnove marketinga*, 2006, p. 861.

Figure 4 shows consumer marketing channel (second level channel) for drink Pašareta in case it comes to its expansion to the rest of Croatia.

The distribution of Pašareta with HORECA clients is based on company's direct sales to customers. However, during the expansion of its offer to the rest of Croatia, company will need to use indirect distribution channels for ease of operation on the market. Although it is difficult to manage the whole business when entering a larger number of levels of the channel, it is important to stay focused on the opportunities and threats that rule the market and a portion of their business can be left to business distributors. In this way, business distributor would take a part of the business activity which would greatly relieve the activity of Ferenčić Ltd. itself.

Ferenčić Ltd. hoped to return, according to its business plan, to their 2008 turnover and reach the turnover of 4,000,000.00 kuna by 2016, principally through the geographic expansion, which would represent 20% increase in the first year of expansion. They would need to make Pašareta available to larger percent of population in order to reach the desired turnover. Since the crisis has had an extensive impact on the customers' spending habits, they would need to have more annual turnover of the goods in order to reach higher profit.

Expanding to the other parts of Croatia would also require more manpower in order to create the channel that would provide good service and an immediate delivery. If they would be starting with their expansion in Dalmatia, they would need to hire at least five more drivers to deliver the goods to retails, wholesale and business customers. Five drivers would be in charge for each region where the wholesalers are not the strongest. Each of the drivers would be also commercial traveller who would represent Pašareta to business owners. Every one of them would be in charge of each Croatian region (South Dalmatia, North Dalmatia, East Croatian region and Middle Croatian region.)

The main objective of Ferenčić Ltd. regarding their expansion to the other parts of Croatia is development of distribution network loyalty. This objective is very important for every company because they need to have trust in their employees and business partners when it comes to the finances. They would need to know that their business partners would be

paying regularly and that they would transport the goods as agreed. The main thing to do before making any business deal is signing a contract where all agreed terms and conditions of sale will be listed. The contract must be signed and certified. Also, very important objective is development of managerial efficiency in distribution organization which would definitely be better when the loyalty in the distribution channel is established.

5.2 Behaviour and organization in the channel

Distribution channels are more than just a set of interconnected firms enabling different flows. It is a complex behavioural system in which people and businesses are working to achieve individual goals and objectives of the company and the channel.

5.2.1 Behaviour in the channel

Ferenčić Ltd. collaborates with its suppliers for many years, and it is considered that the behaviour in the channel is allocated to those who do their job well. There has never been a conflict in the channel between the supplier and the company, and their long-term cooperation indicates a good division of tasks. During the expansion of its business to the rest of Croatia, it is very important that the company is prepared for potential conflicts that may occur in the channel. By retention of existing consistency and appropriate treatment of all partners in the distribution channel, these conflicts could be reduced to the lowest level which would greatly facilitate business among all levels of distribution. Conflict in the channel could happen when it comes to extending the channel to the wholesaler. Wholesalers have their own method of doing business and each wholesaler is unique. Because of this, all channel rules should be set before making business deal, and confirmed by the contract. Channel members may disagree on the best methods to attain goals. It is very important that Ferenčić Ltd. agrees on the right behaviour that would be present in the channel. All channel members belong to different channel systems which can create potential conflicts. Because of that, a good way to agree on the specific behaviour is for the company to make agreements which will protect them legally and financially.

"Timely payment of costs greatly helps us to maintain a good relationship with our partner who plays a major role in the distribution of beverage Pašreta" (Ferenčić, 2013).

In expansion to the rest of Croatia, and thus increasing the number of vendors, with various methods of motivation of their employees, as well as their own distributors, the company would maintain a good relationship in marketing channels, but it would also keep its reputation and further work on its image.

5.2.2 Channel organization

Ferenčić Ltd. uses conventional marketing system, which has one independent manufacturer (i.e. the company itself) and retailers. Although they are not interrelated by agreements, their long-term partnership guarantees their success among the consumers. Employees of Ferenčić Ltd. believe that the most important component is good communication between channels among users and fair relationship with each partner.

Because of the good relationship between partners and success on the market, it is important to keep such a relationship among channel users in order to preserve loyalty of the end consumers.

Upon expanding to the rest of Croatia, Ferenčić Ltd. could switch to a vertical marketing system to allow a unique system between manufacturers, retail and wholesale.

In the framework of the strategic development of the company, opening the branches across Croatia would be an option for a better business. The concentrate would be transmitted in those branches and it would be used for the production of the beverage Pašareta to allow the central office to concentrate on the rest of the business. From the long-term perspective, it is possible to associate with its competitors on the market in order to achieve horizontal marketing system. By combining the most famous Croatian drink Cockta and Pašareta, it could create a new access on the international market, after the conquest on the national market.

5.3 Decisions about channel structure

In smaller markets, such as Šibenik and Zadar, Ferenčić Ltd. could sell directly to retail and business customers, and in major markets such as Split and Zagreb via distributors.

Table 3. Population in largest towns and municipalities, census 2011

City	Population number
Zagreb	790,017
Split	178,102
Zadar	75,062
Šibenik	46,332

Source: Državni zavod za statistiku, *Stanovništvo u najvećim gradovima i općinama*, 2011.

The long term goal is to open 3 major distribution centres in Split, Osijek and Zagreb from where the smaller markets would be supplied. This would require more investments in buildings and people which currently doesn't the current budget of the company.

A strong facility is necessary because production and consumption cycles rarely match. Warehousing is not only a simple storing activity but a package of services that enables the smooth running of the industry. Company needs to be in constant contact with the wholesaler, as described before in the text, in order to provide uninterrupted services to their customers. The stores' functions can be organized in the following manner:

1. To receive raw material components and equipment
2. To meet the demand of use department by issuing the order
3. Accounting the transaction properly
4. Minimizing obsolescence surplus and scrap by right identification and using correct preservation method.

The company supplies finished products frequently to different distributors according to their demand. Each distributor keeps a minimum stock of different product lines. Because of that, company should have stock in order to supply their wholesalers when they need to improve their stocks. In order to know how to keep good stock each wholesaler needs to send monthly report in the first year of cooperation, so that stocks could, accordingly, be held.

Very important is the connection of distribution channels to marketing communication. Ferenčić Ltd. has to assure that the market it is aiming at with promotional activities, has already elaborated distribution strategy which will allow business and end customers to enjoy the drink. Business customers have to know that company will be able to supply them with the drink whenever it's necessary. Because of that, company would need to decide whether to find appropriate distributors or wholesalers in those markets or to transport the goods by themselves. The most optimal way is to find the distributors or wholesalers in those areas who will be taking care of the customers when it comes to supply of Pašareta and maintaining good relationship with the customers.

5.3.1 Importance of service and delivery

The aim of the channel distribution of Ferenčić Ltd. is fast delivery of Pašareta to retail or business customers. Fast delivery will satisfy both consumers and the company, which would be made possible by opening branches across Croatia.

Good location in relation to customers is also very important goal within a channel. Lower transport costs and delivery of beverage to consumers will certainly help the company to reduce transportation costs of the product.

An important part is also post-sale association through which consumers can give their views on how company behaves after the sale of the beverage. This segment is important because it helps to preserve the relationship between producers and consumers, which is why the distribution channel creates a positive working relationship.

5.3.2 Determination of the main alternatives

Ferenčić Ltd. would use the intermediary channels and retailers in smaller markets, and wholesale on major markets. Smaller markets would represent smaller cities and villages where consumption of beverages is not that high. Major market represents bigger cities where concentration of population is higher and where tourism is more active.

On larger markets, company would use wholesale in order to promote and sell products more effectively and to store products and thus lower the cost of holding inventory. It also reduces transportation costs because the wholesale would be much closer to customers. The company would primarily start to spread to the Dalmatian market, and then it would spread to the remaining Croatian territory.

Also, Ferenčić Ltd. would use retailers with stores, mostly self-retailing. As supermarkets nowadays are the most visited types of retail stores (64%) (The time use, 2008), for distribution of its products the company would use supermarkets and shops in the neighbourhood to be closer to each customer.

Ferenčić Ltd. would use intensive distribution of their products in order to supply larger number of stores, and to make the product available to customers when they want it and where they want it. Manager of the company would agree with their intermediaries on the way responsibility will be shared, to find the best possible conditions for his own company.

6 MARKETING COMMUNICATION PROGRAM FOR BEVERAGE PAŠARETA

Advertising is one of the most transparent and important parts of any business. Academics claim that advertising is very important in developing brand equity, having a continuing effect on this asset (Buil, Chernatony, & Martinez, 2011). Hence, advertising effect mostly depends on the amount of time and money invested in it and the type of messages that have been communicated (Martínez et al., 2009). It has been proven that there is a positive correlation between advertising costs and brand equity. Researchers have proved that

perception of high advertising costs is directly connected to the perception of brand quality, better brand awareness and stronger brand associations (e.g., Yoo et al., 2000). When consumers are evaluating a certain brand, they use different intrinsic and extrinsic signs (Rao & Monroe, 1989). Therefore, consumers identify high quality brands through high advertising (Yoo et al., 2000, pp. 195-205). Advertising of a brand can definitely increase the frequency of brand appearance, and consequently this leads to higher brand awareness (Keller, 2013, pp. 221-235). Therefore, if a brand is highly advertised, the brand awareness is likely going to be higher (Yoo et al., 2000).

The beverage Pašareta has never been advertised in the media. The only way of its promotion has been by word-of-mouth of its consumers and their recommendations for further tasting of the beverage. Specific promotional program would help beverage Pašareta become more recognizable to the public, not to mention the growing number of consumers.

Pašareta is a non-alcoholic sparkling drink that still has not gained recognition and image among consumers in the regions outside Istria because they are not sufficiently available. Therefore, the most important are the following marketing communication goals:

Long-term goals:

1. Introduction of Pašareta in the beginning of 2016 Dalmatia
2. Emphasis should stay on the unique red color as the marketing objective which will give the bigger choice for consumers and more recognizable within customers
3. Presentation of Pašareta in the region in 2017 which can lead to a conclusion of contract with exporters in the region
4. Develop a distribution chain using distribution centres: Zagreb, Osijek and Split as the marketing communication objective as the possibility to distribute Pašareta easily in those regions.
5. Open lounge bar in the city center that served all the flavours of Pašareta with the presentation of the product in 2018 as the advertising objective which can be a great advertisement where people would be able to try every Pašareta flavour
6. To differentiate Pašareta from any other competitor's products by bringing out the history and local manufacturing by 2016. Pašareta is a product of a small company based in the heart of Istria and its history of manufacturing should be emphasized through cooperation with, for example, tourist offices.

Short-term goals:

After the interview with the general manager of company Ferenčić, the author of this thesis wrote down the most important and realistic short term goals:

1. In 2016 make the overall share of 2% on the Croatian market of carbonated drinks
2. Sell a minimum of 50,000 units in the first 9 months of launch
3. Increase market share of carbonated soft drinks by 1% (every year)
4. Introduction of Pašareta in glass bottles of 0.33 litres in 2016
5. Aggressive use of marketing activities in the first 6 months of launch which can help Pašareta easily spread throughout the whole Croatia. Ferenčić Ltd. should start with marketing communications described further in this thesis in order to penetrate new markets. The goals are very ambitious for a product that has never been promoted, but with carefully managed plan of promotion, they are achievable.

6.1 Advertising

As Pašareta has not been advertised so far, using informative advertising would help in building a brand image, and then switching to convincing advertising, which is type of advertising that is used to build selective demand towards a particular brand name products, so that the consumers are convinced that this brand offers the best quality for their money. (Krnjaić, 2012)

The main strategies Pašareta's competitors (such as Coca-Cola and Cockta) employ is the adaption of their communication plan regarding the market, society and mentality of the population. They are willing to be close to their consumers and to be part of their daily life. Also, their strategy is to be a part of a kind of a ritual at certain moments. In order to achieve that, they use social marketing to create emotions and affiliations with consumers; e.g. they raise funds for social causes (helping the areas struck by earthquakes or hurricanes). Coca-Cola uses the concept of aggressive advertising to promote its products. Company introduces different themes and concepts to sell their products and advertises mainly in electronic media to conduct out of home advertising. These advertisements build brand image and create awareness. Lately Coca-Cola started building their brands based on slogans of happiness in order to evoke feelings in their consumers. Everyone is familiar with Coca-Cola's Santa Clause advertisements aired in Christmas time and during 2014 it distributed somewhat personalized Coca-Cola bottles with first names on them.

6.1.1 5M

The five Ms of advertising provide a framework which helps create an advertising platform.

First, the company must decide what the purpose of the advertisements will be. This is called the mission. Monetary constraints usually determine how large any project can be. This is the money aspect of the advertising project. Message is the creative aspect of the advertising strategy. Next, the media through which the message will be delivered must be determined. Finally, measuring the project is important to determine how effective the

advertisements actually were. This can sometimes be the most difficult part of the plan, since measuring changes in customer opinion can be time-consuming and expensive. All of the 5 Ms are further explained in the text through the example of Pašareta.

Mission

There are several ways a company can determine what the mission of an advertising strategy should be. Quantitative measures such as increasing the awareness of the brand among a certain segment by a certain percentage can be chosen. Mission of Ferenčić Ltd. is “we would love to be the initiators of optimism and refreshments in the world to show our values and create difference with our values and beverages among competitors” (Ferenčić, 2013).

Money

Budget constraints are everywhere in business, and nowhere are they more evident than in small businesses. Advertising and marketing can sometimes be ignored because they do not offer immediate results. However, in every business environment, some resources must be allocated to building a brand and image. Without this, the company will not continue to grow. Even during recessions, marketing must be a priority to avoid losing market share. Having a suitable budget is an important part of the process. Money that Ferenčić Ltd. would single out is 400.000 kuna for promotional needs which would be spent in a year for print ads and radio ads in order to place Pašareta on the market. A more elaborated proposal of how the budget could be allocated for communication purposes is given later in the text.

Message

Advertising is a creative process. There are slogans, themes and gimmicks that try to lure the customer in. The message of an advertisement is the creative aspect. Any manner of theme can be implemented as long as it is in line with what the company stands for. The message Ferenčić Ltd. wants to “sell” is connected to the colour of the brand. As the red colour of the drink resembles fire, the message is formed by the association: Catch your fiery refreshment.

Media

This aspect of the program refers to the media that will be used to communicate the message. This can include television, radio, mail, telephone and personal contact. Most media has metrics to measure their efficiency and costs associated with those metrics. Choosing the right media can make or break an advertising program. When placing a new product on the market, companies need to choose right media tool in order to successfully

launch a product and be recognized by the population. Pašareta would be promoted through the following media: internet, radio and the newspapers. Due to the limited budget, the company cannot be promoted through television commercials. They pay attention to the pollution problem and are trying to take care of the environment. They are among the first in Istria who began to use different types of waste in order to easily separate waste for recycling needs. This can be a positive aspect of their marketing communication as the company which also takes good care of the environment.

More specific information and details about mass media advertising can be found in the following chapter.

Measurement

Finally, the firm must measure the effects of the program on their intended audience. This can be done by measuring sales or trying to gauge interest through research. It is often very difficult to measure how much the advertisements actually affected customer interest and how much of a part did other external factors play. Measurements will be carried out by tracking the number of visitors on website, as well as tracking radio audiences.

Ferenčić Ltd. would invest 400.000 kuna for marketing communication needs for a period of one year. In this period, company would like to get more customers introduced with the product. End-consumers should be informed about the existence of Pašareta, and business consumers should be introduced with all the perks and benefits they have by selling Pašareta to their customers. Also, it is very important that Pašareta is introduced to HORECA channel since company's longterm goal is spreading to other countries in the European Union. Company is expecting results visible in increased number of customers, therefore at least 15% of new customers in the first year of expansion. The expected coverage for marketing communication plan is 25% more new consumers in the first 2 years of launching new marketing campaign.

6.1.2 Development of media plan

Media plan will comprise advertising via the Internet, radio and the newspapers. Using viral marketing, information about the drink will be spread with almost no cost, and will raise awareness among consumers about the existence of the beverage Pašareta. Also, it is very important that Ferenčić Ltd. makes their own website in order to be able to inform consumers about Pašareta. During warm summer days, consumers will be convinced through radio that Pašareta is the best refreshment for them. The newspapers will serve as a media through which consumers will be reminded about Pašareta.

Due to the limited budget, Internet advertising through viral marketing would be mostly used. Radio and the newspapers will be equally divided. Internet advertising consists of YouTube videos that will be spread through different social networks such as Facebook and Twitter.

As Pašareta is a soft drink that resembles a complete refreshment during hot days, its advertising will begin in early April and will continue until late September.

Table 4. Media plan

Media/ Month	April	May	June	July	August	September
Internet advertising- YouTube videos	X	X	X	X	X	X
Radio			X	X	X	
Newspapers		X		X		X

Table 4 shows the schedule of advertising Pašareta on the Internet, radio and the newspapers. YouTube videos should serve as internet tool by which company should promote their beverage. Videos would show different stages of Pašareta's origin, how it developed through history, funny videos and Pašareta parties.

6.1.3 Development of media mix

It has already been stated that because of the limited budget, Pašareta would be promoted through the following media: internet, radio and the newspapers. It is important to determine how it will be promoted through these media and which one of them will facilitate public response. Print media is very important because the author itself made a research that lasted for two months. Every morning in different cafeterias, the author was observing the consumers that had their morning coffee. The total of 95% were reading newspapers and all of them were also looking at the ads in the newspapers. All of the consumers were aged from 18 – 35, which also includes target group of the beverage Pašareta. The research has been made on the basis of 14.500 interviewees on Croatian area above the age of 12; 51% or 1.942.560 Croats older than 12 regularly read at least one of the daily newspapers; 39% or 1.485.487 Croats read at least one weekly magazine (Manjgura, 2011). The target Media has their own reach which can be asked from the media themselves who can provide more detail information regarding the success of specific marketing communication.

Since Facebook is now the most widely used social network by all young people, as well as older generations around the world, by opening a group on Facebook, Pašareta would begin to be promoted within the target group aged 15-30. Using viral marketing and Facebook would facilitate penetration into the public and would interest consumers about Pašareta. Croatia has 1.563 million Facebook users, which puts it in 70th place in the world and 27th in Europe in terms of the number of registered profiles on this popular on-line social network, according to the social media statistics portal Socialbakers, which analyses social networking sites in over 200 countries (Socialbakers, 2014).

Since Narodni radio is the most listened radio station (poslovni.hr), it will be the primary media through which the beverage Pašareta will be advertised. Local radio stations will also serve as a good way of promotion.

Newspapers through which the beverage Pašareta will be promoted are: 24 Sata and OK.

Table 5. Media mix

Media/ Month	April	May	June	July	August	September
Internet advertising- Youtube movies	X	X	X	X	X	X
Radio			X	X	X	
Newspapers		X		X		X

Table 5 shows types of media through which the drink Pašareta will be advertised.

6.1.4 Creating ads for print campaign

As the promotional message of the beverage Pašareta is "Get your fiery refreshment", print ad campaign would follow such a method of promotion. The author made an example of a print campaign, which was aimed at attracting a larger number of new and young consumers. Its new visual identity is supposed to be in accordance with the modernist worldview. Since the author of this thesis is targeting mostly younger consumers, the modernist view would match their requirements more than the older, vintage design. The intended meaning is that Pašareta is very proud by its origin and long existence on the

market, but understands the requirements of the market and wants to provide a fresh design (Ferenčić, 2013).

Figure 5. Print ad



Figure 5 shows the example of a print ad that would be advertised in the newspapers 24 sata, and a monthly magazine OK. Very important is the projection of costs for print campaign that is shown in Table 6.

Table 6. Projection of costs for print campaign

Month	Media name	Ad format	Period	Nr. of repetitions	Price (in EUR)	SUM (in EUR)
May	24 sata	2/1 first centerfold	Thursday	2	19,606	39,212
July	OK	1/4	Monday	1	1,382	1,382
September	24 sata	1/4	Thursday	4	1,553	6,212
					Total SUM (in EUR)	46,806

Table 6 shows the projected costs for the print campaign, suggesting also that the beverage will be advertised twice in daily newspapers 24 hours, and once in a monthly magazine OK. Ad format will be 1/4, and the number of iterations would reach a maximum of two times. The price of one advertisement for a particular newspaper is shown in the column "Price".

Ferenčić Ltd. has a limited budget for the first year of advertising, so it focused mostly on the basics of the drink which is to present it on the market in order to attract people who will notice Pašareta. Majority of the budget will be focused on the concerts which will be a

great possibility for Pašareta to become noticed. Due to these concerts, Pašareta can more easily become recognized drink in the first year of advertising.

6.1.5 Making synopsis for media message

Radio messages would consist of sound associations opening cold bottle of Pašareta, its pouring into a glass, and sipping the drink. At the end, the message would be heard "Get your fiery refreshment."

Table 7. Projected costs for the radio campaign

Month	Media name	Duration of the ad	Period	Nr. of repetitions	Price (in EUR)	SUM (in EUR)
June	Narodni radio	15"	06-21	30	57.89	1,736.70
July	Otvoreni radio	15"	06-21	25	69.07	1,726.75
August	Narodni radio	15"	06-21	35	57.89	2,026.15
					Total SUM (in EUR)	5,489.60

Table 7 shows the projected costs for the radio campaign, and it's evident that the beverage would be advertised thirty times in June, and thirty-five times in August on the radio Narodni radio and twenty five times on the Otvoreni radio. The ad would last 15 seconds during a period between 6 a.m. and 9 p.m.

The best way to affect consumers is through their senses, especially if they seek refreshment in cold drinks during warm summer days, so the message distributed thorough radio stations would remind them to drink Pašareta.

When it comes to increasing the amount that will be spent on promotion, in the strategic framework of the company, visual messages will be developed which will be advertised on television (RTL and Nova TV), but only after several months of advertising the beverage through the above mentioned media. Major competitors as Coca-Cola and Cockta are present on the all popular television such as RTL, Nova TV and HRT1.

Table 8: Total amount of costs for advertising

Advertising and sales promotion (in kunas)	
Print campaign	355,700.00
Radio campaign	41,725.00
Sales promotion	20,000.00
Advertising in total	417,425.00

Table 8 shows the total cost projection for advertising based on print and radio campaign.

6.2 Sales promotion

Sales promotions are the most important part of marketing that influences brand equity. (Valette-Florence et al., 2011). It is very important to emphasize that there are different types of promotional tools (e.g. monetary and non-monetary promotions) that can influence sales, profitability or brand equity (Srinivasan & Anderson, 1998). A great number of research mostly focuses on monetary promotions, such as price discount, sales and coupons. Although empirical experiments submit that monetary promotions have a negative impact on brand equity (e.g., Yoo et al., 2000), some researchers still discuss the consequences of this tool on brand equity (Palazón-Vidal & Delgado-Ballester, 2005; Joseph & Sivakumaran, 2008). Direct effect of monetary promotion is probably going to have negative impact on perceived quality and brand associations. "The reduction in the internal reference price is one of the main reasons why monetary promotions have a negative influence on perceived quality. Consumers use price as an extrinsic cue to infer product quality (Rao and Monroe, 1989)". Because of that, price discounts may lead to lower quality perceptions in consumers' minds (Mela et al., 1998). Montaner and Pina (2008) concluded that monetary promotions have a negative impact on brand image. Shortly, the frequent price promotions and discounts may lead to perception of the quality as low because consumers are primarily thinking about the price and not about the brand itself (Yoo et al., 2000).

Ferenčić Ltd. did not previously implement any way of promotion (other than word-of-mouth technique), neither any form of sales promotion. It is very important that the company introduces different forms of sales promotions in order to approach consumers and convince them that Pašareta is the best choice among the competitors. The goal of sales promotions is to increase sales with retention and rewarding of its consumers, as already described under the "Short term goals" at page 31. At the beginning they would

start with price-off offer where they would sell Pašareta at a price lower than the original price. Pašareta would be around 1 kuna cheaper than usually. In the beginning, company should start with HORECA channel and after Pašareta secures a recognition among its consumers, it's price would go back to the original. Also, there are a lot of fairs where Ferenčić Ltd. could participate in order to introduce Pašareta to the HORECA channel and also to potential end consumers. Some of the fairs are: GAST – international fair of food, beverages, hotel and restaurant equipment, Foodrex – fair of food and beverages, PROMOHOTEL – fair of hotel equipment, etc. These are only a few of the fairs in which the company could participate in order to build consciousness about the beverage Pašareta.

A good way of winning over potential customers would also be the scratch and win offer where a customer would scratch the specific marked area on the bottle and possibly win some prizes.

6.2.1 Bonuses

Bonuses are the amount that Ferenčić Ltd. can give to business users (bars and restaurants) in order to highlight the drink Pašareta.

In order to encourage bars and restaurants to buy the beverage, bonuses could be given for the purpose of promotion, by setting aside about 200.000,00 kuna with the purpose of appointing bonuses for twenty business consumers. At this moment they are not implementing this way of promotion and they believe it can be helpful upon taking over the new market.

Instead of money, it is possible to offer promotional materials that have a company logo (umbrellas, coasters, aprons, etc.) and incentive value as gifts for new distributors. For example Coca-Cola and Cockta are providing their business partners with different promotional material such as: glasses, umbrellas, coasters, aprons, ashtrays, etc. This is one of the key steps that provide their business partners with free materials that are necessary for every functional business, and on the other hand they are promoting themselves.

Bonuses are used to convince business customers why Pašareta is better than its competitors and why consumers love it.

6.2.2 Prize games

Prize games will be focused on end consumers with the aim to encourage sales, especially in times of recession when sales fell due to the increased savings.

Prize game "peek under the label, win additional refreshment" could be applied to beverage bottles that are sold in retail. Below the labels, there would be a statement about winning new bottles of the beverage which would be made out as follows: "Get another fiery refreshment."

Labels would be located on the bottle of Pašareta, and when winning new bottles, the consumer would be required to return the old ones. Retail would be gathering bottles, and they would return them in any of the branches of Ferenčić Ltd. This would encourage environmental awareness and recycling of the bottles. Although retails are already gathering bottles, they are usually not returning them to the producers. In order to continue recycling, company Ferenčić would encourage retailers to do so. Prize game would last from the beginning of June to the end of July.

Using prize game "Win holidays in Istria for two" consumers would be encouraged to buy the product in order to spend the warmest days at the beach. Consumers would have to scan the QR code that would be located on the labels of Pašareta and sent to their email address. All customers would also have to save the bills and they would be shown if the person won the game. This prize game would last from the beginning of April to the end of May.

6.2.3 Discounts

Discounts would be mostly related to business consumers. As the price of the drink is already lower than its competition, decreasing the price of Pašareta would not be effective.

Business customers could be offered cassa sconto 5/10 net 30, in order to facilitate the payment and settlement of the costs. It is also possible to offer direct discounts on larger quantities purchased in a specific period of time. In this way, distributors would be encouraged to buy larger quantities and to take and promote the drink as the old/new product on the market.

Monthly discounts are also possible, especially in June, July and August, when the consumers mostly consume soft beverages.

For end consumers there is a possibility to determine the quantity discounts. By purchasing a package bottles of Pašareta (bottle = 1.5 l), the price would be reduced for a few cents, and the total amount would be 60 kuna, which is lower price than the price of the competition. For example, a package of Cockta costs 66 kuna.

6.3 Direct marketing

Direct marketing would be applied to business customers in order to inform them about new benefits and possible new products from Ferenčić Ltd. Pašareta has also never been promoted through direct marketing to business consumers. Direct marketing is one of the most important and growing parts of marketing communication because companies communicate directly with potential customers and have a possibility to influence their decisions (Chand, 2014). But, direct marketing is not only direct mail and catalogues. It connects different mixture of activities such as: database management, direct selling, telemarketing and direct-response advertisements through direct email, the Internet and different television and print media. With direct marketing, manufacturers have a possibility to promote their products directly to consumers and encourage them to buy it. Traditionally, direct mail has been the primary tool for direct-response advertising, but television and print media are becoming more and more important. Direct-marketing tools and techniques are used in all companies regardless of their size, whether through marketing companies or their own sales forces. Direct marketing has an important and big role in the IMC programs in all types of companies – consumer-product companies and business-to-business companies. These companies spend large amounts of money each year developing and maintaining databases with phone numbers and addresses of current and potential customers. They use telemarketing to talk to customers directly and sell them their products or services. Marketers and manufacturers also send out mails with simple flyers, or detailed brochures and catalogues to give more information to their existing and potential new customers. Direct-marketing techniques are also used to distribute product samples.

Direct marketing is very important for Pašareta which will be sold to business customers such as cafés and restaurants. Direct sellers will be offering Pašareta and explaining the whole history behind it. Also, it is very important to have tasting in any of the supermarkets where end consumers would be introduced to the beverage Pašareta in order to expand the market.

6.3.1 Telephone marketing

In addition to sales through telephone marketing, Ferenčić Ltd. would use a form of direct marketing in order to maintain the relationship with an existing client.

A representative of the company would call business customers (bars and restaurants) to present some information about the beverage Pašareta and benefits that consumers can get. By presenting assurances about the quality of the beverage and its popularity among young people, representative of the company could make a lucrative deal with one of the business consumers. Offering different promotional materials for free could attract business consumers and can help create good business relationships. Ferenčić Ltd. should show to their business partners that they are on their disposal.

After the sale of the beverage to business consumers, telephone marketing would be used for checking the status of the drink in bars and restaurants, and on the sale of beverage among end consumers.

6.3.2 Marketing via direct mail

Pašareta would be promoted by sending offers, notifications and reminders to addresses of the business consumers.

Bars and restaurants would be informed about the new benefits and discounts when buying Pašareta, but also about new potential products from Ferenčić Ltd. In addition to sending brochures and all new information via postal service, information would be delivered with greater speed via email. This is why email would be a way of informing business consumers about new benefits, and their response via email would be much faster and more efficient. Ferenčić Ltd. would find all the potential business customers (such as bars and restaurant) via pages idemvan.hr, poslovna.hr and magazine Turizam info which, in each number, promotes hotels, bars and restaurants. Company would start by sending emails in which they would explain what Pašareta is and try to arrange a meeting in order to give samples to potential customers.

By submitting a short YouTube video consumers would be intrigued. In this way, they would be encouraged to seek more information on the Internet or insight from the company itself.

6.4 Public relations

Public relations is one of the most important promotional tools today. By using it, companies stimulate interest in the product, especially during a critical situation. Ferenčić Ltd. has not used the tools of public relations so far.

To understand public relations, it is important to make difference between publicity and public relations. When an organization regularly plans and present information in an attempt to regulate company's plans and distributes information in an attempt to control and manage its image and the nature of the publicity it receives, it is really engaging in a function known as public relations. Public relations is defined as "the management function which evaluates public attitudes, identifies the policies and procedures of an individual or organization with the public interest, and executes a program of action to earn public understanding and acceptance (Keller, 2008)." Public relations is concerned about the company in order to help it establish and maintain good image in the public. Public relations uses different variety of means like special publications, attendance in social

activities, fund-raising and sponsorship of different events in order to improve a company's image. One of the most important tools of public relations is also advertising. Although public relations is very important for companies, it has been left as secondary rather than primary activity to the marketing communication strategy and process. However, many companies have begun integrating public relation in their promotional strategies. PR companies are progressively proclaiming public relations as an important communication tool which can take over many of the functions of the traditional advertising.

6.4.1 Audiovisual materials

Ferenčić Ltd. could promote the drink through "Pašareta party" in discotheques. The slogan of the party can also be "Be part of the party, drink Pašareta." As in the clubs, alcohol is often drunk, its mixing with Pašareta can encourage sales for consumers who drink alcohol, while for the consumers who do not drink alcohol there would be Pašareta available. As in certain clubs there are great canvases where images and short films are being projected, Pašareta could also use such screen in order to promote their short YouTube videos.

Also, business customers can use their television to promote the beverage Pašareta through short films to end consumers. In this way, purchase by the business consumers is encouraged, while the end consumers are stimulated to buy the beverage.

6.4.2 Materials with a prominent company logo

Materials with a prominent company logo could be used for the purposes of transporting the beverage to business consumers. Official business cars and trucks could be repainted in red, which would be associated with the drink, and would remind consumers about the existence of Pašareta.

Pencils, papers, and business cards can be offered to business consumers, with the logo that reminds customers about the beverage and are also impressionable for the end consumers. Offering aprons for waiters with the company's logo and the logo of the beverage, would certainly make consumers in bars notice the product, and thus encourage the purchase, outside the cafés as well.

In order to distribute Pašareta in cafeterias and try to compete with Coca-Cola's promotion, for business customers cassa sconto 5/10 net 30 could be offered, in order to facilitate the payment and settlement of costs.² HoReCa market in Croatia, market analysis and

² If the obligations are paid in the next ten days of the receipt of goods, the discount is 5%, and if this is not possible, the deadline for payment is 30 days.

development forecasts 2013-2015 is a must-have resource for industry professionals who are assessing the market for new business opportunities, or those already involved in the market and searching for guidance in strategic development. It is valuable to those offering new products to Croatia's food service companies, and to professionals wishing to know more about the competitive environment and the saturation levels of eateries in various locations across the country. Manufacturers of products used throughout the industry and financial and investment specialists, along with consulting and research services providers, will consult this document regularly as they perform everyday tasks and work on large scale projects concerning the HoReCa market in Croatia. When it comes to the HORECA channel, company could offer discounts for bigger quantities.

Since all inventory in a hotel for one seasonal year is arranged through tenders, Ferenčić Ltd. could offer Pašareta with higher discount for higher quantities. Free promotional activities could also be included in the price, such as free aprons, pens, memo pads, etc. Very important is also to have a good and quality service that will supply hotels with the drink whenever they spend all their stocks.

6.4.3 Identification of celebrities

By combining prize games with the identification of celebrities, awareness about the drink would definitely be raised. Possible prize game can be „Highlight a long history of Pašareta“, where customers would have to take best photos of drinking Pašareta by highlighting its long history.

Since children are one of the "strongest" consumers because of their huge impact on their parents, by offering meeting with celebrities for consumers aged 10 to 15 would provide increased sales of Pašareta. Celebrities in Croatia that have lately been known in the whole world, Stjepan Hauser and Luka Sulic would provide support to young people who play stringed instruments. Since Stjepan Hauser is born in Pula, the author of the thesis has been in contact with him. After their discussion, Stjepan Hauser and Luka Sulic would participate in this event for free under the condition that all the revenue from sold beverages would be given to young people who want to play stringed instruments.

6.4.4 Social and charity concept

By organizing a youth marathon and giving the money collected to the charity, there would be a large number of younger and older people who would participate in this benefit program. Participation in the marathon would be charged 10 kuna, and the money collected would be given to tend to the sick children in need (e.g. buying the necessary medicines for their treatment). In mid-May, during a tolerable temperature, a marathon would be held on

the Pula's seaside promenade in Šijanska šuma, which is 25 kilometres long, and is designed for such events.

Merging with television humanitarian program 'RTL Helps Children' and organizing the collection of clothing and footwear for sick children, Ferenčić Ltd. would help many families to keep costs down, and they would personally receive a positive response in the public. The collection of clothing and shoes would start in the centre of Zagreb, where a few stands would be set on the main square. The event would last a week, and after that, collected clothing and footwear would be brought to homes of sick children.

Table 9. Budget for promotional activities

Budget of promotional costs (in kuna)	
Advertising and sales promotion	417,425.00
Bonuses	200,000.00
Direct marketing	15,000.00
Public relations	70,000.00
Total	702,425.00

Table 9 shows the total budget of promotional costs based on advertising, bonuses, direct marketing and public relations.

CONCLUSION

With this thesis, the author created and proposed distributional and promotional program for beverage Pašareta that is produced in Istria, while it's almost unrecognizable outside of it. Because of its extremely good acceptance in the Istrian area, the idea of expanding to the rest of Croatia was eventually developed.

Ferenčić Ltd. offers its target consumer group (between 15 and 30 years of age) a non-alcoholic soft drink, designated by its vibrant red colour and sweet taste. Because of its very strong competition (Coca-Cola, Pepsi and Cockta), it was necessary to develop a promotional program for Pašareta in order to survive on the market. As a substantive part of the marketing mix, promotional program plays a major role in determining the design and distribution methods for the beverage.

If the company extends to the rest of Croatia, it is important that the current consumer marketing channel – producer-retail-end consumer and business direct marketing channel –

deepen in order for the business activities to run smoother. In larger markets, the company should use the wholesale level in the consumer marketing channels, and in channel business marketing, business distributor would facilitate company's business. Conflicts in the channel are very common, although Ferenčić Ltd. has not had them so far. When expanding to the rest of Croatia, company. could move to a vertical marketing system to allow a unique communication between manufacturers, retail and wholesale.

When developing a promotional program, the author of this thesis decided to use advertising, sales promotion and public relations to attract end users, as well as direct marketing and sales promotion to attract business customers. The following media were used for advertising: internet, radio and the newspapers. Internet advertising has been used through viral marketing, Facebook pages and YouTube vidoes by which company would attract young consumers. Daily newspapers and a monthly magazine would serve to attract younger and older consumers. As the drink evokes the image of fire, the message itself is formed by the said association: "Get your fiery refreshment." Various discounts and bonuses for business customers would be developed to encourage them to buy drinks, and prize games and discounts for end consumers would greatly facilitate penetration to the public. The author has developed an example of a print campaign that can be seen in Picture 2 (p. 23), and she proposed a synopsis for the radio message. In order for the company to receive a positive response in the public, attending the charities would greatly facilitate its way and providing opportunities to meet celebrities would guarantee attraction of young people from the whole Croatia, prompting them to buy the beverage.

Due to the good taste and popularity among Istrian consumers Pašareta could experience the rise in the rest of Croatian market.

Marketing aligns the company's strategies and management with the reality of the market. However, good marketing is not a coincidence but the result of careful planning and implementation. Marketing strategies should be continuously improved in all sectors in order to increase opportunities for success. Such a business philosophy should be applied to Ferenčić Ltd.

Since the author of this thesis has proposed a lot of ideas for development and expansion of Pašareta, the time frame for implementation of this steps must be defined.

First of all I would recommend the company to start the expansion with the business consumers all over Croatia (see Table 10). Since print and radio campaign would be expansive to use all at once at the beginning, they could start promotional activities by offering bonuses to their business consumers such as aprons and coasters with Pašareta's slogan or logo. In this way, Pašareta would be exposed to the end consumers as well, which would be a possible breakthrough of the beverage on the market. Ferenčić Ltd. should start using second level distribution channel with the wholesaler who already has an

established market and a different range of consumers. They also have the possibility to start collaboration with coffee industry in a way to offer a free glass of Pašareta with a specific brand of coffee.

Ferenčić Ltd. should start expanding on the market slowly, with each following step implementing different strategies proposed in this thesis.

Table 10. Overall recommendations in terms of time

NEAR FUTURE – first years of expansion
1. Develop business relationship firstly with business consumers
2. Actively start participating on social networks
3. Offer free aprons, coasters and glasses with Pašareta's slogan or logo
4. Start cooperation with the coffee industry
5. Creating smartphone apps
DISTANT FUTURE – after 5 years of expansion
1. Start actively using radio campaign
2. Participation in different fairs through Croatia
3. Start actively using print campaign

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APPENDIX

APPENDIX A: Povzetek

To magistrsko delo obdeluje temo Trženjsko komuniciranje in tržne poti za pijačo Pašareta s posebnim poudarkom na distribucijski in komunikacijski spremenljivki. Pijača Pašareta je brezalkoholna gazirana pijača rdeče barve, ki je doslej bila distribuirana samo na istrskem področju.

Podjetje Ferenčič proizvaja gazirane, brezalkoholne in osvežile pijače in ima tradicijo dolgo 124 let. S proizvodnjem pijače Pašareta so postali poznani na istrskem področju. Nikoli se niso razširili zunaj istrskega področja, čeprav obstaja velik potencial. Pašareta je zelo opazna gazirana pijača rdeče barve s karakteristikami proizvodnje v srcu Istre – Pazinu. Distribuirana se skozi neposredne in posredne kanale, lahko pa se je dobi v vseh zvrsteh trgovin, kavarnah, restavracijah in drugih gostinskih objektih.

To magistrsko delo je bazirano na pogovorih z lastnikom firme Ferenčič, oziroma na informacijah, pridobljenih v neposrednem pogovoru z osebo odgovorno za razvoj podjetja, ki proizvaja in distribuira pijačo Pašareta. Na podlagi pridobljenih podatkov so v tem delu predstavljeni mogoči promocijski in distribucijski programi. Avtorica tega dela se je srečala z velikimi omejitvami zaradi nepripravljenosti firme za dajanje informacij o pijači Pašareta, o kateri na Internetu ne obstaja veliko informacij. Zaradi teh omejitev je avtorica morala raziskati želje in potrebe kupcev glede Pašarete skozi fokusno skupino in online vprašalnik.

Najprej je podrobno prikazana analiza obstoječega trženjskega okolja za pijačo Pašareta, potem pa so teoretično predstavljeni osnovni pojmi trženjskega spleta. Na podlagi pridobljenih podatkov, je v osnovnih okvirih prikazana proizvodna in cenovna spremenljivka, da bi bralec lahko dobil osnovne informacije o pijači. Potem so konkretno pojasnjeni distribucijski kanali na primeru pijače Pašareta, ter predstavljeni mogoči tržni kanali, ki ga bi firma Ferjančič lahko uporabljala pri širjenju distribucijskih kanalov. Preostali element trženjskega spleta – promocija, je doslej bila zanemarjena, ter je avtorica predlagala in samostojno oblikovala novi promocijski program, ki bi bil predstavljen skozi segmente oglaševanja, neposrednega trženja, spodbujanja prodaje in odnosov z javnostmi. Prav tako so predstavljeni tudi rezultati fokusne skupine in online vprašalnika, ki jih je avtorica opravila.

Na podlagi analize ugotavljam, da ima pijača Pašareta pozitiven potencial za nadaljnjo rast in razvoj na hrvaškem trgu skozi različne promocije, strategije in pravilno distribucijo, ki je predstavljena v tem delu.

APPENDIX B: List of abbreviations

SME- small and medium enterprises

IMC - integrated marketing communication

DZS - Državni zavod za statistiku

SWOT - strengths, weaknesses, opportunities and threats

EU - European Union

APPENDIX C: Interview with owner Franko Ferenčič

"Thank you for agreeing to talk to me about your company and beverage Pašareta. I am conducting this research for the master's thesis I did about possibilities of creating promotional and distributional program for beverage Pašareta for International Full Master Programme in Business Administration at Faculty of Economics, University of Ljubljana. I would need your approval for publishing all information received through this interview for purpose of my master's thesis."

All the information obtained through the interview is described through master's thesis.

1. When was the company established?
2. How many employees does your company have?
3. Which supplier of raw materials are you cooperating with?
4. Who are your target consumers?
5. In your opinion, which companies are your biggest competitors?
6. Are you aware of growing awareness of individuals' health? How do you plan to integrate this trend into your production?
7. What is your mission?
8. Where do you see company Ferenčič in 5 years?
9. Why has the beverage Pašareta never been distributed outside Istria?
10. Do you think there could be an opportunity for expanding the market in the future?
11. Which distributional channel do you use?
12. Have you ever conducted a market research regarding the attitude towards Pašareta's brand?
13. Why has company Ferenčič never used any promotional activities for the beverage Pašareta?
14. How much money are you willing to spend on promotional activities?
15. If you start expanding the market, how much new customers would you like to get through the first years of the promotional campaign?
16. Do you actively participate on tenders for the hotel industry?
17. Which part in distributional chain brings you most income: retail, bars or cafeterias?
18. What kind of relationship do you have with your partners in the supplier chain? Do you have contracts with all of them?
19. In your opinion, what is the most important strength of the beverage Pašareta?
20. If you would send the word to consumers about the beverage Pašareta, what would it be connected to?
21. For the time being, do you give any bonuses to your business customers?

APPENDIX D: Interview with potential consumers

"Thank you for agreeing to talk to me about your attitudes toward the soft drinks industry. I am conducting this research for the master's thesis I did about possibilities of creating promotional and distributional program for the beverage Pašareta for International Full Master Programme in Business Administration at Faculty of Economics, University of Ljubljana. I will not publish your name. My interview notes do not contain your name. When I describe your answers in my thesis, I will use general terms."

1. What would be your drink of choice in cafeterias and bars during summer?
2. What do you drink when you go out with your friends?
3. Do you ever order carbonated drinks when drinking coffee?
4. How much are you willing to pay for a carbonated drink in bars and cafeterias?
How do you feel about current prices?
5. Which carbonated drink do you usually drink? Why?
6. Do you know any Croatian companies that are producing carbonated drinks?
Which one? Do you like the taste of the beverage?
7. Is there any reason why you would order specific drink in bars? Is there anything that affects your choice?
8. Have you ever heard of the company Ferenčić?
9. Do you know about the beverage Pašareta?
10. Have you tried the beverage Pašareta?
11. Have you tried Cockta Rossa?
12. Can you briefly compare Pašareta and Cockta Rossa?
13. Do you think the beverage Pašareta has a possibility for expansion?
14. Would you start buying Pašareta if it was be available in your city?

APPENDIX E: Online questionnaire

Prije svega, htjela bi Vam se zahvaliti na vremenu i dobroj volji odvojenoj za rješavanje ovog upitnika. Rezultati upitnika koristit će za potrebe mog diplomskog rada na fakultetu u Ljubljani. Rezultati ankete su u potpunosti anonimni. Vaše ime neće biti objavljivano, niti ću ga koristiti u svom magistarskom radu.

Izabel Može

1. DOB:

16 - 25

26 - 35

36 - 45

46 - 60

61 <

2. SPOL:

M Ž

3. Zanimanje

Srednja škola

Student/ica

Nezaposlen/a

Zaposlen/a (trajno)

Zaposlen/a (privremeno)

Umirovljen/a

4. Prebivalište

Grad Zagreb

Zagrebačka županija

Bjelovarsko-bilogorska

Brodsko-posavska

Dubrovačko-neretvanska

Istarska

Karlovačka

Koprivničko-križevačka

Krapinsko-zagorska

Ličko-senjska

Međimurska

Osječko-baranjska

Požeško-slavonska

Primorsko-goranska

Sisačko-moslavačka

Splitsko-dalmatinska

Varaždinska

Virovitičko-podravska

Vukovarsko-srijemska

Zadarska

Šibensko kninska

5. Koliko često pijete bezalkoholna gazirana pića?

Jako često

Često

Rijetko

Nikad

6. Naručujete li bezalkoholna gazirana pića u kafićima?

Da Ne

7. Pijete li bezalkoholna gazirana pića kod kuće?

Da Ne

8. Koja gazirana pića najčešće pijete?

Coca-Cola Fanta Sprite Orangina Schweppes Cockta

9. Što vas navodi da pijete određeni brand bezalkoholnih pića koje ste naveli u prethodnom pitanju?

- Kvaliteta
- Okus
- Dizajn čaše
- Reklamni materijali
- Promotivna aktivnost
- Ostalo - koju imaju u kafiću

10. U koje doba godine najčešće pijete bezalkoholno gazirano piće?

- Ljeto
- Jesen
- Zima
- Proljeće

11. U koje doba dana najčešće pijete bezalkoholna gazirana pića?

- Jutro (6 – 9)
- Prijepodne (9 – 12)
- Poslijepodne (12 – 15)
- Predvečer (15 – 19)
- Navečer (19 – 22)

12. Pijete li radije bezalkoholna gazirana pića sami ili u društvu?

- Sam/a
- U društvu

13. Što prvo zamijetite kad dođete u kafić?

- Konobar
- Reklamni materijali sa stola
- Reklamni materijali na zidovima
- Šank

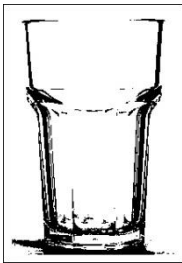
14. Koliko vam je važna čaša iz koje pijete bezalkoholna gazirana pića?

- Jako važna
- Važna
- Ne previše važna
- Uopće mi nije važno

15. Koji vam je najdraži oblik čaše za bezalkoholna pića?







16. Koliko često pijete gazirana pića kod kuće?

- Uvijek
- Često
- Rijetko
- Nikad

17. Što vas privuče kad kupujete bezalkoholna gazirana pića u trgovini?

- Promotivne cijene
- Dizajn boce
- Okus pića

18. Kakvu vrstu dizajna boce, od tri ponudene, vam se najviše sviđa?



1.

2.

3.

19. Jeste li upoznati s bezalkoholnim gaziranim pićem Pašareta? (ukoliko niste, vaša je anketa završena)

- Da
- Ne

20. Što mislite o dizajnu boce?



- Sviđa mi se
- Ne sviđa mi se
- Svejedno mi je
- razlog: _____

21. Ukoliko ste probali napitak, jeste li zadovoljni okusom Pašarete? (ukoliko niste probali, vaša je anketa završena)

- Jako mi se sviđa
- Sviđa mi se
- Ne sviđa mi se

22. Gdje ste probali Pašaretu?

- Prijatelj/ica mi je preporučio/la
- U Istri

23. Što biste prvo promijenili kod napitka Pašareta?

- Dizajn boce
- Etiketa na boci
- Ne sviđa mi se okus

24. Biste li pili Pašaretu u kafićima i kod kuće da je možete kupiti u mjestima izvan Istre?

Da: U kafiću

Kod kuće

Ne

25. Smatrate li da cijena od 10kn za 1,5 litru napitka Pašareta previsok iznos za taj proizvod?

- Da
- Ne
- Razlog _____

26. Što vas je privuklo kad ste prvi put probali napitak Pašareta?

- Boja
- Dizajn boce
- Pojam „novog pića“

Ukoliko imate dodatnih komentara ili prijedloga na temu, molim navedite ih!

Vaša kontakt adresa (ukoliko želite primiti rezultate istraživanja)

Još jednom se zahvaljujem na vremenu odvojenom za rješavanje ankete!

Izabel Može