

Faculty of Mass Media Communication
University of Ss. Cyril and Methodius
in Trnava, Slovakia

MARKETING IDENTITY

Jozef Matúš
Dana Petranová
(eds.)

Explosion
of Innovations

FMK
Fakulta masmediálnej komunikácie
Faculty of Mass Media Communication

"EXPLOSION" OF INNOVATIONS

Faculty of Mass Media Communication
University of Ss. Cyril and Methodius in Trnava

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Conference Proceedings
from International Scientific Conference
4th - 5th November 2014
Congress Hall of the Slovak Academy of Science
Smolenice, Slovak Republic



Trnava
2014

MARKETING IDENTITY: Explosion of Innovations

Conference Proceedings from International Scientific Conference „Marketing Identity 2014: Explosion of Innovations“, 4th - 5th November 2014, Congress Hall of the Slovak Academy of Science, Smolenice, Slovak Republic

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MARKETING IDENTITY

Explosion of Innovations

International Scientific Conference, 4th – 5th November 2014
Congress Hall of the Slovak Academy of Science
Smolenice, Slovak Republic

The international scientific conference held annually by the Faculty of Mass Media Communication, University of Ss. Cyril and Methodius in Trnava has become a traditional event with support and attendance of mass media communication theorists and researchers as well as the media and marketing professionals.

The objective of the conference is to map the latest knowledge and trends in the field of marketing communication and to create space for the spread of the latest scientific knowledge and practical experience in the field of marketing, media and communication following the importance of innovations and support of the dialogue between professionals in academic institutions and practice.

The international conference Marketing Identity (before 2012 it was called New Trends in Marketing), which was held for the eleventh time at the castle of Smolenice, Slovakia, is organised by the Faculty of Mass Media Communication UCM in Trnava. The conference took place on 4th - 5th November 2014.

The theme of the conference was concisely expressed by its subtitle: Explosion of Innovations. The Faculty of Mass Media Communication has been working on several projects which address innovations in practice and in education. Therefore, one of the objectives of the conference was to present the results of research and to launch expert discussions.

The sessions of conference participants were realized within the following sections:

- Section 1: Marketing & Communication Innovations
- Section 2: Digital Innovations
- Section 3: Media Innovations
- Section 4: Green Innovations
- Section 5: Consumer Privacy Innovations
- Section 6: Governance and Adaptation to Innovative Modes of Higher Education

We are happy to welcome at our conference permanent and new participants and guests from abroad – the Czech Republic, Poland, Russia, Romania, France, United Kingdom, Slovenia, Lithuania and The Netherlands. We were especially honoured to welcome a world known guest who took part in our conference for the first time – professor Jo Ritzen. He was awarded the honorary degree “doctorate honoris causa” for his lifetime research and academic work.

Panel discussion was certainly an interesting part of the conference. The topic *What is expected of the graduates of Marketing communication in practice?* was discussed by practitioners and representatives of academic institutions. The discussion brought a number of suggestions and recommendations how to train qualified graduates who will be ready to enter the labour market in their field.

Granátt award ceremony was an important part of the conference. The competition was announced by the Faculty of Mass Media Communication in November 2012. Its aim is to reward projects focused on social responsibility of educational institutions. 10 projects participated in this year’s competition. The jury selected and awarded three best projects. The winners were awarded prizes during the opening ceremony. The competition is held under the auspices of the Slovak Ministry of Education.

Conference website:

<http://fmk.sk/marketing-identity/mi2014/>



Faculty website: <http://fmk.sk>



Facebook website of FMK Conferences:

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(All photos from the conference are here to see)



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Dear colleagues, dear scientific community,

welcome to the conference proceedings from the international scientific conference called Marketing Identity 2014 held by the Faculty of Mass Media Communication, University of Ss. Cyril and Methodius in Trnava. The conference opened the second decade of our traditional conferences regularly bringing together professionals from the field of marketing and marketing communication.

We chose a dynamic title of the conference – “Explosion” of Innovations. The choice of the central topic was motivated particularly by the fact that currently our faculty has been working on several projects which address innovations in practice and in education. It is you, dear academics, to whom we would like to present the results of our research, to open up an expert debate as well as to let ourselves get inspired and to accept your valuable suggestions and recommendations.

The organisers divided the central topic of the conference into six sections which brought together more than 160 participants from Slovakia, the Czech Republic, Poland, Russia, Romania, France, Great Britain, Slovenia, Latvia and the Netherlands. The participants focused in their contributions on innovations in digital environment, in the field of marketing, media, in university education and consumer protection.

The particular characteristic of the conference was an independent section which was one of the outputs of the significant international project Governance and Adaptation to Innovative Modes of Higher Education provision, in which our faculty co-operates. Thanks to the project, we could personally welcome the Guest of Honour, the Dutch politician and professor Josef M. M. Ritzen. Before entering politics, Ritzen taught economy except home universities also at world-class universities – for example at Berkeley in California or at The University of Wisconsin. As the Minister of Education, he implemented *Prestatiebeurs*, a new form of the funding of educational studies and he reformed parts of the Dutch educational system. On the first day of the conference, the Scientific Board of the University of Ss. Cyril and Methodius in Trnava awarded professor Ritzen the honorary degree “*doctorate honoris causa*”. The announcement of the competition *Granátt 2014* – award for the activities in the field of social responsibility of educational institutions was a traditional part of this year’s conference. Elementary and secondary schools as well as universities have been performing a number activities

which make our society better, nicer and healthier. It is our aim to inform about such projects and to award their creators to make them feel motivated to continue in these beneficial activities. Ten projects participated in this year's competition that was announced two years ago and held under the auspices of the Slovak Ministry of Education.

Dear conference participants, dear readers. I believe that the conference proceedings will offer food for thought and debates and will raise new topics in the field of marketing and the media in the context of innovations. As I mentioned in the beginning, we are starting the second decade of marketing conferences. A wise old quote says "It is not he who starts but him who finishes that makes the difference". We will work hard as to maintain your favour and to finish the new decade jointly.

Dana Petranová

*Dean of Faculty of Mass Media Communication
University of Ss. Cyril and Methodius in Trnava*



Marketing & Communication Innovations

Innovations are phenomena that are related to all aspects of business activities and processes, including marketing and communication. Innovations and marketing are like 'conjoined jars', which always provide a space for creativity, flexibility and development. Globalization offers new opportunities and available technological solutions that help us to modernize the marketing and communication activities, bringing a wide spectrum of possibilities, which can be used in favor of business subjects that operate on the market. In order to understand such innovations, the customers have to learn to embrace new trends and follow them. Marketing is influenced by modernization and changes that occur far quicker than ever before. Changes in usual practices and customary procedures have become a necessity; they aim to implement innovative and creative solutions, which allow us to reach our goals more effectively and make positive modifications in order to increase customer value, and therefore also competitiveness of business. The first section focuses on innovations associated with all marketing communication tools - new forms included - that refer to newly formed trends in marketing implemented by business organizations of all types and sizes. We therefore offer an open space to discuss the importance of innovations and their implementation at present as well as in the future, relationship between innovations and increase of business competitiveness, innovations as a key to attracting customers, innovations as a part of modern marketing and communication, thus innovations of 21st century.

A PARADIGM CHANGE OF MARKETING COMMUNICATION

Martin Ďurko

Abstract

Marketing communications, when applied towards a broad public audience, actively exploit deficiencies of the human mind - specifically its evolutionary older intuitive part - without concerns about deforming interpretations of reality, social values or experiences of any complex human emotions. The public manipulated by media usually passively accept the cognitively simulated version of reality which reflects the interests of those who have the power, resources and opportunities to decide about the form and specifics of shaping the new 'reality'. Based on provided examples, we will open a discussion about problematic areas, suggest changes in marketing communication, and argue in favor of the implementation and development of reflective/ rational thinking in public education.

Key words:

Cognitive processes. Marketing communication. Media manipulation. Paradigm. Reflective thinking.

Introduction

Innovation in marketing and business are considered suitable topics today and not only for reasons of academic discussion and research. It's a necessity for business to accommodate to new forms of communication in the virtual space and to implement digital communication technologies in order to successfully enter a new market and/or to maintain a competitive market position. These innovations are supposed to provide us with an alternative path for the failing philosophy of permanent growth which utilizes material resources. Some authors even claim that in the information (knowledge) based economy, not only will we be able to grow without limits because information is not depleted with use, but we can duplicate them endlessly. We think that it is necessary to point out in these discussions, that what is true for information is certainly not true for people and their material lives. Despite the shift of many economic activities into the virtual space of the internet, it is still an undeniable fact that modern society depends and in the near future it will depend on material resources always more than on immaterial resources.

The challenges of the 21st century, when “our understanding of the complete planetary development and the natural environment is being changed”¹, will have to be addressed in new ways of thinking, because only those can provide us with a chance to alter our behavior, advance cooperation and to avoid confrontation on a global scale. Unfortunately, we are still witness to a confrontation between individual models of civilizations and an escalating fight for available natural resources. In the following parts of this article, we will try to explain in greater detail and to lay out our argument for possible changes in the recent paradigm of marketing communications. They could weaken, in the process of finding the right solutions for some local as well as global problems, the influence of the ubiquitous economic logic of today’s market driven society and contribute to dematerialization of some areas of human life.

The definition of the word innovation links us to the activity during which we are innovative and it is described as a performance which initiates or causes changes in something well established, especially in introducing new methods, ideas or products (Oxford dictionary²). We think that innovation in marketing should not include only old ways of communication but it should rather transform them into new and in some aspects even contrary forms. Every paradigm change leads to subsequent changes in commonly used patterns of thinking and behavior and it will happen almost certainly with resistance from the side of the existing *status quo*. It is maintained mostly by the actual distribution of financial resources of the market and by the professionals who represent and advocate for the theory and promote the applied forms of marketing communication in the specific time and space. If there is no resistance or misunderstanding in the society, there is definitely no paradigm shift taking place. We have to stress here, that this is a serious obstacle for those who initiate changes and not for their mass followers who join the crowd once the new paradigm has been accepted in society.

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- 1 PAUHOFVÁ, I.: Civilization models and the development of global economy. In PAUHOFVA, I. (ed.): *Paradigms of future changes in the 21st century. Global world – cooperation or confrontation?* Bratislava: Institute of economic research SAS, 2014, p. 29. [online]. Available at: <<http://ekonom.sav.sk/sk/publikacie/-p247>> [25.9.2014].
 - 2 OXFORD Dictionary.: *Innovation/ Innovative/ Innovate: definition*. [online]. Available at: <<http://www.oxforddictionaries.com/definition/english/innovation>> [25.9.2014].

1 Innovation/uniqueness and economic-marketing deformation of the reality

Sir K. Robinson³ chose the following statement for his presentation and made it a fundamental idea of his life: “If you are not prepared to be wrong, you will never come up with anything original”. The likelihood of a personal error always rises where we try to go against the generally accepted ways of interpreting reality or alter generally accepted customs of human activities. We are convinced that uniqueness is a necessary predisposition for every innovation and that is why we should create and support a culture in our society which is open to new ideas and less critical of unavoidable errors. Critical thinking, despite its unclear definition, is understood as the most important skill in the 21st century, but we have to realize how its outcomes are treated by the existing power structures in the economy and society. How do we see those who criticize us and those who bring changes into our lives? Certainly we have to distinguish between constructive criticism which suggests alternative solutions and its opposite form which, with the exception of negative comments, is not able to provide any added value while solving problematic issues.

The reality made accessible to us through commercial media production and advertisement is becoming increasingly misshaped because, in its essence, it changes the value relationships between things in human life and sometimes distorts even their logic and causality. The specific deformation is created by emphasizing the meaning of some words, characteristics, or relationships on the individual or collective cognitive map which serves as the starting point for our further decision making. Artificially and sometimes even irrationally created associations in advertisement cause degradation of the original meaning of a specific part of the reality and they limit their successful interpretation. D. Kahneman, based on the result of his research, says that “A reliable way to make people believe in falsehoods is frequent repetition, because familiarity is not easily distinguished from truth”⁴ and, in our opinion, the majority of marketing communication in TV spots function on the same principle. Companies try to associate the basic values of human life and interpersonal relationships, life expectations and desires with their products in an attempt to achieve higher sales. This characteristic

3 ROBINSON, K.: *Bio*. [online]. Available at: <http://sirkenrobinson.com/?page_id=10> [25.9.2014].

4 KAHNEMAN, D.: *Thinking, fast and slow*. New York : Farrar, Straus and Giroux, 2013, p. 62.

of modern life is directly addressed by M. Sandel, who tries to open a serious discussion about omnipresent economic rules entering every area of our private lives while all of this is happening without having a choice to opt out. He states that “We often associate corruption with ill-gotten gains. But corruption refers to more than bribes and illicit payments. To corrupt a good or a social practice is to degrade it, to treat it according to a lower mode of valuation than is appropriate to it”⁵. This degradation always happens where the human life, its content and individual activities are in accordance with economic rules expressed in dollars.

Marketing communication of the 20th century was formed and influenced by theory put forward by P. F. Drucker, P. Kotler and later by many others. The former one stated that “the business enterprise has two – and only two – basic functions: marketing and innovation. Marketing and innovation produce results; all the rest are costs.”⁶ Ignoring the number of citations of this claim, we think that it is not true and through its nature deforms the reality of doing business and the reality of human life. It is obvious, in our opinion, that marketing and innovations do not always provide us with results; they are also an item in the cost structure of a running business and because of the unpredictable nature of the market and customers they can become a loss-making activity. What we see as more damaging, when promoting similar simplified claims, is the fact that all other functions and activities of a business are marked with the deteriorating description “the costs”. Accepting the basic principles of the “Stakeholder theory”, we think that the function of a business in a society is much broader and the interconnection between the society and its functions more complex⁷. Unfortunately, complex relationships in societies and their values are usually not the main area of interests for the marketing communication, which reflects mostly the interests of those who pay for it while being limited by what the public is able to accept in a given time and space.

5 SANDEL, M. J.: *What money can't buy: The moral limits of markets*. New York : Farrar, Straus and Giroux, 2012, p. 34.

6 DRUCKER, P. F.: *The practice of management*. New York : Harper&Row, Publishers Inc., 2006. p. 37-39.

7 FREEMAN, R. E. et al.: *Stakeholder theory: The state of the art*. New York : Cambridge University Press, 2010.

The latter figure of the marketing world mentioned above is P. Kotler⁸ who, in one of his frequently cited claims says, that “The future isn’t ahead of us. It has already happened”. Sir K. Robinson, mentioned earlier, indirectly addressed this claim when making his point about a generally used claim that university education begins in the kindergarten. “No it does not, because kindergarten starts in the kindergarten and university starts at the university”. That is the simple logic of this claim. We think that also in the claim of Mr. Kotler it is more than clear, that the future, despite being significantly affected by the past, will, in its essence, always be ahead of us and any predictions about its form and outcomes will belong to the category of a lottery from the available pool of ideas and opinions in the specific society. Similar logic and an honest attempt to avoid claims which are misleading or oversimplified is usually not the preferred tactic in marketing communication.

The human mind (its intuitive part) has a tendency to favor phrases and claims which contain empty magical words of its time. This happens mostly because it confirms in this way its loyalty and fellowship to the group and at the same time it saves the scarce mental capacity of its evolutionary younger reflective (rational) part. A concise description of this mechanism was offered by Richerson and Boyd by saying “In effect, all animals are under stringent selection pressure to be as stupid as they can get away with”⁹. Stupid, in this case, means that people do not engage in an abstract-analytical thinking unless the situation, possible threats, or the negative consequences of their actions force them to do so. In these situations, we replace generally deployed and preferred heuristics in our thinking with a detailed analysis of the situation and facts, which helps us to reach an understanding of the real causality linked to our experience at hand.

We think that every society should, during the socializing and educational process of its members, promote and develop individual rational thinking skills which can eliminate the negative influences of the human mind to accept irrational associations between specific parts of reality and their individual lives. People would not then interpret the reality through group optics when what is right and true is identified with what is thought or done by the majority. We are convinced that it is necessary, from the

8 KOTLER, P.: *Kotler's quotes*. 2012. [online]. Available at: <<http://www.pkotler.org/kotlers-quotes/>> [25.9.2014].

9 RICHERSON, P. J., BOYD, R.: *Not by genes alone, how culture transformed human evolution*. Chicago : The University of Chicago Press, 2005, p. 135.

level of government and academia, to achieve an optimal regulation in areas whose aim is to manipulate the public, children or adults, through marketing communication of some companies. For example, it would be reasonable in the cases of propagation of products with high percentage of sugar or its substitutes, because these are targeting mainly the children and youth. We all were born into a society with an innate dependency on this chemically pure crystal substance, but personal or state health costs are not in any way reflected in the profits of the companies which capitalize on our dependency.

2 Cognitively-psychological reality of life and their relationship to economy and marketing

The best example of contradictions between cognitively-psychological reality of life and the theoretical one, applied for example in economics, is the 'utility' theory (about 150 years old) and the alternative 'prospect' theory developed by behavioral psychologists D. Kahneman and A. Tversky. D. Kahneman and Vernon L. Smith received the Nobel Prize for economics in 2002.

The utility theory, purely on a theoretical long-term basis, assumed that every human being in any decision process or during his shopping behavior acts always rationally and that he is able to realize all positive and negative aspects of his economic decisions and transactions. Research in behavioral psychology has proven that it is actually not the case on many occasions. We think that the theory and its acceptance have endured only because it favored specific interests of certain groups in the society. Their future profits were dependent on the general acceptance and further promotion of this economic theory because it provided a rationale and arguments in the debate about deregulation of key sectors in the economy. The economic myth that the market successfully regulates itself and that people living in a specific society and represented by politicians should not interfere with it is the fundamental problem of so called "Americanization" of modern societies. The social care of disadvantaged individuals or groups in society and the modification of negative effects of income inequality are not the main interests of any business or corporation and therefore we should not grant them more rights and influence in societies than they deserve. In the United States of America, corporate rights became equal to individual citizen rights so

they can invest in political campaigns in an attempt to improve public (dis)interests without limits (Supreme Court USA¹⁰).

The primary goal of every business entity is to promote their products and make them accessible to the largest number of customers; the goals of an aware customer are directly the opposite. So called customers usually want to be addressed with an offer reflecting their actual or possible future needs, but ideally only at the time when they want. The excess of available information and the missing capacity for their processing are, together with information smog, becoming a serious problem today. With most of the products and services, customers do not have time or a capacity to process information about their technical specifications and therefore the rational assessment is replaced with an irrational associative principle at the intuitive level. The dual theory of cognitive processes calls this intuitive level „*System 1*“ (Evans, Stanovich¹¹) and we get in the situation when we look for and automatically favor simplified characteristics of things at hand. We are strongly influenced by effects as priming and framing which determine our decision making according to outside interests while being strongly dependent on artificially created associative relationships set by marketing communication. The main objective of modern marketing is to take maximum advantage of these natural and autonomous deficiencies of the human mind and capitalize on them to claim the largest position in the customer's mind and heart. P. Kotler defined the priorities of marketing communication as follows: “I don't care what happened to your profits. Have you improved your share of the customer's mind and heart this year?”¹². The category of customers, which operates mostly on the intuitive level of their minds, during the decision making process, is influenced by irrelevant attributes of the product and services implemented into their minds by advertisement. Advertisement, through available media channels, is actively trying to alter customer's value perception and judgment in a manner which works, but on the other hand, it could also be seen as a misuse of evolutionary preconditioned weaknesses and limitations of

10 SUPREME COURT USA: *Citizens united v. Federal election comm'n*. 2010. [online]. Available at: <<https://supreme.justia.com/cases/federal/us/558/08-205/>> [25.9.2014].

11 EVANS, J. St. B. T., STANOVICH, K.: *Dual-Process Theories of Higher Cognition Advancing the Debate*, 2013, p. 223-241. [online]. Available at: <<http://pps.sagepub.com/content/8/3/223.short>> [25.9.2014].

12 KOTLER, P.: *Kotler's quotes*. 2012. [online]. Available at: <<http://www.pkotler.org/kotlers-quotes/>> [25.9.2014].

the human mind. Research results in semiotics suggest that there is no direct relationship between the sign and the meaning associated with it. It suggests that the meaning of signs is individually and collectively specific; it is subject to change and development; it is manipulative and the psychological reality constructed on its basis does not have to reflect on the causality and the reality around us¹³. This simple fact creates endless possibilities for changing the meaning and manipulating the public mind.

Because of insufficient expertise and ability to assess the product or service, the decision process of a customer, before and after the purchase, is significantly influenced by rationalization. Its main objective and function is to eliminate conflicting states of mind which rise up naturally before, during, and after making any choice. The term for this state is cognitive dissonance and it originates in the conflict between the reality, in this case the purchased product or service, and our previous or ongoing expectations about its nature and quality¹⁴. In order to achieve a neutral emotional state again, the human mind has developed many automatic and predictable processes. These are studied in detail in psychological research, but unfortunately they are not known or revealed to the majority of public. Research findings are utilized mainly by subjects that specialize in modern methods of media manipulation of the whole society.

Aristotle said, that the noblest activity in a human life is the cultivation of what makes him unique. Our own research and experience suggest that this fundamental and unique element is human ability to think reflectively (Reflective Mind in Dual-process theory of higher cognition). This ability has developed thanks to the special function of the human brain called cognitive decoupling. It is brain's capacity to create abstract versions of sensually perceived reality and manipulate them without narrow limits of the physical realm, but it also requires an ability to distinguish between the real reality and those cognitively simulated. Some of these simulated realities are offered to us through marketing communication in media and they reflect on interests of businesses, public institutions, and political parties. Their significance and importance in today's

13 CHANDLER, D.: *Semiotics for beginners*. 2002. [online]. Available at: <http://visualmemory.co.uk/daniel/Documents/S4B/the_book.html#Top> [25.9.2014].

14 COOPER, J.: *Cognitive theory – 50 years of classic theory*. London : Sage Publications Ltd., 2014.

society is sufficiently demonstrated by the quantity of money spent in order to achieve these objectives. In its essence, it is a process of media manipulation and it depends on our ability to distinguish between the real nature of the objective reality and those purposely created for us by images, colors, and texts. It is no surprise then that individual "Identities are often shaped to serve the interests of those with the power to do the shaping"¹⁵.

3 A paradigm change of marketing communication

In the previous text and examples, we tried to create a basis for the formulation of the paradigm change in the applied practice of marketing communication. We suggest initiating a public and scholarly demand on advertising producers who make associations between their products and the basic values of human life such as love, friendship, fellowship, etc. This practice, through mere correlation, creates an illusion of causal relationships between their products and the actual experience of complex human emotions. We think that this causes their degradation and inappropriate materialization which also provides an illusion of achieving them through a purchase of the advertised goods. There are some legal limits for misleading ads today, but they surely do not cover, for example, advertising detergents or the propagation of snacks as a full-value replacement for breakfast. Not to mention the omnipresent smile, happiness, music and dance in TV spots or in print. Is the use of all of those products so great and meaningful? Do they actually develop or help to develop some of our unique human potential, help us to find the meaning of life, or make us happier, healthier members of human society?

With an emphasis on the advisability of marketing communication and its anchoring in the reality of human life, we could avoid some ideological and meaningless marketing statements and also the situation in which the whole society in Slovakia is willing to accept marketing slogans like "I am a human here, I am shopping here." (www.dm-drogeriemarkt.sk). We are looking for answers to related questions such as: Does shopping make us human? I am a human here but not elsewhere, or in which sense am I a human here and not somewhere else? Isn't shopping inevitable and the care of our physical body just a mere maintenance both which

15 MARTINEZ, R.: *Creating freedom*. 2013. [online]. Available at: <<http://www.youtube.com/watch?v=cAYBgR8zlu0>> [25.9.2014].

are significantly lower on the hypothetical value ladder of activities that make us human?

The educational system should play the crucial role in the change of the marketing environment, mainly by an early implementation of recent research findings in psychology and neuroscience, because the form and standards of marketing communication are significantly determined by the existing cognitive skills among citizens/customers. Those who pay for advertising and people responsible for public relations will find a way to afford anything that will improve their image or increase their sales. They do not care if it takes advantage of deficiencies and imperfections of the human mind. We could, through development of reflective/ rational thinking, decrease the degree of manipulation by media in today's society because it depends exclusively on the absence of such skills. Active and independent thinking, an analysis of facts and claims about reality and their consequent evaluation is, in our opinion, a necessary basis for a successful, innovative, and creative society.

Positive development in many areas of human life is achieved through the concept of so called "Internet of things" which eliminates deficiencies of the human brain in processing, storage, and the interpretation of data. The information gathered can be processed later by suitable algorithms and consequently made accessible or displayed through an interface to human minds, which can subsequently use them in further interpretations of reality and reach relevant conclusions from them. We assume that the result will be always better than in the situation in which the individual should rely on his/ her own memory record or on the interpretation of always limited sum of direct and indirect empirical experience. Inanimate devices, exchanging data between themselves through the virtual space of internet and wireless technologies, do not have to deform aspects of reality in order to accommodate them to their own expectations and subjective view of how the reality should or should not look. They do not have to face imperfections of the human mind which present themselves mainly in situations characterized as "cognitive load" and "ego depletion" which substitute for a significant part of research in psychology¹⁶. People naturally prefer the least conflicted information and facts about reality because it allows them to keep existing beliefs and by maintaining a fragile emotional balance inside of their comfort zone they do not have to transform their actual knowledge base. This

16 KAHNEMAN, D.: *Thinking, fast and slow*. New York : Farrar, Straus and Giroux, 2011, p. 42.

“default” position of the human mind, in no sense, can lead to a change in an individual life or in a society, or to innovation/ creativity or even to a paradigm change. Every change, especially the negative one, brings some discomfort and people usually do not welcome it with a smile on their face. It requires from them an activation of the System 2 – the reflective and analytical mind, transformation of existing behavioral and thinking patterns; these are not possible without releasing some unpleasant feelings. These feelings are building blocks of an emotional barrier, which effectively helps to store and maintain useful patterns of behavior. Therefore the best indicator of any progressive change is the reaction of an individual or group during the introduction and implementation of change. At this point, we have to say that the ability to accept changes or even actively participate in their implementation is possible to learn and the same is valid for reflective thinking. We are convinced that its development should be the main priority of the public educational system in Slovakia as well as around the world.

Conclusion

In this paper, we tried to bring our attention to the use of irrational marketing communication and its active exploitation of deficiencies and imperfections of the human mind. At the same time we addressed the invasive character of business norms entering almost every area of life in modern societies. We are hopeful that these facts can open a discussion and reveal a great deal about the nature and character of marketing communication and media manipulation. The discussion should deal with questions about the position of marketing in our society, its function in private and public spheres of life and its relationship to our individual value system.

Personally, we expect not just a change in marketing communication but also in the generally applied ideology of international competition and in the philosophy of permanent growth actively promoted in economic theory. We think that every individual or collective human experience proves our evolutionarily designed predispositions to cooperate and long-term benefits stemming from it are simply incompatible with an alternative egoistic or sometimes even sociopathic behavior of some individuals. Without our ability to extend these natural virtues of the human species beyond the border of our local environment, family, tribe – group, nation, and applied civilization model we will probably, instead

of creating an effective global and cooperating society, face most of the negative prognosis for the 21st century to their full extent.

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MARKETING KNOWLEDGE AND THE BARRIERS OF SME'S ENTREPRENEURSHIP

Alena Klapalová – Ema Symonová

Abstract

Paper presents the results of survey realized in year 2014 among the owners and managers of small and middle tourism and hospitality enterprises in the Region of South Moravia and Region of Vysočina investigating the barriers in the internal and external environment for the entrepreneurship development. The main objective was to find out the perception of knowledge and specifically the perception of marketing knowledge, skills and competences as the barriers of business development and their relationship to some characteristics of surveyed companies. Results reveals – among all others - that there is the statistically approved significant relationship between the perception of the impact of both types of knowledge on profitability and real profitability of companies as well there is statistically significant relationship between market orientation (domestic versus foreign market) and perception of importance of marketing distribution.

Key words:

Age. Barrier. Entrepreneurship. Hospitality. Knowledge. Marketing knowledge. Market orientation. Small and middle enterprises. Tourism. Profitability.

Introduction

In 2009 and in 2011/2012 there were two researches realized at the College of Commerce and Hotel Management in Brno focused on perceived barriers of entrepreneurship among managers and/or owners of small and middle-sized (SMEs) companies in hospitality (specifically lodging) from the South Moravian region that showed that it is the knowledge (together with skills and competencies) perceived as the biggest barriers for the development of surveyed companies and especially marketing and so called external managerial knowledge (knowledge in the area of building and maintaining the relationship with suppliers, local government, partners in destination etc.)¹. In 2014 the survey was repeated with the different sample, adapted and new questions and also in another region (region Vysočina) with the aim to find out if the results from previous years can be confirmed. The aim of this replication was

1 Klapalová, A.: *Knowledge, Skills and Competencies of Lodging Companies in South Moravian Region*. In Journal of Competitiveness, 2012, No. 2, p. 55.

twofold: a) to test the validity of some previous conclusions and research approach and b) to find out some new results concerning marketing knowledge in more detail according simplified marketing management instrument – 4 Ps (product, place, price, promotion or more appropriately communication) as well as knowledge of relationship marketing with customers and some potential relationship between these kinds of knowledge and profitability and market orientation of companies.

1 Theoretical background

Small and middle-sized enterprises or companies play extremely important role in tourism and hospitality industry where the customer demand is very heterogeneous and focused on new experiences and the supply can correspond to this character of demand relatively easier compared to other industries². Success in business is grounded on knowledge, skills and competences concerning markets, its actors, such as customers, suppliers, distributors, partners, and their needs and preferences as well as of competitors and other stakeholders³.

The diverse wants and needs of customers together with relative lower amount of needed capital both in the initial phase of business establishment and its continuation and relative lower level of specific knowledge needed to run the business offer many opportunities to become an entrepreneur in this branch. However, there are also many examples of business failure and numbers of enterprises that had to finish with the activity due to the unsuccessful. Many reasons can cause such effect, nevertheless it probably can be claimed that just the lack of knowledge (and skills and competencies) and especially of marketing knowledge (besides financial and operational ones) might be the

2 JAAFAR, M., MAIDEEN, S. A., SUKAMO, S. Z. M.: *Entrepreneurial Characteristics of Small and Medium Hotel Owner-managers*. In World Applied Science Journal (Special Issue of Tourism and Hospitality), 2010, No. 10, p. 55.

3 PAYNE, A., BALLANTYNE, D., CHRISTOPHER, M.: *A Stakeholder Approach to Relationship Marketing Strategy: The Development and Use of the „Six Markets“ Model*. In European Journal of Marketing, 2005, Vol. 39, No. 7/8, p. 867.

dominant reason^{4 5 6}. Lack of resources, lack of capital, lack of market and marketing knowledge and lack of adequate network and channels can also hinder SMEs from foreign market orientation⁷.

Research shows that marketing of SMEs is considered to be haphazard and simplistic, irrational, spontaneous, reactive and without formal planning^{8 9 10}. On the other hand SMEs are characterised with some positive feature that is to respond quickly to customers' requirements and so to be more customer-focused^{11 12}. This is the point of so called relationship marketing, which is often recommended as the suitable strategy for SMEs and in reality – although not always consciously – is

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- 4 CARSON, D., CROMIE, S., MCGOWAN, P., HILL, J.: *Marketing and Entrepreneurship in SMEs: An Innovative Approach*. 1st Edition. Harlow : Prentice Hall International, 1995, p. 3-7.
 - 5 GILMORE, A., CARSON, D., GRANT, K.: *SME Marketing in Practice*. In Marketing Intelligence & Planning, 2001, Vol. 19, No. 1, p. 6.
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 - 7 MORGAN, R. E., KATSIKEAS, C. E.: *Obstacles to Export Initiation and Expansion*. In Omega – International Journal of Management Science, 1997, Vol. 25, No. 6, p. 679.
 - 8 STOKES, D.: *Putting Entrepreneurship into Marketing: The Processes of Entrepreneurial Marketing*. In Journal of Research in Marketing & Entrepreneurship, 2000, Vol. 2, No. 1, Spring, p. 2.
 - 9 HILL, J., WRIGHT, L. T.: *Defining the Scope of Entrepreneurial Marketing: A Qualitative Approach*. In Journal of Enterprising Culture, 2000, Vol. 8, No. 1, p. 23.
 - 10 GILMORE, A., CARSON, D., GRANT, K.: *SME Marketing in Practice*. In Marketing Intelligence & Planning, 2001, Vol. 19, No. 1, p. 6.
 - 11 HISRICH, R.: *The Need for Marketing in The Entrepreneurship*. In Journal of Business and Industrial Marketing, 1992, Vol. 7, No. 3, p. 44.
 - 12 CARSON, D., MCCARTAN-QUINN, D.: *Issues Which Impact Upon Marketing in Small Firm*. In Small Business Economics: An International Journal, 2003, Vol. 21, No. 2, p. 202.

also applied¹³ because it reflects natural behaviour and reaction patterns from direct contact with customers and other business partners^{14 15 16}.

Knowledge was always and always will be the fundamental source of sustainable competitive advantage for business^{17 18} and today's volatile and turbulent marketplace can be termed as extremely knowledge-based¹⁹. Knowledge is the strategically important resource of organisations²⁰ and stands as the primary driver of business development and ability to compete successfully²¹.

Knowledge contains know-how, information, practices, skills, competencies²² and it can be divided into several categories or types, e.g. technical, entrepreneurial, organisational²³ or production – functional

- 13 SMITH, M.: *Business Growth and Marketing Management Practices Amongst Manufacturing SMEs from Australia's Business Longitudinal Survey*. [Working paper]. Adelaide : The Flinders University of South Australia, School of Commerce, 2003, p. 37.
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- 19 KIESSLING, T. S., RICHEY, R. G., MENG, J., DABIC, M.: *Exploring Knowledge Management to Organizational Performance Outcomes in a Transitional Economy*. In *Journal of World Business*, 2009, Vol. 44, No. 4, pp. 421–433.
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(marketing, distribution, product and process design, purchasing and knowledge concerning managerial system and management practices²⁴. It means that marketing knowledge serves as one of business function that directly helps to reach goals and objectives of management. Saixing et al. argue that marketing knowledge and capability of companies plays the most important role in improving performance²⁵. In the case of SMEs many limitations of their marketing management leads to the idea of an entrepreneurial marketing that according to Stokes enables to overcome some specificities of SMEs and utilize their strengths.²⁶ *“Entrepreneurial marketing is an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders, and that is characterized by innovativeness, risk-taking, proactiveness, and may be performed without resources currently controlled”*²⁷.

Grønhaug (2002) distinguish between instrumental and conceptual marketing knowledge. Instrumental knowledge serves *“to solve a specific problem”* and *“conceptual knowledge is the knowledge “that yields insights”* and helps *“to create new explanation”*²⁸. It is the ability to capture new perspectives. Rositter (2001) characterizes marketing knowledge in more detail. He also differentiates (to some extent) between marketing knowledge and skills and abilities²⁹, nevertheless for the purpose of this paper such distinction is not important and we follow the definition of knowledge given by Keupp et al. as presented above. Yet, Rositter distinguishes among four types of marketing knowledge: knowledge of 1) marketing concepts (*„the building blocks of marketing*

24 GUPTA, A. K., GOVINDARAJAN, V.: *Knowledge Flows Within Multinational Corporations*. In Strategic Management Journal, 2000, Vol. 21, No. 4, p. 474.

25 SAIXING, Z., XIE, X. M., TAM, C. M., WAN, T. W.: *Relationships Between Business Factors and Performance in Internationalization: An Empirical Study in China*. In Management Decision, 2009, Vol. 7, No. 2, p. 311.

26 STOKES, D.: *Putting Entrepreneurship into Marketing: The Processes of Entrepreneurial Marketing*. In Journal of Research in Marketing & Entrepreneurship, 2000, Vol. 2, No. 1, Spring, p. 13.

27 KRAUS, S., SCHWARZ, E. J., HARMS, R.: *Strategic Business Planning and Success in Small Firms*. In International Journal of Entrepreneurship and Innovation Management, 2008, Vol. 8, No. 5, p. 389.

28 GRØNHAUG, K.: *Is Marketing Knowledge useful?* In European Journal of Marketing, 2002, Vol. 36, No. 3, p. 365 - 366.

29 ROSSITER, J. R.: *What Is Marketing Knowledge?: Stage I: Forms of Marketing Knowledge*. In Marketing Theory, 2001, Vol. 1, No. 9, p. 10.

knowledge”, which “are needed to understand the other three forms, since these contain concepts”; e.g. product, pricing, distribution, promotion, relationship marketing), of 2) structural frameworks („useful checklists“, e.g. 4 or additional 3 “Ps” of marketing mix), of 3) strategic principles („hypothesized causal models that relate one concept to another in a functional ‘if, do’ form“), and of (4) research principles („hypothesized causal models pertaining specifically to the appropriate use of particular research techniques“)³⁰. It is of course theoretical description enabling understanding of “what and how” in marketing processes.

Marketing mix still dominates thinking and doing in practice. The reasons are obvious – every company has to deal with some product for which some prices should be set, products must be distributed somehow to customers (physically or virtually) and companies also should communicate with market and promote themselves and their products³¹. However, especially for SMEs in services (as tourism and hospitality business is), relationship marketing knowledge is of major importance³². Lack of such individual (but in reality working as complex) knowledge can perform as barrier for entrepreneurship.

2 Methods

Following research questions served as the basis for survey, namely:

1. What is the perceived importance of knowledge and marketing knowledge and what is its relation with profitability of companies?
2. Which marketing concept (as a tool) is perceived as the most influencing the profitability of companies?
3. What is the perceived importance of specific marketing knowledge in the areas of individual marketing mix variables and relationship marketing and what is their relation with profitability of companies?
4. Are there some differences among companies being in profit and companies in loss as well as among companies more and less

30 ROSSITER, J. R.: *What Is Marketing Knowledge?: Stage I: Forms of Marketing Knowledge*. In *Marketing Theory*, 2001, Vol. 1, No. 9, p. 13.

31 MARCATI, A., GUIDO, G., PELUSO, A.: *What is Marketing for SME Entrepreneurs? The Need to Market the Marketing Spproach*. In *Journal of Marketing Trends*, 2010, Vol. 1, April, p. 71.

32 REIJONEN, H.: *Do All SMEs Practise Same Kind of Marketing?* In *Journal of Small Business and Enterprise Development*, 2010, Vol. 17, No. 2, p. 282.

oriented on foreign guests when perceiving the degree of impact of the individual marketing tools on profitability?

For the collection of answers to our research questions structured questionnaire was developed and was filled in by the interviewers (authors of this paper) in pursuance of the personal interviews with managers and/or owners (when in the position of managers) of hospitality (lodging companies). Companies were chosen with the use of Google search in the localities accessible to researchers. Totally 150 companies are involved in the analysis presented in the paper. This number is relatively small, nevertheless researchers were very limited by the amount of money and time and by the willingness to be interviewed. 110 companies are localised in the Region of South Moravia, 40 in the Region Vysočina. Length of data collection was five months (from May 2014 to September 2014).

From the questionnaires from previous years five questions were used repeatedly after some adaptation, concretely:

- a) age of the companies, where three categories of the length of existence were involved – 1) companies established before the year 1990; 2) between the year 1990 and 2005 and 3) after the year 2005;
- b) size of companies measured in this case by number of beds for guests in companies and again divided into three groups – 1) small – up to 10 beds; 2) middle – 10 to 50 beds and 3) big – more than fifty beds;
- c) measure of financial performance – four measures were used in the question – respondents were asked to choose from these measures and state if their company was: 1) very profitable (high profit); 2) profitable; 3) with no profit but also not in loss or 4) in loss during the last three years of business;
- d) market orientation measured with the share of domestic and foreign guests – in this case respondents should choose from four possible answers – 1) less than 25 % of foreign guests; 2) between 25 – 50 % of foreign guests; 3) between 51 to 75 % of foreign guests and 4) more than 75 % of foreign in average. For the purpose of other analysis answers were also recoded into two measures – 1) less than 50 % of foreign guests and 2) more than 50 % of foreign guests;

- e) degree of impact of knowledge, skills and competencies on success, competitiveness and profitability (5-point scale from 1 – crucial impact to 5 – no impact);
- f) degree of impact of marketing knowledge, skills and competencies on success, competitiveness and profitability (5-point scale from 1 – crucial impact to 5 – no impact).

Four new measures were added in the questionnaire, which were focused on four distinct marketing knowledge skills and competencies and their impact, namely:

- a) degree of impact of marketing knowledge, skills and competencies to create product on success, competitiveness and profitability (5-point scale from 1 – crucial impact to 5 – no impact);
- b) degree of impact of marketing knowledge, skills and competencies of place/distribution on success, competitiveness and profitability (5-point scale from 1 – crucial impact to 5 – no impact). Place/distribution means knowledge and competence to create and to keep proper channels and networks of partners that help to distribute lodging capacity;
- c) degree of impact of marketing knowledge, skills and competencies of pricing on success, competitiveness and profitability (5-point scale from 1 – crucial impact to 5 – no impact);
- d) degree of impact of marketing knowledge, skills and competencies of promotion on success, competitiveness and profitability (5-point scale from 1 – crucial impact to 5 – no impact). Promotion in this questionnaire means formal promotion of advertising, sales promotion, Public relations and direct marketing;
- e) degree of impact of marketing knowledge, skills and competencies of relationship marketing on success, competitiveness and profitability (5-point scale from 1 – crucial impact to 5 – no impact). Relationship marketing in the questionnaire stands for ability and capability of managers and personnel to create and maintain good relationship with customers, proper care to make guests satisfied etc.

The wording of these measures in this paper is substantially simplified. In the questionnaire the explanation of the content of every individual knowledge was described more comprehensively. For the purpose of this paper other questions that were included in the questionnaire are not analysed. Several statistical methods were applied for the data analysis, specifically frequency and relative frequency analysis, nonparametric

Spearman Rank correlation test (data are not normally distributed) and nonparametric Mann Whitney test of independency with the use of SPSS statistical software (IBM SPSS Statistics 22).

3 Results

Data were analysed for all 150 surveyed companies. In the text below first some results from descriptive statistics are presented followed by the results from bivariate analyses. Analyses of comments and open answers of respondents are introduced in the text for explanation of results of statistical analyses.

3.1 Descriptive statistics

Tab. 1 and 2 presents summary results of descriptive statistics.

Table 1: Results of descriptive statistics

Age of companies			Size of companies			Financial performance			
before 1990	9000 -2005	after 2005	up to 10 beds	10 - 50 beds	more than 50 beds	high profit	lower profit	no profit/ no loss	loss
11	54	85	49	68	33	42	81	14	13
7,3 %	36 %	56,7 %	32,7 %	45,3 %	22 %	28,0 %	54,0 %	9,3 %	8,7 %

Source: Own processing

Table 2: Results of descriptive statistics

Market orientation (domestic-foreign guests)			
less than 25 % of foreign	between 25 – 50 % of foreign	between 51 to 75 % of foreign	more than 75 % of foreign
56	54	20	20
37,3 %	36 %	13,3 %	13,3 %

Source: Own processing

Figures show that most of companies from the sample are relative new ones – more than half of them (56,7 % were established after the year 2005). More than one third of companies were founded after the year 1990 but are more than 14 years of existence and just minority of companies have been existed from the period of socialism. They all belong to the biggest companies (hotels) when measuring number of beds but with regard to the number of employees they still are middle-sized enterprises. Structure of companies according the size is more balanced although the highest number in the sample is represented by

those providing beds in so called pensions (in continental Europe). 82 % of companies are profitable and only 8,7 % are in loss. From those 13 companies in negative financial positions about half are very new at the market (opening about one year before the interview was realized and the rest half cope with some problems. About 73 % of enterprises are focused more on domestic guests.

Table 3: Results of descriptive statistics – Means, Medians and Standard deviations of the profitability and of the perceived degree of impact of the individual kind of knowledge on profitability

	know- ledge	mkt know- ledge	knowl. of product	knowl. of place	knowl. of pricing	knowl. of promotion	knowl. of relationship marketing
scale range	1-5	1-5	1-5	1-5	1-5	1-5	1-5
N	150	150	150	150	150	150	150
Mean	1,83	1,83	1,32	1,83	1,53	1,93	1,52
Median	2	1,5	1	2	1	2	1
St. dev.	0,979	1,032	0,496	0,857	0,720	0,887	0,730

Source: Own processing

As can be seen from Table 3, Means for variables knowledge and marketing knowledge are the same, but Median differs. Respondents from more companies consider the degree of impact of marketing knowledge on profitability of business as of crucial and very important than in the case of knowledge in general. However also Standard deviation is higher concerning marketing knowledge – consensus of answers is more split. Highest degree of influence was discovered with knowledge of product (Mean = 1,32), followed by knowledge of relationship marketing (Mean = 1,52) and knowledge of pricing (Mean = 1,53) and the lowest with the knowledge of promotion (Mean = 1,93). Some explanation is self-evident and reasoning was given also during the interviews. Product is the “Alpha and Omega” of business existence and the source of satisfaction and even of loyalty and customers’ promotion in the form of word-of-mouth. Good pricing enables companies to earn profit. Formal promotion is realized by companies as well but image spread by word- of- mouth is reckoned as much more important. Many companies have their loyal customers, so the knowledge of distribution is not so important. Little bit surprising can be the result of the impact of relationship marketing knowledge. It shows relatively high importance, nevertheless not the highest one as could be expected. During the interviews respondents stressed this variable, however statistics lead to slightly different outcomes.

3.2 Bivariate analyses

Several bivariate analyses were applied to give answers to other research questions. Spearman’s rho correlation was applied for finding out mutual relationship between profitability and other “demographic” variables. Table 4 below indicate very low correlation between profitability and age and size of company but no correlation with market orientation. In the case of size the correlation index is negative, what means that bigger enterprises are more profitable than smaller ones.

Table 4: Results of correlation – profitability and market orientation and age and size of company

	market orientation	age of company	size of company
profitability corr. coeff.	- 0,143	0,234**	-0,190*
Sig. (2-tailed)	0,081	0,004	0,020
N	150	150	150

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Source: Own processing

All results from Spearman’s Rank correlation that was applied to discover potential relationship between the level of profitability (or loss) and degree of perceived impact of individual variables of knowledge show statistically significant evidence with relatively high correlation indexes. It means that more profitable companies perceive higher impact of knowledge and marketing knowledge in comparison to less successful companies in financial terms. Nevertheless, the highest correlation index was found with the impact of knowledge of promotion (0,608) and the lowest with the knowledge of product (0,443) (so, little bit less in harmony with the results above). This can be explained by well-developed product by the most successful enterprises and their bigger effort to utilize also formal tools of marketing. It can be also supported (with some limitation) with the correlation between the profitability and size and age when bigger companies usually applied more formal approach to management in general and older companies have more knowledge in general.

Table 5: Results of correlation – profitability and knowledge

	knowl.	mkt knowl.	mkt knowl. of product	mkt knowledge of place	mkt knowl. of pricing	mkt knowl. of promotion	mkt knowl. of rlt mkt
profitability corr. coeff.	0,554**	0,574**	0,443**	0,579**	0,534**	0,608**	0,507**
Sig. (2-tailed)	0,000	0,000	0,000	0,000	0,000	0,000	0,000
N	150	150	150	150	150	150	150

** Correlation is significant at the 0.01 level (2-tailed).

Source: Own processing

These results can be supported by the MannWhitney test of independency when dividing companies in the sample into two groups – with profit and without profit. Figures in Table 6 confirm the dependency of analysed variables. There are statistically significant differences in perception of degree of every individual measure of knowledge impact on profitability between companies in loss and companies with profit.

Table 6: Results of Mann Whitney test – profitability and knowledge

	knowl.	mkt knowl.	mkt knowl. of product	mkt knowledge of place	mkt knowl. of pricing	mkt knowl. of promotion	mkt knowl. of rlt mkt
Mann-Whitney U	259,500	172,000	1054,000	507,000	954,000	379,000	407,500
Z	-7,231	-7,747	-3,459	-5,906	-3,724	-6,511	-6,875
Asymp. Sig. (2-tailed)	0,000	0,000	0,001	0,000	0,000	0,000	0,000

Source: Own processing

When analysis potential relations between market orientation of companies (more domestic or more foreign guests) and knowledge and individual types of marketing knowledge the analysis shows that there is only one statistically significant results of Spearman’s rho nonparametric correlation (-0,205, significant at 0,05 level), concretely with marketing knowledge and correlation index is very small.

But after we divided companies in sample into two groups where one groups was represented by companies with less than 50 % guests from foreign countries and another one with more than 50 % guests

from abroad, findings from Mann Whitney test of independency reveal different situation and several statistically significant differences presented in the Table 8. Both knowledge and marketing knowledge in general are the main point of differences and marketing knowledge of place and relationship marketing are two another types of knowledge that make distinctions between two groups. Mean Ranks for companies that are more oriented towards foreigners confirms perception of higher impact of these types of knowledge on profitability (distribution: Mean Rank 64,30 versus 79,57 in case of more domestic market oriented companies; relationship marketing: Mean rank 63,99 versus 79,69 of the same compared groups). Scales for knowledge are from 1 – crucial impact to 5 – no impact). It can be explained as that those companies that are more oriented on foreign guests recognize more the importance of marketing distribution and relationship marketing on profitability in comparison to those that prefer or just simply have more domestic guests. Or just the opposite inference - for those companies that are more domestic market oriented the potential lack of distribution and relationship marketing knowledge can serve as barriers to be more foreign market oriented.

Table 7: Results of Mann Whitney test – market orientation and knowledge

	knowl.	mkt knowl.	mkt knowl. of product	mkt knowledge of place	mkt knowl. of pricing	mkt knowl. of promotion	mkt knowl. of rlt mkt
Mann-Whitney U	1606,500	1624,500	1872,000	1752,000	2147,000	1777,000	1739,500
Z	-2,716	-2,650	-1,740	-2,050	-0,257	-1,912	-2,250
Asymp. Sig. (2-tailed)	0,007	0,008	0,082	0,040	0,797	0,056	0,024

Source: Own processing

Conclusion

Despite very simple character of both investigation (scope and depth of problem area) and analyses and many limitations, the survey points at several interesting findings that are worth of thinking about and of further research. First conclusion can be expressed as the confirmation of understanding of the importance of knowledge and marketing knowledge for the success of entrepreneurship (in this survey measured

with profitability) also among SMEs. Second conclusion can be made about the role of internationalization of companies in tourism and hospitality and the role of specific marketing knowledge. And the last (but not least) conclusion can be stated about the need to discover more knowledge about the marketing management of SMEs and knowledge need of marketing related not only to marketing mix tools and relationship marketing in very broad meaning but to go much deeper into these concepts separately and in mutual linkages. The one of many questions behind such research can be if and what kind of barriers for marketing management and other operation on market lack of marketing knowledge can effect. To the best knowledge of authors, there is not enough research dedicated to such issues.

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EFFECTIVE MARKETING COMMUNICATION TOOLS IN THE MARKET OF CZECH SINGLES

Martin Klepek – Kateřina Matušínková

Abstract

The article deals with consumer behaviour of specific target group “Singles” in the Czech Republic with emphasis on marketing communication tools. This article describes only a partial output of the primary marketing research related to the market of Czech Singles. The aim of the article is to assess the significance and market potential of this segment, as well as propose adequate marketing communication approaches. Article determinates the theoretical concept of marketing communication in the introductory section. The major part of paper is devoted to primary marketing research. For purpose of collecting data, the method of questioning (combination of off-line and on-line approach) was chosen with the use of social networks. The questionnaire was given to 390 respondents living in the Czech Republic. The data were analysed by Statistical Package for the Social Sciences software. Mobile advertising has been evaluated as a lowest to have an impact on consumer decision to buy a product. On the other hand, recommendation has a highest impact. Factor analysis disclosed three underlying factors. First is associated with direction of the communication, second with actual proposition to customers and third is connected with trust. These factors explain structure in the data and combined with the results of descriptive statistics it shows importance of relationship, trust and correct proposition to the customers.

Key words:

Factor analysis. Marketing communication. Marketing potential. Marketing research. Primary and secondary information. Singles.

Introduction

The segment singles is not clearly defined in the Czech Republic or abroad. According to international research outputs, the content of the singles category changes over time. There could be considerable evidence that singles have different marketing communication preferences and shopping behaviours. Singles live a unique lifestyle. Often well-educated and earning good salaries they only have themselves as financial burdens. They also enjoy more free time and often have only themselves to satisfy. Singles tend to lead a very active lifestyle. *“Singles are said to be people who have not married or their marriage was cancelled, single people*

around 30 years old, but often all individuals who do not live in pairs, also widowed seniors or lonely middle-aged people.”¹ In a qualitative study of single people conducted in 2003 one particular finding stood out: a significant number of the interviewees (economically independent and without a partner) revealed their involvement in various other forms of regular or even long-term relationships. The existence of relationships that are not long-term or reproduction-oriented is not a result of any deliberate strategy but is rather a consequence of the complex changes in mentality and behaviour that occurred in the 1990s. These shifts, for example, relating to professional commitment and career satisfaction, tend to be understood as the explicit result of labour-market pressures on individual actors, but research has shown that, even at the level of individual actors, alternative approaches to partner relationships and reproduction are much more the result of people adopting and internalising post-1989 cultural templates.²

Young single adults comprise most of the single market, although there are singles over the age forty-five. Most marketers direct their appeals to a singles market who are typically in the beginning stages of their working lives after completing some form of job training, college or career training. Many members of the singles market have left their parents’ homes are likely to spend their income on rent, home furnishings, automobiles, clothing, accessories, and travel and entertainment. Singles are interested in joining health clubs and participating in sports activities and are targets for products related to health club and sport activities. This target market has few financial burdens and is particularly influenced by fashion opinion leaders. Many purchases of goods and services are related to the mating time. The increasing size, affluence and complexity of the singles market create new opportunities and challenges for markets.³

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- 1 VYSEKALOVÁ, J. et al.: *Chování Zákazníka: Jak odkrýt tajemství černé skříňky*. Praha : Grada Publishing, 2011, p. 262.
 - 2 TOMÁŠEK, M.: *Singles a jejich vztahy: kvalitativní pohled na nesezdané a nekohabituující jednotlivce v České republice*. In *Czech Sociological Review*, 2006, Vol. 42, No. 1, p. 91.
 - 3 MICHMAN, R. D., MAZZE, E. M., GRECO, A. J.: *Lifestyle Marketing: Reaching the New American Consumer*. Greenwood Publishing Group, 2003, p. 113.

1 Marketing Communication Tools

Marketing communication can be regarded as a communication aimed at attracting the attention of the buying public to a certain firm or product and influencing the people's behaviour to such an extent that they would seriously consider becoming the customers of the firm and buyers of the product in question. The general theme is inducement and an underlying effort needed to arouse the interest of potential buyers, hence marketing communication is a universal name used to describe the ways in which firms get their message across to target groups and boost sales. Marketing communication is an ever-changing field. New theories, new techniques, cultural changes and technological advances all combine to create a dynamic environment within which marketers try to ensure that their messages get through to their target audiences.⁴ Marketing communication in the marketing mix relates to marketing communications activities that attract customers and convey the desired brand or product positioning to the target market.⁵ Once a product is developed to meet target market needs and is properly distributed, intended customers must be informed about the product's value and availability.⁶ The primary objective of marketing communications is to enhance brand equity as the means of moving customers to take favourable actions toward the brand, that is, trial, repeat purchases and ideally become brand loyal. Enhancing equity and affecting customers behaviour depends on effective use of all elements of marketing mix.⁷

Marketing communication itself is a mix of elements. The old marketing communication mix was usually seen as consisting of advertising, sales promotion, public relations and personal selling. This is forever developing and mutating.⁸ There could be also new categories of direct marketing, sponsorship, Internet, point-of-purchase displays, product packages etc. The balance between these tools will vary according to the

4 BLYTHE, J.: *Essentials of Marketing Communications*. Harlow : Pearson Education Limited, 2003, p. 1.

5 DIBB, S., SIMKIN, L.: *Marketing Briefs: A revision and study guide*. Oxford : Elsevier, 2004, p. 170-171.

6 CATEORA, P. R., GHAURI, P. N.: *International marketing: European Edition*. London : McGraw-Hill Publishing Company, 2000, p. 369.

7 BARKER, N., VALOS, M., SHIPM, T. A.: *Integrated marketing communications*. Cengage Learning, 2011, p. 10.

8 COPLEY, P.: *Marketing Communications Management: concepts and theories, cases and practice*. Oxford : Elsevier, 2004, p. 9.

nature of the overall marketing strategy, the characteristics of the product, the resources of the organization and the nature of the target market. Whatever marketing communication mix is chosen, the effectiveness of the communications process depends on the development of a clear and unambiguous message that is presented to the right target audience, at the right time and through the most appropriate medium.⁹

A popular concept in recent years has been integrated marketing communications (IMC). The integrated marketing communication has been defined in a number of ways, stressing various aspects, benefits and organizational consequences of IMC. Integrated marketing communication solution calls for recognizing all contact points where the customer may encounter the company, its products, and its brands. Each brand contact will deliver a message, either good, bad, or indifferent. The company must strive to deliver a consistent and positive message at all contact points.¹⁰

The various definitions incorporate the same core idea: communications instruments that traditionally have been used independently of each other are combined in such a way that a synergic effect is reached, and the resulting communications effort becomes „seamless“ or homogeneous. The major benefit of IMC is that a consistent set of messages is conveyed to all target audiences by means of all available forms of contact and message channels.¹¹ There is no definitive formula for planning or implementing IMC. The precise composition of an IMC plan will differ according to the particular market and communication context, and according to the custom and practice of particular organizations.¹²

New trends are shaping marketing communications in the twenty-first century. Advances in communications technology, increased interaction between buyer and producer and increasing integration of marketing communications will all lead to changes in both the level and the impact of communications. Communication becomes electronic, digital, mobile,

9 ENNEW, CH. T., WAITE, N.: *Financial Services Marketing*. Oxford : Elsevier, 2007, p. 225.

10 KOTLER, P.: *Kotler on marketing: How to create, win and dominate markets*. New York : The Free Press, 1999, p. 28.

11 PELSMACKER, P. D., GEUENS, M., BERGH, J.: *Marketing Communications: A European perspective*. Financial Times Prentice Hall, 2007, p. 8.

12 HACKLEY, CH.: *Advertising and Promotion: An Integrated Marketing Communication Approach*. London : Sage Publications Ltd, 2010, p. 83.

viral, etc. Companies look for new communication methods and concepts to reach their target groups better. Today we use communication projects that use a variety of new non-traditional media and tools, which can include, for example, guerrilla marketing, ambient media, DRTV, mobile marketing, viral marketing, product placement, ambush marketing and other.

At present, the most obvious impact of the Internet is on marketing communication. Marketing communication via the internet (on-line marketing communication) is gaining importance due to the constant changes and dynamic environment, globalization, but also the development and greater use of new technologies. Internet offers a new alternative way of marketing communications to inform about products and to assist within purchasing decisions.¹³ Undoubtedly the most used Internet contact with customers is the website, e-mail and social media. The social media is the biggest change since the industrial revolution. *"On-line social media can be defined as open interactive online applications that support the formation of informal user networks."*¹⁴ *"Social media are a group of Internet based applications that build on the ideological and technological foundations of Web 2.0 and that allow the creation and exchange of User Generated Content."*¹⁵

2 Marketing research methodology

In terms of the orientation analysis secondary data were used that are supplementary to the data obtained within primary research. The basic secondary data were obtained mainly from Czech Statistical Office, domestic and foreign professional literature and available papers and studies. Due to the type of requested information and examined topic, the personal interview as the primary research method was chosen. The analysis was based on the number of 390 respondents, most of them from the bigger cities in the Czech Republic. As a technique of selecting a sample of respondents was used semi-representative technique of choice (non-exhaustive survey), which consists of selecting respondents

13 PELSMACKER, P. D., GEUENS, M., BERGH, J.: *Marketingová komunikace*. Praha : Grada Publishing, 2003, p. 475.

14 KARLÍČEK, M., KRÁL, P.: *Marketingová komunikace: Jak komunikovat na našem trhu*. Praha : Grada Publishing, 2011, p. 182.

15 FILL, CH.: *Essentials of marketing communications*. Harlow : Pearson Education Limited, 2011, p. 364.

based on the assumption (judgment) that these respondents meet certain requirements. The choice of respondents was also restricted to people who have their own income, household and they manage their own resources from the economic point of view. There was no limitation regarding the age, marital status, the level of incomes and education, gender, place of living. The survey was distributed in the summer of 2014.

We questioned consumers about their past behaviour within the topic of marketing communication tools. For the purpose of the research, combination of online (96.2 %) and offline (3.8 %) data collection was chosen. The highest internet penetration is among people up to 45 years in the Czech Republic. The number is even bigger in big cities (where singles live the most), therefore we used dominantly online primary data source. Questionnaire technique as one of the quantitative method was used. Answers were collected within online panel by self-administered internet-mediated questionnaires. Unfortunately answers have consisted of respondents which were not the typical singles by our definition. We used controlling questions about household they live in and about their income. Then respondents living with parents and students were eliminated from the sample. Therefore we continued to collect data with pay-per-click advertising on the social network Facebook to bring the sample close to the singles segment as we defined it before. Offline data were collected by snowball sampling which is non-probability procedure in which subsequent respondents are obtained from information by initial respondents.¹⁶ Since it is hard to find the single respondents in population, this is considerably suitable technique.

3 Results

The structure of the sample is 41.5 % male and 58.5 % female, dominated by unmarried people. The largest group of respondents, as expected, represents people at the age of 26 – 35 years. In the area of education, the largest group represents the respondents with secondary education diploma. Their share amounted to 46.7 % of total sample of respondents. The respondents with higher education were the second largest group (42.8 %). The largest income group is in the category up to 15 000 Czech crowns (41.3 %), 33.1 % respondents belong to the income category

16 SAUNDERS, M., LEWIS, P., THORNHILL, A.: *Research Methods for Business Students*. Pearson Education, 2009, p. 240.

15 001 – 25 000 Czech crowns. Only 4.9 % respondents have incomes more than 45 000 Czech crowns.

Respondents prefer individual living in flats (50.5 %). 25.6 % respondents live in flats but they share living and related costs with someone else. Only 9.7 % respondents stated that they prioritize individual living in a family house. The aim of the survey was to reach respondents, mainly in large cities in the Czech Republic. 31 % of respondents were interviewed in Prague, 9.5 % of respondents in Brno, 6.2 % of respondents in Ostrava and 53.3 % of respondents in other locations in the Czech Republic. It can be assumed a certain correlation between the size of the city and location of the target segment singles. The bigger the city, it is easier to find a larger number of singles.

For basic evaluation of the answers, we used elementary statistic tools such as mean, median and modus. If we look at the table 1, it is clear that *recommendation* has the best result with lowest mean which indicate that singles are mainly influenced by opinions and advices of the others. Even the middle score answer was “*mostly*” which is represented by the value of median. *Competitions, presents and sales* has the second best mean value followed by *print flyers, point of purchase* and *loyalty programs*. Other variables are reported to influence buying behaviour “*rarely*” or “*not at all*” with mean ranging from 4,03 (*newsletter*) to 4,73 (*mobile advertising*). Interestingly, communication within use of new technology such as online banners, social networks or mobile advertising has a low score. Despite the fact that many companies nowadays invest vast amount of money into these newly adopted communication tools.

Table 1: Descriptive statistical evaluation of the questionnaire

	Mean	Median	Modus
MC1 Recommendation	2,41	Mostly	Sometimes
MC9 Competitions, presents and sales	3,20	Sometimes	Sometimes
MC10 Print flyers	3,23	Sometimes	Sometimes
MC7 Point of purchase promotion	3,39	Sometimes	Sometimes
MC12 Loyalty programs	3,39	Sometimes	Sometimes
MC6 Newsletter	4,03	Rarely	Not at all
MC8 TV, Radio and Print	4,04	Rarely	Rarely
MC3 Internet banners	4,20	Rarely	Not at all

MARKETING IDENTITY

MC4 Social networks	4,21	Rarely	Not at all
MC2 Event marketing	4,32	Not at all	Not at all
MC11 Billboards	4,41	Not at all	Not at all
MC5 Mobile advertising (SMS, MMS)	4,73	Not at all	Not at all

Source: Own processing

Detailed view in table 2 shows extreme insignificant effect of mobile advertising on customers. Privacy issues and urgency of this kind of campaigns could lead to excessive pressure. Billboards are another example which could be considered as traditional promotional tool for advertisers. No respondent answered that is extremely influenced by it. Overall means showed significant negative perception of communication as a whole, which brings some concerns about role of promotional activities of the companies in single's lives.

Table 2: Frequency table of the answers in percentage

	Extremely	Mostly	Sometimes	Rarely	Not at all
MC1 Recommendation	19,6	33,2	37,6	5,9	3,6
MC2 Event	1,0	3,4	14,0	25,6	56,1
MC3 Internet banners	0,5	2,3	16,8	37,5	42,9
MC4 Social networks	0,5	1,6	20,4	31,0	46,5
MC5 Mobile advertising	0,0	0,0	4,9	16,8	78,3
MC6 Newsletter	1,3	4,7	25,3	26,9	41,9
MC7 Point of purchase promotion	2,6	17,6	37,7	22,2	19,9
MC8 TV, Radio and Print	0,8	4,7	19,6	40,1	34,9
MC9 Competitions, presents and sales	6,7	17,6	38,0	24,3	13,4
MC10 Print leaflet	8,3	18,9	32,0	23,5	17,3
MC11 Billboards	0,0	1,3	10,9	33,1	54,8
MC12 Loyalty programs	3,4	16,8	37,0	23,5	19,4
Mean total	3,7	10,2	24,5	25,9	35,7

Source: Own processing

Subsequently, we conducted a factor analysis. Built on the work of Charles Spearman at the very beginning of the twentieth century, factor analysis represents a generic name for a set of methods for processing data.¹⁷ It is multivariate statistical technique that is concerned with the

17 McDONALD, R. P.: *Faktorová analýza a příbuzné metody v psychologii*. Praha : Academia, 1991, p. 16.

identification of structure within a set of variables.¹⁸ This structure is revealed through latent (not measured) variables so called *factors*. Process of defining factors is associated with inclusion of maximum amount of information from the original observed variables in as few latent variables as possible. Two basic types of factor analysis are CFA (Confirmatory factor analysis) and EFA (Exploratory factor analysis). The first one is mainly used when number of factors is known from previous theory concepts or research. However, the second is rather descriptive and exploratory, used when factors are not known and fully relies on the data. In this case we used EFA because of inductive nature of this research in a field of marketing communication and singles.

Firstly, Kaiser-Meyer-Olkin test has been conducted to indicate appropriateness of factor analysis application. Value of the Kaiser-Meyer-Olkin measure of sampling adequacy is 0.858. Malhotra and Birks¹⁹ recommend minimum KMO value of 0.5 for this test. Secondly, Bartlett's Test of Sphericity has been used to verify correlation in the data set. The computed value of χ^2 distribution (1203,912) indicates p-value of 0,000. Therefore we can deduce that there are correlations in the data set. In conclusion both tests showed that the data are suitable for conducting EFA. Finally, satisfactory value of 0,819 of the Cronbach's alfa test showed good reliability of the scale.

Several methods can be used for factor extraction. Instead of using the basic software settings we analysed data distribution and based on results the most suitable method has been chosen in accordance with literature. We conducted Kolmogorov-Smirnova and Shapiro-Wilk tests to identify whether the data are normally or non-normally distributed. Results showed significantly non-normal distribution of the data. Therefore the *principal axis factors* extraction method has been conducted.²⁰ Oblique-rotation method (Direct Oblimin) has been used to rotate the factors. Matsunaga²¹ suggests that any exploratory factor

18 STEWART, D.W.: *The Application and Misapplication of Factor Analysis in Marketing Research*. In Journal of Marketing Research, 1981, Vol. 18, No. 1, p. 51-62.

19 MALHOTRA, N., BIRKS, D.: *Marketing Research: An Applied Orientation*. Edinburgh : Prentice Hall, 2007, p. 646.

20 FABRIGAR, L.R. et al.: *Evaluating the Use of Exploratory Factor Analysis in Psychological Research*. In Psychological methods, 1999, Vol. 4, No. 1, 1999, p. 272-299.

21 MATSUNAGA, M.: *How to Factor-Analyze Your Data Right: Do's, Don'ts, and*

analysis should employ an oblique-rotation for several reasons. Most importantly, almost all phenomena that are studied in social sciences are more or less interrelated to one another and complete orthogonal (unrelated) relationships are practically rare.²²

Number of factors has been determined based on Kaiser criteria²³, where components with eigenvalue over 1 are included. Three factors were identified. This number is more than three times bigger than twelve measured variables which is consistent with Catell's and MacCallum's et.al recommendation.²⁴

Table 3: Pattern matrix

	Factor		
	1	2	3
MC3 Internet banners	,787	,012	-,113
MC11 Billboards	,630	,257	-,148
MC4 Social networks	,589	-,184	,359
MC6 Newsletter	,478	,079	,156
MC8 TV, Radio and Print	,451	,320	-,057
MC5 Mobile advertising (SMS,MMS)	,403	-,022	,063
MC9 Competitions, presents and sales	-,050	,696	,298
MC10 Print leaflet	,076	,560	-,097
MC7 Point of purchase promotion	,126	,513	,155
MC1 Recommendation	-,005	,035	,462
MC12 Loyalty programs	,032	,379	,440
MC2 Event	,155	,077	,381

Extraction Method: Principal Axis Factoring, Rotation Method: Oblimin with Kaiser Normalization

Source: Own processing

How-To's. In International Journal of Psychological Research, 2010, Vol. 3, No. 1, p. 97-110.

22 HARMAN, H. H.: *Modern factor analysis*. Chicago : University of Chicago Press, 1976, p. 247.

23 HARDY, M. A., BRYMAN A.: *Handbook of Data Analysis*. London : Sage, 2004, p. 29.

24 CATELL, R. B., VOGELMANN, S.: *A Comprehensive Trial of the Scree and KG Criteria for Determining the Number of Factors*. In Multivariate Behavioral Research, 1977, Vol. 12, No. 3, p. 289-325; MACCALLUM, R.C. et al.: *Sample Size in Factor Analysis*. In Psychological Methods, 1999, Vol. 4, p. 84-99.

Pattern matrix in table 3 shows variables distribution among the factors. First factor is associated mostly with classical one-way communication tools which uses dominantly direct push messages. Second one consists of tools used mainly for communicating actual proposition such leaflets and presents. In these the sense of time is essential. Offers are often time restricted to create higher pressure on consumers and compel them to buy. Third one is associated with trust and relationship building. However, variable *Event* has too low factor loadings on third factor that it should not be considered for interpretation. Despite the fact that process of interpreting the factors is matter of subjective evaluation of the state, we provide factors with their general labels as follows. Factor one could be named as *Communication direction*, the second one *Actual proposition* and the third one *Trust*.

Conclusion

The aim of this article was to assess the significance and market potential of this segment with emphasis on marketing communication tools. The research outputs of the Czech Statistical Office indicate that the number of singles is going to be increased in the future. Therefore, it is highly desirable to analyse in detail and get to know the segment singles and understand their lifestyle and consumer behaviour with the aim of creating their typology in the area of marketing communication. The available consumer studies show that companies do not create suitable marketing communication programs according to singles requirements. The analysis of the single for the purpose of this paper was based on the number of 390 respondents included in primary marketing research. The choice of respondents was also restricted to people who have their own income, household and they manage their own resources from the economic point of view. There was no limitation regarding the age, marital status, the level of incomes and education, gender, place of living. The survey was distributed in the summer of 2014. Despite the fact that modern digital technology is constantly pushing possibilities of marketing communication forward, this research analysis showed that not all channels share the same level of persuasion among singles segment. Mobile advertising has been evaluated as a lowest to have an impact on consumer decision to buy a product. On the other hand, recommendation has a highest impact. Factor analysis disclosed three underlying factors. First is associated with direction of the communication, second with actual proposition to customers and third

is connected with trust. These factors explain structure in the data and combined with the results of descriptive statistics it shows importance of relationship, trust and correct proposition to the customers.

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INNOVATION IN THE SALES AREA

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Abstract

The submitted paper reflects changes in the Slovak trade and its sales area from 1989 to the present, which can be attributed to innovations. From the viewpoint of the structure we are focused on the current state of the research issue, development/expansion of the trade and sales area in Slovakia, the list of innovations at the company IBM, which claims that shopping at the point of purchase will beat online shopping and specific innovations in the sales area. Scientific findings are enriched by partial results of numerous domestic and foreign researches or studies, using which we seek to declare justification of also our arguments.

Key words:

Innovations. Sales area. Point of purchase. Communication. Next five in five. Slovak trade.

1 Innovations, current state of research issue

Science, technology and innovations play a key role in the development of economy and society in order to maintain and increase competitiveness of the country. Innovations mean following:

- A new or improved product or a new or improved service that are applicable in the market and that are based on the results of research and development or economic activity;
- A new or improved manufacturing or distribution methods including significant changes in techniques, equipment or software;
- A new way of organization in the business process of the company, organization of the workplace or external relations;
- Transfer of scientific and technological knowledge into practice;
- Purchase of a sum of production, technical and commercial experience, acquisition and leasing of rights in licensing agreements;
- Introduction of modern methods in pre-production stages and work organization;
- Improvement in control and testing methods in the process of production and in services;
- Increase in work quality and safety;
- Reducing negative impact on the natural environment;

- More efficient use of natural resources and energy.¹

According to Zaušková and Madleňák at the heart of innovations there is new information arising as a result of the application of theoretical knowledge of scientific, research and development activities of individuals in the business process. They can find application in the area of product manufacturing, sales and internal processes of business activity of any company. They can be understood as the renewal and extension of the range of products and related markets, creating new methods, technologies and methods of production, supply and distribution; the introduction of changes in management and organization of work, the improvement of working conditions and the growth of qualification. They can be divided according to various criteria, such as the degree of originality, the size of changes, the motifs of origin and extent of the impact on consumers.²

Zaušková and Domová add additional criteria for the classification of innovations, innovations by content focus and substance of innovative changes.³ According to the OECD Oslo Manual we distinguish four types of innovations that include a wide range of changes in corporate activities: product innovation, process innovation, organizational and marketing innovations.

- Product innovations represent substantial changes in the capabilities of goods and services. Novelty, or significant improvement is reflected in the technical parameters of the product, its components or materials used, embedded software, utilities and other functional characteristics. Innovation in the services sector may include significant improvement in the way of the addition of new functions or characteristics to existing services, respectively introduction of entirely new services. The main objective of innovations still remains the increase of the market share.
- Innovations in the manufacturing process are reflected in the implementation of innovative techniques, which are usually

1 172/2005 C.l. Act on Organization of State Support of Research and Development and on Completion of Act No. 575/2001 C.l. on Organization of Activity of Government and Organization of Central State Administration according to subsequent rules.

2 ZAUŠKOVÁ, A., MADLEŇÁK, A.: *Otvorené inovácie – teória a prax*. Trnava : FMK UCM, 2012, p. 54-56.

3 ZAUŠKOVÁ, A., DOMOVÁ, J.: *Inovačná schopnosť a inovačná výkonnosť podnikateľských subjektov*. Trnava : FMK UCM, 2012, p. 18-19.

associated with the introduction of completely new production facilities or utility software. Their promotion is directed to an overall reduction in spending of funds spent for running the business.

- Organizational innovations include the introduction of a new organizational method in corporate management, organization of work or external relations. There are implemented new procedures to improve learning and sharing of knowledge and notions, staff development and their retention. The basic task of organizational innovations is the reduction of administrative and transaction costs, or reduction in the price of supplies.
- Implementation of modern marketing techniques with the aim to promote the sale of products heralds the essence of marketing innovations. These can include changes in the product design and in packaging, in product promotion and its placement, as well as the methods of pricing and other services related to the goods. Marketing innovations tend to better respond to customer needs, and in particular to the opening of new markets.⁴

As we can see, either laws, manuals or scientific works claim a wide scope and interpretation of innovations.

2 Development/expansion of trade and sales area in Slovakia

„Sales area is the estimated area of the premises devoted to selling and display of goods, namely:

- *total space to which customers have access, including fitting rooms;*
- *counter area and shop windows area;*
- *area behind counters used by shop assistants.*

The sales area does not include offices, storage and preparation rooms, workshops, staircases, toilets and other sanitary facilities. Kiosks, gas stations, repair shops of motor vehicles and mobile retails do not allocate any sales area. Sales area cannot be stated to exist also by shops selling fuel and building materials, if they do not have any sales area and they sell directly from the storage area.⁴⁵ For the purpose of this paper of

4 ZAUŠKOVÁ, A., MADLEŇÁK, A.: *Otvorené inovácie – teória a prax*. Trnava : FMK UCM, 2012, p. 54-56.

5 *Predajná plocha v maloobchode*. [online]. Available at: <<http://slovak.statistics.sk/PACVPEM/vocabPagesDetails.html?id=14153&lang=sk>> [27.12.2014].

importance is the sales area in retail network, i.e. in shops where there is executed retail sale activity.

In recent years, the development of trade in Slovakia, especially in the context of social and political changes in 1989, has undergone dynamic development and currently it is comparable with the quality of goods and services to the most advanced countries in the European Union. *„It ranks among the sectors of the economy with a high level of innovations, investments in modernization and construction of infrastructure, improving services, but also the number of newly created work positions. These factors have caused that the rate of innovations and investments in the modernization and construction of trade infrastructure has not ceased in Slovakia in the last few years and has been almost continuously growing. For illustration, in the last five years (2009-2013) only the member companies of SAMO in Slovakia have together built and opened 156 new commercial establishments and they have modernized other 116. As a result, there was recorded a sharp increase in the size of the sales area. While in 2003 the sales area of shops with more than 20 employees in Slovakia had the acreage of 1.6 square meters; in 2009 it was already 2.5 mil. square meters and in 2013 it was just over 3 mil. square meters, which means the double size compared to that of 2003. In the endeavour to further improve the quality of services, the members of SAMO continued in significant investments in human resources development, when only in the last five years (2009-2013) they invested around 5.6 million Euros in the training of their employees.“*⁶

On the other side, the above mentioned investment policy of the members of SAMO for the last five years enabled the creation of 4, 451 new work positions in Slovakia, including regions with high unemployment. SAMO associates trade companies, which in Slovakia currently operate 449 retail and 6 wholesale establishments. The members of the association also rank to the largest employers in Slovakia. At present, they employ more than 23, 000 people. On the shelves on their stores they offer in every moment together around 230 million units of products.

Thanks to investments and innovations in the trade, the quality of services and shopping options have enormously changed, which could have customers in Slovakia (or in the former Czechoslovakia) hardly imagined 25 years ago. *„Air-conditioned, in some cases even low energy*

6 *Inovácie a investície zmenili za štvrtstoročie obchod na Slovensku na nepoznanie.* [online]. Available at: <<http://www.modernyobchod.sk/tlacove-spravy/inovacie-a-investicie-zmenili-za-stvrtstoroicie-obchod-na-slovensku-na-nepoznanie/>> [3.1.2015].

*commercial establishments, modern cash registers, including self-service ones; payments in cash and by card, accelerating staff, ever expanding range of products, fresh bread at all times, parking, extended opening times and other conveniences have become a common part of everyday life.*⁷ Despite that, merchandisers have been working on further innovations and they have already been testing new services and technologies that move the quality of merchandise at a higher level. For instance, we mean innovative speaking shopping carts loaded with a reader on product prices, or touch screens loaded with Google Indoor Maps, which allow customers in the shops, in which they feel out of step, quickly find the desired product; or mobile shelves that enable rapid exchange of the product range in-store according to purchasing times of different categories of customers, according to their purchasing requirements and preferences.

3 Next Five in Five

In late 2013, the company IBM, a leading global company active in the field of information technology, introduced already the 8th annual set of the list of innovations. „Next Five in Five“ is based on the social and market forecasts, trends affecting our lives and the development of new technologies in the IBM laboratories. Innovations that have the potential to change our working and private lives in the next five years are designed as thought out, reflected and justifiable professional outlook: *„the classroom will teach you; shopping on site will beat shopping on-line; doctors will routinely use DNA in health care; digital guardian will protect you online; cities will unburden people’s lives.*⁸ In order to solve our issue, of importance is the prediction tied to the place of purchasing, or the sales area. Despite the fact that in 2013 the value of online purchases for the first time worldwide humbled the limit of one trillion US dollars and the value of online purchases grows faster than revenues from the physical stores, IBM claims that online shopping is a thing of the past. New innovations in the next five years will make shopping at the point of purchase popular. Merchandisers in the brick-and-mortar stores will

7 *Inovácie a investície zmenili za štvrtstoročie obchod na Slovensku na nepoznanie.* [online]. Available at: <<http://www.modernyobchod.sk/tlacove-spravy/inovacie-a-investicie-zmenili-za-stvrtstoroicie-obchod-na-slovensku-na-nepoznanie/>> [3.1.2015].

8 *IBM odkrýva päť inovácií, ktoré zmenia náš život.* [online]. Available at: <<http://www.ibm.com/news/sk/sk/2013/12/19/f042527h37827171.html>> [1.11.2014].

start to use immediacy and proximity of the store to the consumers in the endeavour to obtain customers. Technologies working on the basis of augmented reality will allow buyers a better look at the goods at the point of sale and will give them a better shopping experience. Social networks and retailers will be able to predict with high accuracy what products customers will most want or need. Due to the proximity of the shops, the retail merchandisers will be able to provide several ways of fast delivery of the ordered goods to their customers.⁹

In early 2014 the exhibitors and participants of the international trade fair for trade and advertising EuroShop 2014 dealt with similar innovations. In the spotlight there were two themes. The subject of the first one was to create an emotionally attractive experience of shopping in spectacular shop equipment, innovative concepts of lighting, creative ideas and unusual materials, with which the physical shops can differ from online shops. The subject of the second one was the creation of multi-channels, integration and combination of different channels.¹⁰ Shopping experience has also become the subject of investigation. Institute for research on trade in Cologne conducted consumer survey among German respondents focused on the shopping experience, i.e. what one has experienced. Almost 46 % of the respondents said that they have a better shopping experience in the physical shop than from the online store. The survey results also showed a direct correlation between monthly household income and level of shopping experience. For 53 % of the respondents with a monthly household income from 3.500 to 5.000 Euros shopping in the brick-and-mortar stores means a better experience than shopping in an online store. And for respondents with a monthly income of more than 5.000 Euros it is a greater experience for up to 72 % of respondents. Household income is thus directly proportional to the experience in the physical shops.¹¹

9 *IBM odkrýva päť inovácií, ktoré zmenia náš život.* [online]. Available at: <<http://www.ibm.com/news/sk/sk/2013/12/19/f042527h37827171.html>> [1.11.2014].

10 *Abschlussmeldung: Handel in bester Investitionslaune! EuroShop 2014 übertraf optimistische Erwartungen.* [online]. Available at: <http://www.euroshop.de/cipp/md_euroshop/custom/pub/content,oid,14798/lang,1/ticket,g_u_e_s_t/~Abschlussmeldung_Handel_in_bester_Investitionslaune_EuroShop_2014_%C3%BCbertraf_optimistische_Erwartungen.html> [1.11.2014].

11 *Beim Einkaufserlebnis liegt der stationäre Handel vorn – noch!* [online]. Available at: <http://www.euroshop.de/cipp/md_euroshop/custom/pub/content,oid,11092/lang,1/ticket,g_u_e_s_t/local_lang> [1.11.2014].

4 Innovations in Slovakian sales area from 1989 to the present

Before 1989 the concepts related to communication in the sales area in Czechoslovakia were known only from manuals imported from „the West“. The only place where the communication in the sales area was applied was the area of shop windows. Their decorations were the duty of arrangers of shop windows led by leading artists. This situation was of course logical, because marketing communication tools are applicable only in the market-led environment. A more sophisticated form of communication with the customer in the sales area in this period was displaying „inspirational shopping baskets“ right in the point of sale. Their task was to inform customers about the range of products, which has the shop in stock. They were used especially during holidays or other opportunities associated with consumption.

In 1991 the first supermarkets entered the Czechoslovak market; they applied first marketing communication tools at their sales areas to their customers: posters, leaflets and information carriers. First marketing communication tools in the sales area were characterized by low acquisition costs and almost no struggle for the position. In the course of the years, with the advent of other retail chains there came to their supersaturation. Multiple stores received in relation to their mainly in production and economically weak suppliers a lot of power, which is still exploited in the sales contracts with the aim to obtain for example volume discounts, free goods and allowances for displaying goods. Communication at the point of sale began to be organized, there even appeared pressure on its quality and performance from the chains and customers. Marketing communication tools at the point of purchase gradually began to be managed according to the instructions from foreign headquarters. The increase in retail sales area per capita and competitive environment led to the dialogue between buyers and owners of chains stores. From abroad there came new formats; the fall in prices of flat screen production foreshadowed their application at the point of sale and there also came to the change of the role of individual communication tools. After 2000, there appeared a trend of multichannel communication, which had an impact on the quality and efficiency even at the point of sale. The development allowed individual selection of stores and localization of offers. Money has not been spent frontally, but selectively. Communication at the point of purchase has received a link with new technologies (especially the Internet and

mobile phones).¹² When there came to the development of the Internet sales, many thought that it was the end of the physical stores. Today, although there is a growing interest in doing shopping over the Internet, it must be stated that the physical stores are still there, moreover their consumers increasingly demand them. There is no real competition to the Internet, where everyone can find a wide range of goods and the goods is generally cheaper than in the brick-and-mortar store. Brands and stores know that and those who can attract customers to their physical stores have adopted their strategies to the new conditions. They do not see the Internet as a competitor, but rather as a modern helping medium in the store premises that offers new possibilities. Physical shops have two big advantages that the Internet cannot provide: the physical space in which the products are exhibited and which is capable of generating experience and the skills of the salesperson – a specialist who can advise and accompany during the purchase. To touch, to try, to understand the thing – these are the things what customers are looking for and also what the shops can actually use as their capital in the future, and thus can expand their sales in the future, with the involvement of the latest technology. Trade and the Internet can thrive together really well.

According to the international study Barometer Cetelem, the European consumers would appreciate if options of shopping in physical stores and on the Internet were connected. The rise of smartphones and tablets caused that the Europeans are familiar with the web and thus they can be on the web even in the store. The distinction between „online“ and „offline“ ceased to make sense according to this study. *The result is a notion of mutual complementarity between physical stores and the Internet. Digitalisation of the shops should enable customers to use the Internet in the shop. The consumer is willing to go to the store, if given a message in the smartphone about special price offers in real time. 71 % of Europeans are seeking the same diversity between „online“ and „offline“.* If they do not find a product on the shelf of a physical store, they would welcome its order immediately in the shop over the Internet. Increasingly more popular ready-made shopping at a distance and picking up the so-called *Click & Collect* has already found its place. Neither store nor the Internet may be feared. Consumers continue to use both. A brick-and-mortar store remains a place where *70 % of Europeans have made their*

12 KERN, I.: *Vývoj prostředků POP a POS od Sametové revoluce do dnešního stavu.* [online]. Available at: <http://www.m-journal.cz/cs/reklama-podpora-prodeje/podpora-prodeje/vyvoj-prostredku-pop-a-pos-od-sametove-revoluce-do-dnesniho-stavu_s394x5488.html> [2.1.2015].

last purchase and 43 % of them do shopping only there. Approximately 37 % of consumers increasingly intend to buy over the Internet. It has become a rich source of information, used for orientating before entering into a physical store. It is right in its space where 70 % of Europeans look for information and discounts before entering the actual physical store. Nearly a half of the Europeans use comparison of prices and they also wish to consult the purchase of the intended product on the Internet with an experienced professional.

The challenge for the stores is the finding that $\frac{3}{4}$ of European consumers would like to see attention and expert advice when buying and $\frac{2}{3}$ of them would appreciate ratings of the quality of products. A study Barometer Cetelem further shows that in the physical store an important element of selling with a competitive advantage is the possibility to return goods (desired by 79 % of customers).¹³

The results of the study in 2014 Mass Merchant World Association POPAI, which represents the interest of the field of marketing at the point of purchase, adds to the above mentioned findings, trends and innovations also findings on how customers plan their purchases, how they move in the shop, how they make decisions on the purchase and what role is played by the media in a shop. A key finding is that up to 82 % of decisions on purchasing food are taken at the point of sale. Another surprise even for the president of POPAI Richard Witer was that 34 % of customers buy without any list and that 62 % of respondents do not use any for example flyers, coupons, advertising on TV when planning the purchase. POPAI study further found that 16 % of unplanned purchases were made after having seen the promotional resources at the point of sale. Current findings resulting from the study suggest the importance and persuasiveness of promotional means when deciding on the purchase in the physical shops.¹⁴

In conclusion we may state that innovations can also be seen in the shops. According to the above mentioned, in the Slovak trade we can

13 *Obchod alebo internet? Spotrebitelia stále volia oboje.* [online]. Available at: <<https://www.cetelem.sk/o-spolocnosti/tlacove-centrum/tlacove-spravy/2014/obchod-alebo-internet-spotrebitelia-stale-volia-oboje/>> [7.11.2014].

14 *POPAI Releases 2014 Mass Merchant Study Results.* [online]. Available at: <<http://www.popai.com/2014%20Mass%20Merchant%20Study%20Results%20PR.pdf>> [1.11.2014].

identify innovations tied to the structure of owners of the shops, types of retail stores, growth and arrangement of the sales area, as well as the coexistence of physical and Internet shops. We believe that in the field of trade ideas will continue to be the primary drive of innovations and their implementation will be affected by technologies.

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NEUROMARKETING IN PRACTICE

Anida Krajina

Abstract

The aim of this research was to apply neuromarketing techniques and evaluate its potential contribution in enhancing merchandising performance, in this particular case, of dm (drogerie markt) stores in Sarajevo, Bosnia and Herzegovina. The theoretical part overlaps the basic roots and principles of neuromarketing, as still one of the most tempting and the least known field in marketing research. The theory is upgraded by overview of consumer behaviour, because the consumers were in the focus for the research provided. Further on, the glance to merchandising theoretical background is provided. The second part is the empirical part, explaining the scope of the research provided within dm stores in Sarajevo in the form of observation supplemented with short interviewing, focus group conducted and the interview with dm employee. Overall result of data gathered and processed showed that neuromarketing tools and techniques can in many areas enhance the merchandising performance of retail store in general and consumers' satisfaction. Particularly for dm in Bosnia and Herzegovina this introduction is still questionable, if the market situation is taken into consideration. However, dm on one side, and its customers on the other have shown the potential to start from the small steps in benefiting from neuromarketing findings, practices and tools.

Key words:

Consumer behaviour. Consciousness and unconsciousness. Neuromarketing. Merchandising. Pricing. Purchase decision making. The brain.

Introduction

Talking about marketing today is a great challenge. It is much more than philosophy, technique, tool or discipline. For decades, marketing scholars and experts have been trying to reach the audience in the best manner possible and to tap into the mind of the consumers worldwide. Influencing emotions is important component of communication and promotion tools. Consequently, the roots could be found in psychology. Even in the 20th century Barneys¹ indicated that propaganda was not science like chemistry, but definitely has got some new frameworks after mass psychology (psychology of the human masses) had been introduced. Barney's work was one of the first time the term "science"

1 BARNEYS, E. L.: *Propaganda*. USA : Horace Liveright Inc, 1928, p. 48.

was introduced when talking about propaganda, advertisement and influence on consumers' purchase decisions. Even though the promotion and communication tools have been used and effective for decades, there has been still a "black box" in customers' heads and scholars and marketers needed to tap in.

More and more marketers had realized that traditional marketing methods faced tremendous issues in measuring subconscious, emotional aspects and intuition in communication with consumers². It has been more than 10 years already passed since the term "neuromarketing" hit the boardroom, a perfect blending of marketing and neuroscience. However, with the blossom of technology, it has got the new meaning and way of treatment that point out amazing opportunities and discoveries. Certainly, it helps and supports older disciplines within marketing and gives important contribution to their findings. It can be said that it gives the new angle to the discoveries. Moreover, discoveries of processes in human brain while making purchase decision can be interesting for opening new paths and alternatives within merchandising. Thus neuromarketing can play important role in improving merchandising practices.

1 Problem definition and goals

In the attempt to show if dm (drogerie markt), as retailer was among those that were wrong, the research for the purpose of this thesis was conducted in their stores. Dm is the company that has been serving its customers in Bosnia and Herzegovina for a while now. Even though they are creating trend in marketing at the market, they have not used any neuromarketing approaches. This study strives towards it and the main questions are if it is possible to introduce these practices, how customers react, will there be some new findings and can dm merchandising benefit from neuromarketing attainments.

The research questions are developed and transformed goals. Their transformation is more precise and directed at particular situations that

2 OHME, R., REYKOWSKA, D., WIENER, D. and CHOROMANSKA, A.: *Analysis of Neurophysiological Reactions to Advertising Stimuli by Means of EEG and Galvanic Skin Response Measures*. In *Journal of Neuroscience, Psychology and Economics*, 2009, Vol. 2, No. 1, p. 21-31.

could appear during the application of research methods. The aims in the background of this research are as follows:

1. Observe and define the behaviour categories of dm customers;
2. Define the pillars based on which dm customers make purchase decision;
3. Determine the influence of prices on purchase decisions;
4. Analyse the effectiveness of merchandising in observed dm stores;
5. Explain the brain reactions in process of buying and purchase decision;
6. Find the roots of the consumer behaviour in the brain processes;
7. Determine the benefit that merchandising can have from neuromarketing;
8. Make proposals for dm in their merchandising and further directions of customer research processes.

Due to the limitation of this paper, the author is going to present just the part of the collected results and aspects that have risen during the research process itself.

2 Theoretical background

*We are a blend of cells, neurons, experiences and selves.*³

The evolution of the body and the brain is affected by the activities in which an organism engages through the life. Damasio⁴ clearly emphasized that neither our brains nor our minds were blank paper, tabula rasa when we were born, but also they were not completely determined. In other words, the genes give certain stamp to the brain, but additional steps are created and determined on the way. As Lee and Senior⁵ said, the evolutionary theory gave a significant theoretical framework to the future of neuromarketing research, while showing how human behaviour in marketing could be explained with more accuracy which has been a “must have” in any neuromarketing manifesto.

3 ORNSTEIN, R.: *The Evolution of Consciousness - Of Darwin, Freud and Cranial Fire: The Origins of the Way We Think*. NY, USA : Simon & Schuster Paperbacks, 1991, p. 104.

4 DAMASIO, A.: *Descartes' Error- Emotion, Reason and the Human Brain*. NY, USA : Penguin Books, 1994, p. 111.

5 LEE, N., SENIOR, C.: *A Manifesto for Neuromarketing Science*. In *Journal of Consumer Behaviour*, 2008, Vol. 7, p. 263-271.

Certainly, every brain is unique, just like finger prints. However, Wilson et al.⁶ advocated that by involving more subjects in the study, researchers disposed brain images of different persons and then had the ability to compare them between each other. Consequently, it is possible to create certain patterns and points of connection and similarities between them and with additional information taken out from the different fields included in the matter create a broader image of reactions, both biological and psychological. Other things equal, for better or worse, as Wilson et al.⁷ said, the possibility and opportunity to influence consumers without their full awareness might increase, as a result of the research of brain activity. However, it is impossible to ignore that the humans are systems consisted not only of biological processes, but also vertigo of emotions, feelings and reasons.

In the most general term, everything we decide and evaluate is based on positive and negative emotions regarding that. As Ornstein said, it is the most primary system, when people ask question if something is good or bad.⁸ Important is to mention that the feeling comes first because of the two things. First one is that they appeared first in the mind's evolution and second, they are result of humans' experiences⁹. Basically, not knowing why we like something, or why we are attracted to it can have basis which is beyond our possibility of understanding. Sometimes, people have spontaneous actions, which they call "without thinking". And it is the truth. They do not think. The same happens when we move. We do not stop and decide that we will move. This leaves the place for noticing new things. Spontaneous actions begin before people decide to act, more precisely, that decision is unconscious and independent¹⁰. The truth is that the majority of information our brain receives is processed unconsciously. Pradeep was more precise about this and concluded that

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- 6 WILSON, M. R., GAINES, J., HILL, R. P.: *Neuromarketing and Consumer Free Will*. In Journal of Consumer Affairs, 2008, Vol. 42, No. 3, p. 389- 410.
 - 7 WILSON, M. R., GAINES, J., HILL, R.P.: *Neuromarketing and Consumer Free Will*. In Journal of Consumer Affairs, 2008, Vol. 42, No. 3, p. 398.
 - 8 ORNSTEIN, R.: *The Evolution of Consciousness - Of Darwin, Freud and Cranial Fire: The Origins of the Way We Think*. NY, USA : Simon & Schuster Paperbacks, 1991.
 - 9 ORNSTEIN, R.: *The Evolution of Consciousness - Of Darwin, Freud and Cranial Fire: The Origins of the Way We Think*. NY, USA : Simon & Schuster Paperbacks, 1991, p. 92.
 - 10 ORNSTEIN, R.: *The Evolution of Consciousness - Of Darwin, Freud and Cranial Fire: The Origins of the Way We Think*. NY, USA : Simon & Schuster Paperbacks, 1991, p. 147.

out of 11 million bits of information our senses are taking in a second, conscious brain can process only 40 bits per a second the rest is on subconscious brain, which mathematically equals 99.999 per cent.¹¹

Today it is possible to speak about combination of medical knowledge, technology and marketing in one sentence and have some completely new approach to all matters. Thus neuromarketing was born and it was in 2004¹². The focus is in scanning the brain and understanding the brain language. There are varieties of definitions of neuromarketing. One of them is that it represents the application of neuroscientific methods in process of analysing and understanding the human behaviour regarding markets and exchanges in marketing.¹³ Besides a vast number of positive things, there are several limits that neuromarketing in general suffers from. First of all, ethical limits, then methodological, like search protocols, number of subjects, financial limits in the form of high prices of techniques and in the end, there are legal limits for the number of procedures, since the subjects are under the brain imaging examinations.¹⁴

Since this research includes overlapping the merchandising and neuromarketing, several words will be said about the merchandising as well. Merchandising is, above all, a business process and many of the producers cannot be imagined without using at least a fraction of merchandise tools. For instance, the cosmetic store applies merchandise techniques and processes when choosing the lines of products, sorting the products on the shelves, deciding about the variety and size of the offer, communication and signage tools, assortments and prices differing during the whole year, etc. Previously mentioned points are just a small part of the entire process of merchandising. However, what can be emphasizes and significant for this research particularly is visual merchandising, in-store traffic and pricing. Those are the areas that represent meeting points of merchandising and neuromarketing. In other words, the results of manipulating with these tools in merchandising can

11 PRADEEP, A. K.: *The Buying Brain: Secrets for Selling to the Subconscious Mind*. Hoboken. New Jersey : John Wiley & Sons, Inc. 2010.

12 TOUHAMI, Z. O., BENLAFKIH, L., JIDDANE, M., CHERRAH, Y., EL MALKI, H. O., BENOMAR, A.: *Neuromarketing: Where marketing and neuroscience meet*. In African Journal of Business Management, 2011. Vol. 5, No. 5, p. 1528-1532.

13 LEE, N., SENIOR, C.: *A Manifesto for Neuromarketing Science*. In Journal of Consumer Behaviour, 2008, Vol. 7, p. 263-271.

14 TOUHAMI, Z. O., BENLAFKIH, L., JIDDANE, M., CHERRAH, Y., EL MALKI, H. O., BENOMAR, A.: *Neuromarketing: Where marketing and neuroscience meet*. In African Journal of Business Management, 2011. Vol. 5, No. 5, p. 1528-1532.

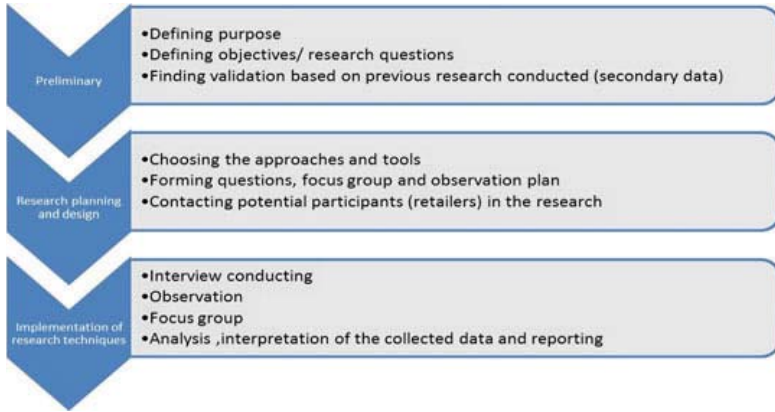
be explored more into deep with the neuromarketing techniques and that is the area which this research is trying to tap in.

3 Methodology

Methodology used for the purpose of this research was both quantitative and qualitative. The research itself was conducted in three phases.

The very first stage includes three important steps. Those steps are the basis for any further research development and building. Since the neuromarketing is the matter very hard to research without expensive equipment and high financial funds, it was challenging to choose the techniques and tools that would bring closer the point of neuromarketing. However, during preparation phase and choosing of these approaches, I contacted Professor Nick Lee, director of the Research Degrees Program at Aston Business School and one of the top neuromarketing experts at the moment via the e- mail. He elaborated that the neuroscience does not have to be about the expensive equipment and that things can be done simply by behavioural studies¹⁵. In addition, he said that the key is in explanation, meaning to try to find if there are some brain-related explanations for certain behaviours. To be more precise, three techniques were chosen: observation, focus group and interview. As it can be noticed, all three are qualitative research methods. The reason for the decision like this lays in the fact that this study is about how consumers feel, react to certain product, company, or merchandising. The third and final stage of the research process was the implementation phase of above mentioned techniques.

15 Nick Lee, e-mail message to author, September 16, 2013



Picture 1: Three phases of research process

Source: Own processing

4 Results

Outcomes of the research were presented in several areas upon the goals and research questions. Those are:

1. Behaviour categories

Experiments within the focus group lead to the more comprehensive and deeper observation of consumers and their behaviour in the real surroundings and conditions. That includes observation in dm stores. During the observation that lasted for two weeks and at three locations, a lot of customers went through dm stores. After careful consideration, observation, coding and categorizing, several categories based on similar behaviour have been formed. Categories refer to the different behaviours' patterns that could be noticed during the observation, which were similar in the number of features. The categories were primary created based on observation, but enhanced and elaborated by the findings and conclusions from surveys in the stores and conversations within the focus group.

Table 1: Behaviour categories

Category number	Category name
1	Traffic towards the right side
2	Targeted / Planned purchase customers
3	Hesitance in the beginning and coming back afterwards, plus changing the decision
4	Purchase for fun and relaxation
5	Reaction to segregated shelves that are called POS in dm
6	Purchase of the products on sales promotion and discount
7	Distracted buyers
8	Long shopping experience

Source: Own processing

2. Prices influence

Mrs Čović-Mezet, assortment manager at dm indicated that they do price changes for several reasons: sales promotions every two weeks, seasonal discounts, delisting because of novelties or package changing, reducing prices for the purpose of getting rid of the stocks or following market trends. Following charts present the answers to the questions asked withing the store about the behaviour towards price and discount of dm products.

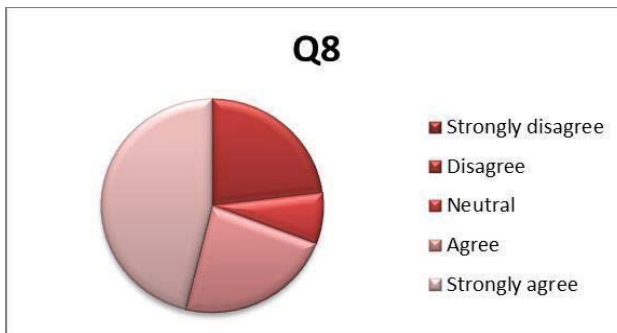


Chart 1: I always check for bargain offer/discount prices of products in sales promotions flyer, ads or in-store promotion/discounts

Source: In-store interview (Anida Krajina)

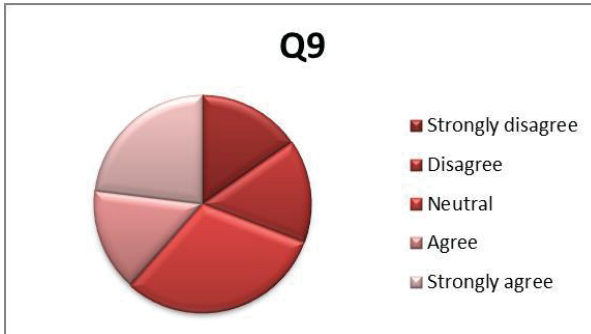


Chart 2: I always actively search for bargain/discount prices of products when making shopping in retail shops

Source: In-store interview (Anida Krajina)

The effect of prices can be applicable in the process of brain connected with reward system. In 2008 there was a study about the effect of prices and congruence of neural activity and rewarding. As Alčaković and Arežina said, if subjects knew they were drinking expensive wine, they would like the taste more and activity in the brain reward system was growing.¹⁶ Therefore, marketing activity referred to the price and increased the perception proportional to the price level. Before the act of purchasing, nucleus accumbens is activated and it correlates with product preferences, while high prices for example activate the insula because of the anticipation of loss¹⁷. Thus, high prices can affect dually, anticipation of loss or feeling of reward/ utility. If it is a reward, then amygdala activates. In search for rewards, human brain leads to winning them.

3. Purchase decision making

If the process of buying and creating need in the ads fails, the emphasis should be put on the activities within the store. Starting from the visual effects in the store, to disposition and behaviour of staff, everything

16 ALČAKOVIĆ, S., AREŽINA, N.: *Neuromarketing: Nov način razumevanja potrošača (Neuromarketing - New way of understanding consumers)*. Presented at 8th Scientific Conference with International Participation Sinergija. March 2011. Bjeljina, Bosnia and Herzegovina

17 JAVOR, A., KOLLER, M., LEE, N., CHAMBERLAIN, L., RANSMAYR, G.: *Neuromarketing and Consumer Neuroscience: Contributions to Neurology*. In BMC Neurology, 2013, Vol. 13, No. 13, p. 1471-2377.

conspires to provide attractiveness for customers. For instance, dm customers involved in focus group within the research for this thesis were describing the dm as a way above all other similar retail shops. They feel comfortable, personnel is professional and kind, the store is clean, tidy, lightened and the products are visible and easy to find. One of the subjects even said that she usually just has to buy something, because if not, she would feel sorry.

Why do customers prefer one brand over other is the question that can be addressed to brain scientists and consequently to neuromarketers. Part of the brain responsible for the preference judgements is called ventromedial prefrontal cortex (VMPFC) and it is located in the front part of the cortex of human brain¹⁸. What is particular for this area is that in the blind testing, there is no difference in response, while in open testing, when subjects know about the brand, hippocampus and the DLPFC showed activity according to the brand preference¹⁹. This is the general matter. But Javor et al. enhanced that when talking precisely about the taste preference, like in the case of Coca Cola and Pepsi, VMPFC was active, and when the judgements were based on both sensory and the brand, hippocampus and DLPFC were active. Both of them are located in the midbrain.

Not only brand preference in the form of information and ambiguity influence the buying decision. Huge impact is made by the emotions, memories and senses. This explains why dm customers, especially women, during their shopping process taste the smell a lot, for instance. The memories are triggered by the senses and probably at most, the sense of smell. Smells that human encounter provoke recollection of images and visual interpretation of events from the past. Gerald Zaltman, NeuroFocus Advisory Board member, explains that if a TV ad is showing a person tasting aroma of fresh coffee, it can trigger olfactory senses in watchers²⁰. Since the dm products are majority cosmetics ones, and the target market are women, the smell is even more important.

18 Ibidem

19 Ibidem

20 PRADEEP, A. K.: *The Buying Brain: Secrets for Selling to the Subconscious Mind*. Hoboken, New Jersey : John Wiley & Sons, Inc., 2010, p. 47.

According to Pradeep, women had much more sensitive noses than men and were better at connecting the smells to particular experiences, words or pictures²¹.

The importance of sense stimulation was supported by the claim within the focus group, when the one of ladies said that she got attracted by the products wrapped in decorative paper and later on she stressed out that she got amazed by nicely decorated windows of the shops. In 2008, there was a research in which the fMRI was used to measure the difference activity when the customers were exposed to attractive and unattractive packaging²².

4. *Some particular behaviours of dm customers and their neural explanations*

Table 2: Neural and psychological machinery behind consumer behaviours in DM

Behaviour	Explanation
Women do not notice emphasized shelves with items on sales promotion.	Participants of focus group as well as shopper inside the store, when asked the reason why they do not notice these shelves (called POS in dm), they simply say they are not so noticeable or that they do not know the exact answer. In the part of this thesis talking about buying process in dm and decision making I mentioned the time needed for some stimuli to come into human consciousness. When something happens, it evokes some neural activity in the cortex, but the stimulus needs to be strong enough to keep the neurons in cortex active and make for neural adequacy half second later ¹ . Speaking more understandable, somehow our brain, below our awareness, spends few milliseconds deciding whether we should be aware of some event or not. When talking about the shelves that are not noticed by the customers, mainly it should evoke visual centres at first.

21 PRADEEP, A. K.: *The Buying Brain: Secrets for Selling to the Subconscious Mind*. Hoboken, New Jersey : John Wiley & Sons, Inc., 2010.

22 PRADEEP, A. K.: *The Buying Brain: Secrets for Selling to the Subconscious Mind*. Hoboken, New Jersey : John Wiley & Sons, Inc., 2010.

23 ORNSTEIN, R.: *The Evolution of Consciousness - Of Darwin, Freud and Cranial Fire: The Origins of the Way We Think*. NY, USA : Simon & Schuster Paperbacks, 1991. p. 149.

<p>If women spend more time in choosing the product, smelling, reading the packaging, after consideration of several products they decide for the first one tried.</p>	<p>It seems that higher level of brain activation when assessing the brand/ logo means that the brand is more important to the person². The knowledge of the brand and its importance plays significant role in the position of that brand in the market. As Pepsi and Coke experiment showed, what brain “knows” about Coke is more important than what it “feels” about Pepsi. After seeing the product, visual cortex in the back of the head activates, during checking the product (turning around) the mind triggers memory circuits in the left inferotemporal cortex, slightly above and forward of the left ear³.</p> <p>A phenomenon called “time inconsistency” suggests that the brain operates in two radically different ways. One part, the “reward in the future” part that operates out of the prefrontal cortex is fairly rational (from an economic perspective). The other part, the “immediate gratification” part operates out of the more primitive limbic region and behaves in an emotional, selfish and largely irrational (from an economic perspective) way⁴. The researchers say that act of deciding whether to buy a product or not lasts 2.5 seconds. That means that in the first 2.5 second of the contact with the product, the brain decides whether the purchase will happen or not. Eser et al.⁵ elaborated that when product was registered as “preferred” by the brain, the right parietal cortex switched on, this time above and slightly behind the right ear.</p> <p>For this behaviour, it was particular that women take in the hand every product they observed and there is an interesting explanation for that. Zurawicki⁶ wrote that “touching products stimulates the desire to buy by conferring the sensation of ownership.” Additionally, he explained that this applies to neutral impressions as well, which can clarify dm customers’ act of taking each product from the shelf in choosing process.</p>
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- 24 FUGATE, D. L.: *Neuromarketing: A Layman’s Look at Neuroscience and Its Potential Application to Marketing Practice*. In Journal of Consumer Marketing, 2007, Vol. 24, No. 7, p. 388.
 - 25 ESER, Z., ISIN, B. F., TOLON, M.: *Perceptions of Marketing Academics, Neurologists and Marketing Professionals about Neuromarketing*. In Journal of Marketing Management, 2011, Vol. 27, No. 7 and 8, p. 854-868.
 - 26 FUGATE, D. L.: *Neuromarketing: A Layman’s Look at Neuroscience and Its Potential Application to Marketing Practice*. In Journal of Consumer Marketing, 2007, Vol. 24, No. 7, p. 390.
 - 27 ESER, Z., ISIN, B. F., TOLON, M.: *Perceptions of Marketing Academics, Neurologists and Marketing Professionals about Neuromarketing*. In Journal of Marketing Management, 2011, Vol. 27, No. 7 and 8, p. 854-868.

<p>Customers entering the store are going to the right side.</p>	<p>During the conversations with dm customers within the focus group, they were not quite aware of this behaviour, meaning that the process is done unconsciously. Why is this behaviour particular? This might be interesting, especially for merchandising (assortment for example), because if consumers mainly look at the right side, the products wanted to be noticed and sold should be arranged according to that. In his article at Business Insider, Lubin⁷ claimed that most stores moved customers from the right to the left and it was not accidentally that the products likely to be bought were along the right side of the aisle. The explanation for moving to the right is in the fact that most of the people are right footed, they prefer to turn right and like to walk counter clockwise through the store. Additionally, SRC⁸ mentioned the studies that showed customers looked to right wall at a 45 degree angle from the entrance. That means that this area is an incredibly important visual cue to dm customers. However, exact processes in human brain have been unknown and could be the subject of future research frames.</p>
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Source: Own processing

5. DM merchandising benefiting from neuromarketing

DM merchandising could benefit from applying neuromarketing techniques in several areas:

- Recognizing the cause and factors that maintain dm customers' trust in dm or brands and enhance it as competitive advantage;
- Understanding the perception of price and develop the platform for optimal pricing strategies and decisions;
- Improving the difference between individuals and cultures and potentially use those information to modify assortment strategies, disposal of products, visual merchandising techniques and creation of prices;
- Enhance the design of the stores, private brands and categories according to the recognized consumers' preferences.

28 ZURAWICKI, L.: *Neuromarketing - Exploring the Brain of the Consumer*. Heidelberg, Germany : Springer - Verlag Berlin, 2010, p. 85.

29 LUBIN, G.: *15 Ways Supermarkets Trick You Into Spending More Money*. 2011. [online]. Available at: <<http://www.businessinsider.com/supermarkets-make-you-spend-money-2011-7?op=1>> [3.3.2014].

30 SPECIALTY RETAIL COLLECTIVE: *Traffic Flow: Make it Work to Maximize Sales*. 2011. [online]. Available at: <<http://www.specialtyretailcollective.com/traffic-flow-make-it-work-to-maximize-sales/>> [4.3.2014].

The way this could be done is hard, demands high costs and long time. This is especially because we are talking about the developing market of Bosnia and Herzegovina. However, the dm is internationally recognized company and it is possible to, at least, show certain attempt in applying new marketing techniques. For instance, everything could start from creating alternative arrangements and test them to determine which works the best to boost positive reactions within their particular stores. In addition, one of the methods can be the search for backup explanation in the human brain. As Lee et al. said, the neuroimaging gives the “layer of theory” on top of the actual cortical activity measure.³¹ And the human brain can never lie.

Specific suggestions for dm merchandising enhancement

Music in the stores Pleasant music affects longer consumption and perception time, less negative emotional reaction and more desire to affiliate with retailer³². This could enhance consumers’ response to the dm store environment. Zurawicki³³ stated that the results of one research from 2005 showed increase of psychometrical ratings and psychological involvement when sound and picture were combined (compared to solely picture or solely sound effects). Therefore, visual perceptions enriched with music can enhance emotional experience, which is crucial in customers’ decision making and brand connection.

Moving POS shelves (special promotion shelves) Lubin³⁴ mentioned that the most profitable area of the store was checkout line, explaining that after few minutes in line, people succumbed to temptation. Additionally, if the dm would rely on old brain theory aforementioned, the old brain recognizes the contrast and it can easily and quickly make decisions in such surrounding³⁵.

31 LEE, N., BRODERICK, A. J., CHAMBERLAIN, L.: *What is ‘neuromarketing’? A Discussion and Agenda for Future Research*. In International Journal of Psychophysiology, 2006, Vol. 63, No. 2007, p. 203.

32 DUBE, L., MORIN, S.: *Background Music Pleasure and Store Evaluation Intensity Effects and Psychological Mechanisms*. In Journal of Business Research, 2001, Vol. 54, No. 2001, p. 107-113.

33 ZURAWICKI, L.: *Neuromarketing - Exploring the Brain of the Consumer*. Heidelberg, Germany : Springer - Verlag Berlin, 2010, p. 851.

34 LUBIN, G.: *15 Ways Supermarkets Trick You Into Spending More Money*. 2011. [online]. Available at: <<http://www.businessinsider.com/supermarkets-make-you-spend-money-2011-7?op=1>> [3.3.2014].

35 RENVOISE, P., MORIN, C.: *Neuromarketing: Understanding the “Buy Buttons” in Your Customer’s Brain*. Nashville, Tennessee, USA : Thomas Nelson, Inc., 2007, p. 101.

Club Card Pradeep³⁶ explained that for women, any bonding activity that had link to retailer or brand would be appreciated and remembered. Social connections are crucial and women like the feeling of being included.

5 Limitations and heading to the future

Because of the exploratory nature of the study, the result of it can be considered as observational. The number of subjects included in the research process might be considered potentially low, and the test population should be larger in order to avoid low number of respondents for certain stimulus, or low number of subjects as representative of certain behaviour category.

Probably the most important limitation of all is the lack of exact neuromarketing equipment for measuring brain signals and further research of this matter should include the direct use of those. The lack of the equipment is certainly due to its unavailability and high costs. However, the usage of any brain scans would make the whole research process wider and it would place it on the higher level.

Neuromarketing has both, advocates and critics, but the inevitable is that advanced neuroimaging technologies will bring changes into the market and marketing persuasion³⁷. Forbes wrote that Uma R. Karmarkar (an assistant professor at Harvard Business School who sports PhDs in both marketing and neuroscience) expected that brain data would play a key role in the future research about the consumer choice. The inevitable potential of neuromarketing is to “hit on the subconscious biases”, which has been unable to be discovered by traditional advertisement and marketing research methods³⁸.

36 PRADEEP, A. K.: *The Buying Brain: Secrets for Selling to the Subconscious Mind*. Hoboken, New Jersey : John Wiley & Sons, Inc., 2010, p. 75.

37 WILSON, M. R., GAINES, J., HILL, R. P.: *Neuromarketing and Consumer Free Will*. In *The Journal of Consumer Affairs*, 2008, Vol. 42, No. 3, p. 389- 410.

38 LAURI, P., JYRKI, S., JARMO, H., SINI, M., JUSSI, N.: *Measuring the Willingness to Purchase Using Methods of Neuromarketing*. 2012. [online]. Available at: <http://www.laurea.fi/fi/tutkimus_ja_kehitys/julkaisut/laurea_julkaisut/Documents/7.%20Palokangas%20et%20al%20Measuring%20of%20Willingness%20of%20Purchase%20using%20methods%20of%20Neuromarketing.pdf> [17.1.2014].

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WILSON, M.R., GAINES, J., HILL, R. P.: *Neuromarketing and Consumer Free Will*. In The Journal of Consumer Affairs, 2008, Vol. 42, No. 3, p. 389- 410.

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SOCIAL MEDIA AS THE INOVATION OF THE RECRUITING AND JOB – SEEKING

Eva Kretiková

Abstract

The paper defines social media as a tool or place for recruiting and job seeking. It compares and analyses the results of American surveys in terms of use of social media in connection with the labour market and reflects the situation recruiters and organizations use social media to find potential employees. The last part of the contribution compares social job seeker in the United States and Slovakia.

Key words:

Facebook. Hiring. LinkedIn. Social Media. Social Job Seeker. Recruiter. Twitter.

Introduction

Relevant information on current EU Statistical Office (Eurostat) for the year 2013 say that three quarters of Slovaks use the Internet at least once a week and up to 61 % use it daily. The percentages indicate the fact that Slovakia need not fear that the use of internet lags behind other countries. The opposite is applied to the usage of social media for purposes connected with the labour market, such as social job seeking and social recruiting and hiring. In comparison to the United States we can talk about very beginning in Slovakia. Social media has become an increasing source of quality information for recruiters and resumes in United States. Number of organizations that are looking for their employees through social media such as Facebook, LinkedIn or Twitter grows daily as well as the number of social job seekers who are looking for active or passive job just mentioned through social media. The results of American surveys show all social job seekers and HR departments or social recruiters. Social media such as Facebook, Twitter or LinkedIn network generally work in the same way in the United States as in Slovakia. This is a reason to ask some questions. Who are the social recruiters, HR departments or organizations in Slovakia? What are the most commonly used social networks to find potential employees? Who is called social job seeker in Slovakia and what is the demographic point of view compared to the America? Through which social networks are social job seekers looking for a job most frequently in Slovakia? There are many questions that are

not yet answered in Slovakia in the context of social media as a tool for work searching or searching for new employees by recruiters.

1 Social media on the labour market

Social media is at the intersection of technology and human interaction. People gradually shift to websites which offer the opportunity for greater human interaction. Social media is an online place where people can leave comments and share information. The first social networks were developed in the middle of 90s in the United States. They were networks through which students communicated with each other. These networks have paved the way for today's networks, including Facebook, LinkedIn, Twitter, Google plus and more.¹

Today, social networks, respectively social media do not only refer on the students who communicate with each other. We can talk about the world of individualities connected to the world of companies or organizations. *"The social media revolution has given consumers around the world the most powerful voice they have ever had. It is also forced companies to think about how they can be more transparent and responsive."*²

For companies, it is advantageous to use social media to find employees also for business reasons. If some company is active on social media, the public will pay more attention to the company in the future and it will be easier to identify the brand. We are talking about building brand awareness, which will help the company in its business.

The most surveys of recruiters across the United States revealed that 80 % of employers have already been using or planning to use social networks to identify and attract job candidates. Depending on some industry, what types of jobs the companies recruit for, and where companies are in the recruiting cycle, one or a combination of these social networks might make the most sense. Most of recruiters are focused on LinkedIn only, the world's biggest working network. Clara Shih in her book called *The Facebook Era* also argues that: *"great recruiters go where the candidates*

1 KULHÁNKOVÁ, H., ČAMEK, J.: *Fenomén Facebook*. Kladno : Jakub Čamek – BigOak, 2010, p. 9.

2 KERPEN, D.: *Likeable social media: how to delight your customers, create an irresistible brand, and be generally amazing on facebook (and other social networks)*. New York : McGraw - Hill. 2011, p. 4.

are – and, increasingly, this is not only on LinkedIn, but also on Facebook and Twitter.”³ In general, social media is comprised of what we want to describe here as Facebook, LinkedIn and Twitter.

LinkedIn

LinkedIn is a large professional network where members connect with each other, participate in Groups, connect, and interact with each other. LinkedIn has over 260 million members (early 2014), and is widely viewed as the most business-like and professional of the social networks.⁴ Used by more than 95 % of white collar employers in the United States. LinkedIn now has more than 50 million business professionals among its membership across 150 different industries. Member profiles are similar to a living version of résumé, which is ideal for recruiters seeking up-to-date information about a candidate.⁵

Twitter.com

Twitter is a free social networking and microblogging service that enables its users to send and read messages known as *tweets*. Tweets are text-based posts of up to 140 characters displayed on the author’s profile page and delivered to the author’s subscribers who are known as *followers*. Twitter has 235 million members (early 2014). Approximately 42 % of U.S. recruiters have tried using Twitter for recruiting, with mixed but mostly positive results.⁶

Facebook

The Facebook is the largest social network or social networking website, where users can add their friends and send them messages. Users of social network can create and update personal profiles to notify friends about themselves. Additionally, users can join networks organized by city, workplace, and school or college. With over 1.2 billion members worldwide (early 2014), Facebook is the largest social network used by 59 % of U.S. white collar employers, Facebook is emerging as a popular recruiting tool because of its extensive reach to 500 million people

3 SHIH, C.: *The Facebook Era: Tapping Online Social Networks to Market, Sell, and Innovate*. Boston : Pearson education, Inc., 2010, p. 160.

4 JOYCE, P. S.: *Guide to Social Media & Job Search*. [online]. Available at: <<http://www.job-hunt.org/social-networking/social-media.shtml>> [12.10.2014].

5 SHIH, C.: *The Facebook Era: Tapping Online Social Networks to Market, Sell, and Innovate*. 2nd Edition. Boston : Pearson Education, Inc., 2010, p.161-163.

6 Ibidem

around the world – more than an order of magnitude larger than either LinkedIn or Twitter.⁷

2 Increasing of social recruiting

Jobvite is the leading recruiting platform for the social web in the USA. Today's fastest-growing companies use applicant tracking, recruiting CRM and social recruiting software solutions from Jobvite to target the right talent and build the best teams. In the USA, Jobvite.com carried out a survey and asked over 800 employers if they were planning to use social media for their recruiting, finding that: in 2008 it was only 78 % of respondents and in mid-2013 the result was – 94 % of employers.⁸

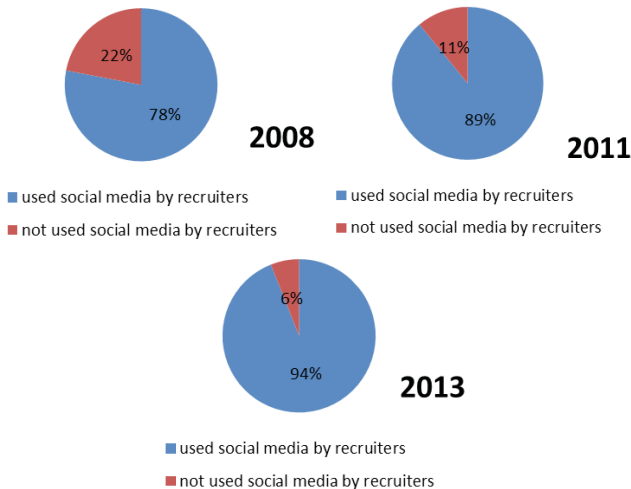


Chart 1: A growth of social recruiting

Source: Own processing. Data: jobvite.com

The main reason why is important for people to use social media when looking for a job is that recruiters often and still more use the social media in order to look for and hire new people. Dan Finnigan, Jobvite's

⁷ Ibidem

⁸ JOYCE, P. S.: *Guide to Social Media & Job Search*. [online]. Available at: <<http://www.job-hunt.org/social-networking/social-media.shtml>> [12.10.2014].

CEO said: “Companies that are hiring the most people in the shortest periods of time are the ones who are more aggressively pursuing social recruiting. Companies with the most growth opportunities are trying to get better, higher-quality candidates through social recruiting.”⁹ The Jobvite research findings indicate that recruiters prefer LinkedIn when searching for candidates. According to a survey conducted by social recruiting company JobVite, 94 % of surveyed recruiters claim that they use social media to find job candidates. A hefty 94 % report they use LinkedIn not only to search for candidates, but also to keep tabs on them during the hiring process. The second most used social media is Twitter and from 65 % just 25 % use Facebook to check candidates after the interview process. For job seekers the Facebook is the most popular way of searching for job. While 94 % of recruiters are active on LinkedIn, only 36 % of job seekers are.¹⁰

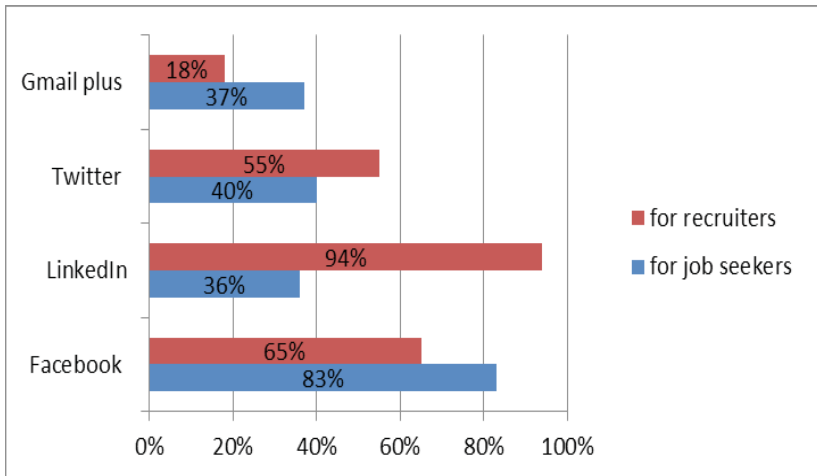


Chart 2: A comparison of using social media by recruiters and job seekers

Source: Own processing. Data: jobvite.com

9 LEVINSON, M.: *Social Networking Ever More Critical to Job Search Success*. [online]. Available at: <<http://www.cio.com/article/2417135/careers-staffing/social-networking-ever-more-critical-to-job-search-success.html>> [11.10.2014].

10 FUSCALDO, D.: *Using Social Media for Job Search*. [online]. Available at: <<http://www.foxbusiness.com/personal-finance/2014/06/20/using-social-media-for-job-search/>> [10.10.2014].

The American study of The Society for Human Resource Management’s 2013 survey indicated that while a majority (92 %) of respondents used LinkedIn, 58 % also employed Facebook, 31 % used Twitter and 25 % used Google plus. Less than 10 % of employers used sites such as YouTube, Pinterest, Myspace and Foursquare.¹¹

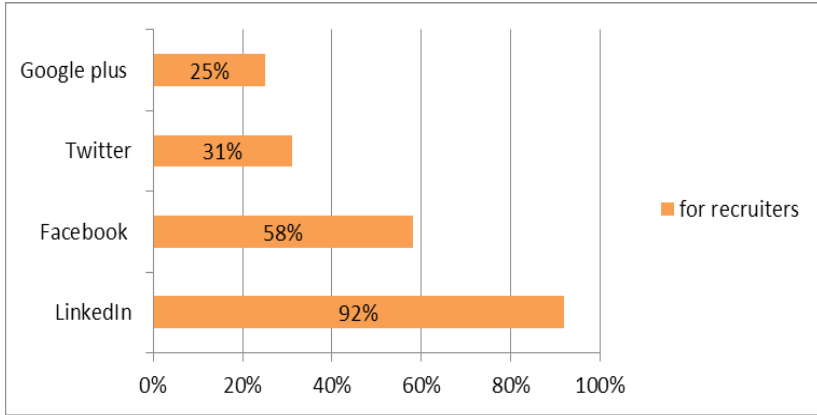


Chart 3: The most commonly used social media by recruiters

Source: Own processing. Data: The Society for Human Resource Management’s 2013 survey

Compared to the second American research, we have found a high degree of similarity between the results of both surveys, as far as the qualitative aspects of both American surveys are concerned. Despite the changing numeric values of the surveys, the order of social media used by recruiters and organisations remains valid.

The Society for Human Resource Management’s 2013 survey also made a research. Research shows that employers benefits from using social media to attract candidates. The research found out that 77 % of organizations use social networking sites to recruit potential job candidates. The data also revealed that 69 % of organizations use social networking tools to target and recruit candidates with specific skill sets, 67 % use social networking to increase employer’s brand and recognition

11 SALPETER, M.: *How to use social media to land a job*. [online]. Available at: <<http://money.usnews.com/money/blogs/outside-voices-careers/2014/04/16/how-to-use-social-media-to-land-a-job>> [12.10.2014].

and 57 % use it to allow potential candidates to easily contact their organization when looking for a job.¹²

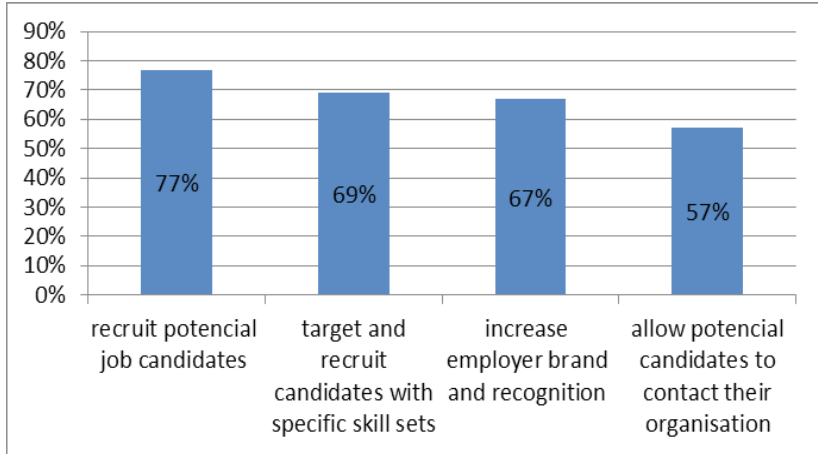


Chart 4: How organisation use social media

Source: Own processing. Data: The Society for Human Resource Management's 2013 survey

The new trend of social recruiting and hiring is not so significantly widespread in Slovakia as it is in the United States. However, there are a few companies that in addition to classical biographies widely use Facebook, Twitter or LinkedIn to find new employees or verify the information through the résumés, which candidates have shared on the social networks.

Jana Holúbeková, director of human resources Generali Slovakia says: *“When selecting new employees we use apart from standard advertising also, to a lesser extent, the social networking site LinkedIn and Facebook. LinkedIn is for us for several years a good source especially for finding technical positions (eg IT), but also other positions. If we like the profile, we will reach the person concerned. Our human resources specialists at the same time very successfully use their accounts created on Facebook*

12 SALPETER, M.: *How to use social media to land a job*. [online]. Available at: <<http://money.usnews.com/money/blogs/outside-voices-careers/2014/04/16/how-to-use-social-media-to-land-a-job>> [12.10.2014].

*for advertising in order to search for candidates for particular back-office positions and various part-time jobs.*¹³

Marcela Liptajová, Talents & culture manager of agency Wiktor Leo Burnett says: *“When searching for candidates I use social networks, primarily LinkedIn. Once I found a girl who worked on creative position in Vienna, with an interesting cross-section of experience, foreign studies published on a number of social media. Wiktor Leo Burnett addressed her through LinkedIn, and from January 2013 she is a part of the team of the Slovak Agency Wiktor Leo Burnett.”*¹⁴

3 Identification of social job seekers in the social media era

Jobvite survey realized in 2014 identified people called job seekers. The first finding is, that among job seekers, there are more women (70 %) than men (30 %), mostly aged from 18 to 39 (70 %). Their average income is above 100 000 dollars per year (30 % of responders) and their education is diverse. Most often these are high school graduates or less educated people or less (33 %) and people with college education (33 %).¹⁵

13 *Ako zaujať pri hľadaní novej práce cez internet?* [online]. Available at: <<http://zena.sme.sk/c/6695943/ako-zaujat-pri-hladani-novej-prace-cez-internet.html>> [13.10.2014].

14 Ibidem

15 *Jobvite job seeker nation study.* [online]. Available at: <<http://web.jobvite.com/rs/jobvite/images/2014%20Job%20Seeker%20Survey.pdf>> [14.10.2014].

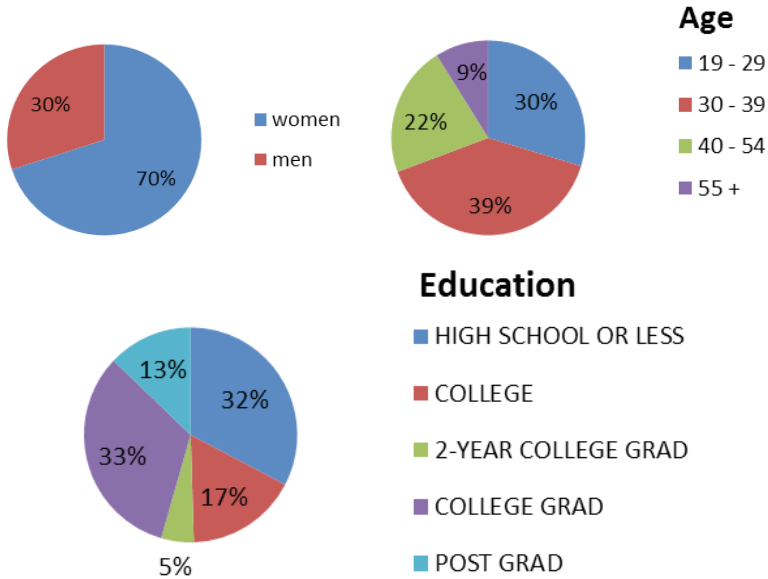


Chart 5: Information about type of american job seeker

Source: Own processing. Data: jobvite.com

The survey could not define who is the prototype of job seeker, because there are too many subgroups of job seekers who were more depending on social media in their job search in the USA. The result of the mentioned Jobvite survey is the assumption that social job seekers are younger, wealthier, more highly educated and more likely to be employed full-time.¹⁶

Social media as an online tool which could help recruiters to have a clear data about people, who they are, what have they done, how they might fit into their corporate culture before they even talk to them. Employers and recruiters see how people use social media and from that they could have an indication of how well people communicate (grammar, spelling, clear ideas), including their work history and education, how they spend their free time, how open they are with other people and other important information.¹⁷

16 Ibidem

17 Ibidem

The interesting facts from the survey results are that more than 93 % of recruiters look at a candidate’s social profile. However many job seekers share pictures of themselves drinking on Facebook. We expect pictures taken during parties may be decisive for recruiters. Facts relying on survey state that the opposite is true: „*More recruiters react negatively to profanity (65 %) and grammar and punctuation errors (61 %) than to references of alcohol use (47 %).*“¹⁸

Results of these surveys motivated us to make our own study to find out who is the social job seeker in Slovakia. The aim of our study was to identify the most common social job seeker and find out demographics information about him. We detected which social media were used by potential job seekers in Slovakia and if they were active or passive in different types of social media during job – seeking. For the same reason we want to compare our results with the American results of Jobvite survey related to American social job seekers. For that purpose we made a survey involving 205 respondents. Data collection was performed from 11th till 19th October 2014 by electronic questioning. We applied a standardized questionnaire. The electronic questioning was shared via the Internet and mostly by social media (Facebook, LinkedIn, Twitter). The aim group of the study was particularly to hit users of social media.

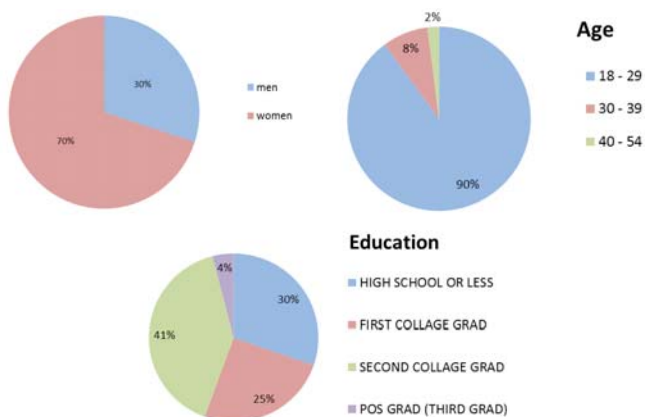


Chart 6: Information about type of Slovak job seeker

Source: Own processing. N = 205 respondents (Facebook, Twitter and LinkedIn users)

18 *Jobvite job seeker nation study*. [online]. Available at: <<http://web.jobvite.com/rs/jobvite/images/2014%20Job%20Seeker%20Survey.pdf>> [14.10.2014].

The results from this study are that the most job seekers are women (70 %) and less men (30 %) between the ages of 18 and 29 (90 %). In comparison with the American results of Jobvite survey, the results of our study are quite similar facts. Education level of the Slovak respondents is high. These people are mostly high school graduates or less educated or less (30 %) and people who have finished college (41 %) as well as job seekers in the United States. The study also evaluates the use of various social media by respondents (social job seekers) when they seek for a job. Overwhelming majority of Slovak respondents searching for a job use the social networking site Facebook (72 %). Compared to American survey the results are very similar and show that the trend of the American population (83 % of Facebook social job seekers) in search of work over the Internet is to use very fast approaching. Many of respondents are active on social media that allow them to search for a job in Slovakia (67 %). However, 50 % of them have never received a job offer from any company and any recruiters on the social media. These results are demonstrated by Chart 7, Chart 8 and Chart 9.

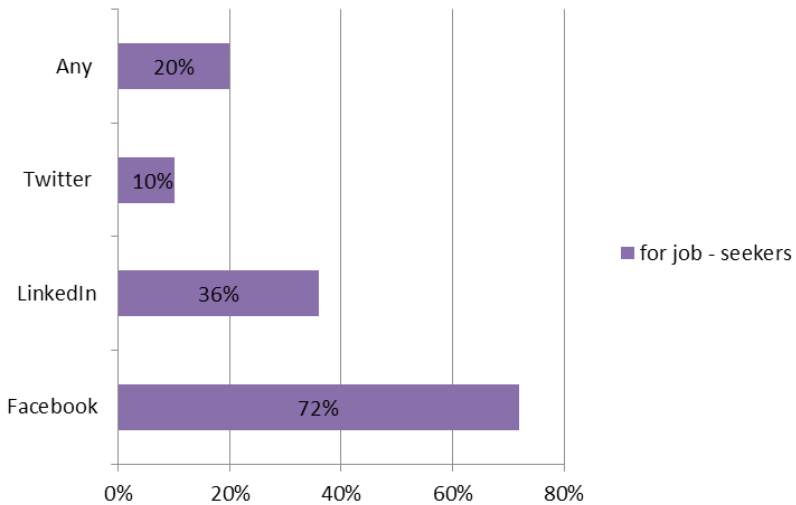


Chart 7: Which of the social media is used for job – seeking

Source: Own processing. N = 205 respondents (Facebook, Twitter and LinkedIn users).

Q: Which of the social media have you ever used in finding a job / internship / practice?

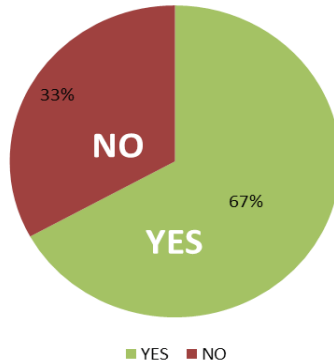


Chart 8: Active social job seekers

Source: Own processing. N = 205 respondents (Facebook, Twitter and LinkedIn users).

Q: Actively looking for (or you were looking for) a job/experience/internship on social media (LinkedIn, Facebook, Twitter)?

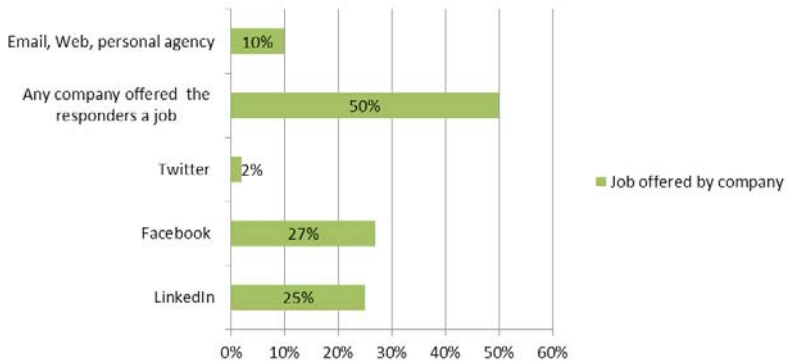


Chart 9: Job offered by company through social media

Source: Own processing. N = 205 respondents (Facebook, Twitter and LinkedIn users).

Q: Through which medium have you addressed some potential employees / job applicants?

Conclusion

In the paper we defined social media as a tool or place for recruiting and job seeking. We compared and analysed the results of American surveys in terms of use of social media in connection with the labour market and reflected the situation of recruiters and organizations related to use of social media to find potential employees. The last part of the contribution presented the results of our survey and compared social job seekers in the United States and Slovakia. The results show that the prototype of Slovak social job seeker is mostly young woman, between the ages of 18 – 29 a graduate – after high school or college, using mostly Facebook and sometimes LinkedIn to search for a job. These results are comparable to results of American Jobvite survey, where the typical social job seeker is determined by almost the same social traits as job seekers in Slovakia.

Based on these findings and comparisons, we conclude that innovation in the use of social media for job seeking has arrived to Slovakia and this trend is largely used mainly by young generations Z and Y. When using social media for recruiting, this innovation is slightly behind the United States and society in Slovakia tends to use social media rather than as a supplement or as a second option to primary classic reading of résumés. However this topic still refers to a large number of unanswered questions in which we want to deal with by future contributions also in connection with writing dissertation thesis titled *On-line communication as a tool of graduates in the labour market*.

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CSR REPORTING AS A TOOL OF MARKETING COMMUNICATION OF COMPANIES IN SLOVAKIA

Dana Kubaláková

Abstract

The theme of social responsibility in Slovakia is not so widespread as in other countries. This is due to the fact that Slovak companies are not informed in this area as much as large multinational corporations, which may have a concept of socially responsible business anchored in its business philosophy for decades. This is also reflected in the way that companies reports about their socially responsible activities. The paper presents results of an analysis of the annual reports of the selected groups of undertakings operating in Slovakia. This analysis was conducted in 2014 on a sample of 50 companies from the TOP 200 largest non-financial companies in Slovakia, published in the special supplement TREND Magazine - TREND TOP 2013. According to results of an analysis of the annual reports we can answered the questions whether annual reports include information about CSR activities of companies in the three areas of corporate social responsibility, and whether their content varies depending on the industry in which it operates and how companies reports about their activities in annual reports, which are currently considered as a strong tool of marketing communication.

Key words:

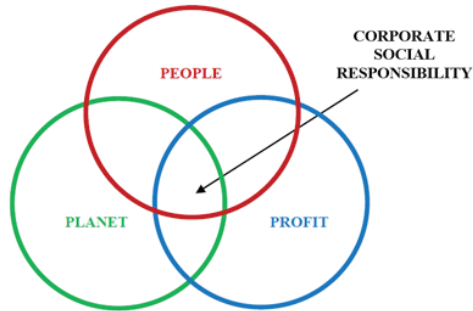
Socially responsible marketing. Social responsibility. Corporate social responsibility. Three pillars of CSR. Reporting. Annual report. Company.

Introduction

The concept of social responsibility penetrates into businesses from the second half of 20th century. The question “how” to gain the biggest profit gradually changes to the question “which way” to gain this profit. Based on the principle of corporate social responsibility the companies should during their marketing activities take into account requests and long-term interests of consumers, requirements of business partners and last but not least long-term interests of the whole society.¹ By non-respecting the requirements of consumers the company does not gain desired demand for its products or services which increases the pressure of competition and the company loses its position on the market. It shall

1 KOTLER, P. et al.: *Moderní marketing*. 4th European edition. Praha : Grada Publishing, 2007, p. 244.

not be forgotten that the aim of business is not only to maximize the revenues, but also to maximize long-term gains. This modern concept of business leads to wider view of business itself and it is based on three basic pillars, so called triple bottom line (Picture 1), which are economic (profit), social (people) and environmental (planet) pillar, while in the literature we can also find the designation of so called 3P – profit, planet, people.² Company applies these CSR principles voluntarily, beyond its legislative responsibilities. Corporate social responsibility shall be in compliance with the mission and vision of the company and in compliance with its social function. It has to be anchored in the whole marketing strategy and it has to be in line with ethical understanding of the enterprise management.³ Only this can cause that the company will be perceived as socially responsible by its environment.



Picture 1: Triple bottom line

Source: KUNZ, V.: *Společenská odpovědnost firem*. Praha : Grada Publishing, 2012, p. 20. (adjusted by author)

Although the interpretations of CSR differ depending on individual groups of interest, it is possible to define basic principles of this concept⁴, namely:

- **Voluntariness.** Companies execute CSR activities voluntarily, beyond the scope of their responsibilities defined by legislation.

2 KUNZ, V.: *Společenská odpovědnost firem*. Praha : Grada Publishing, 2012, p. 20.

3 KOPECKÝ, L.: *Public relations : Dějiny – teorie – praxe*. Praha : Grada Publishing, 2013, p. 77.

4 KAŠPAROVÁ, K., KUNZ, V.: *Moderní přístupy ke společenské odpovědnosti firem a CSR reportování*. Praha : Grada Publishing, 2013, p. 16.

- **Active cooperation with all stakeholders.** It enables creation of so called win-win situations. Both parties profit from the mutual relation – company as well as stakeholders.
- **Transparency and open dialogue with stakeholders.** Companies shall enable stakeholders to access information related not only to the economic performance of the company.
- **Complexity and company operation with respect to the so called triple bottom line business.** Companies focus on economic, environmental and social aspects of their activity within society where they operate.
- **Systematic nature and long-term horizon.** CSR is permanently incorporated into company values, business strategy and processes on all levels of business.
- **Responsibility towards the society and commitment of companies to contribute to the development of life quality.** Social responsibility represents fulfilment of ethical requirement, and thus to work in favour of the society.

Apart from the stated principles the current CSR definitions are based on the principle of neutrality and generality and by this they express the commitment to contribute to the development of quality of life.⁵ It is only the decision of the company and its strategy to which of the stated principles it decides to put the biggest emphasis.

1 Place of CSR in the enterprise marketing communication

The basis of creation of company marketing strategy is the creation of marketing mix, which is *“a set of tactical marketing tools – product, price, distribution and communication policy, which enables the company to adjust the offer based on the desire of consumers on the target market.”*⁶ All parts of the marketing mix which, if they are correctly set, provide the customer the highest possible value and fulfil marketing aims of the company, are part of the marketing program.⁷ Among the main marketing aims are, besides the creation of profit and satisfying the

5 Inštitút zamestnanosti: *Úvod do spoločensky zodpovedného podnikania*. [online]. Available at: <<http://www.iz.sk/sk/projekty/spolocenska-zodpovednost-podnikov/CSR-uvod>> [17.3.2014].

6 KOTLER, P., ARMSTRONG, G.: *Marketing*. Praha : Grada Publishing, 2004, p. 105.

7 Ibidem, p. 107

needs of customers, the provision of information to current and potential customers with the aim to increase demand for products offered by the company, as well as to inform about the activities of business and last but not least to build corporate identity and to ensure positive corporate image.

The term marketing communication is closely related to the term communication process which is defined as a transfer of message from sender to the recipient. This process takes place *“between the seller and buyer, company and its potential and actual customers, as well as between company and its other groups of interest”*.⁸ Reporting of the corporate social responsibility falls under the set of tools of communication policy of company, which is performed via the communication mix, which consists of four basic communication tools, i.e. the marketing communication tools which are advertising, sale support, public relations and direct marketing, i.e. personal sale.⁹ Communication policy in a company fulfils several aims. These are economic aims (so called aims of sale) and non-economic aims (so called communication aims), which are further divided to information aims, the role of which is to inform about the existence of product/brand and emotional aims, the role of which is to create positive attitude and preference of consumers towards the stated product/brand.¹⁰ Zamazalová speaks about strategic and tactical aims of marketing communication.¹¹ She states that strategic aims can be achieved in a long-term planning interval while tactical aims are based on strategic aims and have short-term character. It is important that the communication strategy shall be in compliance with marketing strategy, otherwise the marketing aims cannot be fulfilled. It is possible to state that corporate social responsibility is part of the non-economic and strategic aims of the marketing strategy of a company.

8 PŘIKRYLOVÁ, J., JAHODOVÁ, H.: *Moderní marketingová komunikace*. Praha : Grada Publishing, 2010, p. 21.

9 MACHKOVÁ, H.: *Mezinárodní marketing*. 3rd Updated and reviewed edition. Praha : Grada Publishing, 2009, p. 169.

10 SRPOVÁ, J., ŘEHOŘ, V. et al.: *Základy podnikání*. Praha : Grada Publishing, 2010, p. 219.

11 ZAMAZALOVÁ, M.: *Marketing obchodní firmy*. Praha : Grada Publishing, 2009, p. 186.

2 CSR reporting of corporate activities

At the point when a company decides to introduce the concept of social responsibility into its business activities, it shall not forget to publish them regularly. Communication of CSR activities shall be aimed not only at customers, business partners or investors, but also at employees of the company, local community, consumer organizations or general public.¹² According to Steinerová the corporate reporting shall not lack any of the thematic blocks which are corporate connections, management of social responsibility, performance of the company and report creation process.¹³ For the social responsibility to have impact on the image of a company it is necessary that the company informs mainly the public, all involved internal and external relation and target groups, that means its employees, co-workers and stakeholders about its socially responsible activities.¹⁴ Information provided by the company to public shall be comprehensible, regular and shall in time provide substantial and most importantly true information about activities, strategy and procedures applied during the business activity.

Companies should invest their effort and means to inform the general public about their actions in the field of corporate social responsibility and seek all possible methods which could lead to communication between them and their internal and external stakeholders. This communication can be performed via company web pages, packages and labels of products, leaflets, brochures, handouts, company magazines and newspapers, intranets, company information boards, CSR presentations on events for employees, customers or business partners, etc.¹⁵ Another option are regular annual reports which contain information about CSR activities of the company or individual CSR reports which unlike annual reports, provide the public with non-financial information.

Annual report belongs among non-periodical means of press. It is an official document and according to Commercial code it shall be issued

12 KUNZ, V.: *Společenská odpovědnost firem*. Praha : Grada Publishing, 2012, p. 124.

13 STEINEROVÁ, M. In KUNZ, V.: *Společenská odpovědnost firem*. Praha : Grada Publishing, 2012, p. 125.

14 VYSEKALOVÁ, J., MIKEŠ, J.: *Image a firemní identita*. Praha : Grada Publishing, 2009, p. 106.

15 KUNZ, V.: *Společenská odpovědnost firem*. Praha : Grada Publishing, 2012, p. 124.

by public limited companies, as well as limited liability companies, executive directors, entrepreneurs, cooperatives and state companies in case a specific law orders them to do so. The same obligation applies to foundations and endowment companies.¹⁶ Publishing the annual report on an internet page of the company increases its accessibility and nowadays its electronic version becomes a standard. Issue of social responsibility, the importance of which is still increasing, takes an important place in the annual reports. Regular annual reports about CSR are very valuable for enterprise stakeholders because they provide them with more complex information about the operation of a company and at the same time they can become very important impulse for starting dialogue between the company and stakeholders.¹⁷ By publishing CSR activities the company can distinguish from competition in competitive environment and build its prominent place on the market.

3 Aim

The main target of analysis of selected annual reports was to determine the level of CSR reporting activities in annual reports of selected companies operating in Slovakia. The analysis was aimed at economic, social and environmental area of corporate social responsibility. Individual categories based on which were the selected annual reports assessed, were adapted to these areas. Categories 1 to 5 fall within the economic field (marked EK1, EK2, EK3, EK4, EK5), categories 6 to 11 belong to social field (marked S6, S7, S8, S9, S10, S11) and categories 12 to 15 belong to the environmental field (marked EN12, EN13, EN14, EN15). Selected categories were defined as follows:

- 1) Defining strategies in the economic field** (accurate determination of specific targets, definition and description of standards followed by the company in this field; activities leading to fulfilment of stated targets, information about the financial situation, performance and changes in the financial situation of a company).
- 2) Benefits provided to employees** (total financial benefits, which include regular contributions (e.g. for pensions, insurance, company vehicles and private healthcare facilities); other support

16 SVOBODA, V.: *Public relations – moderně a účinně*. Praha : Grada Publishing, 2009, p. 157.

17 KUNZ, V.: *Společenská odpovědnost firem*. Praha : Grada Publishing, 2012, p. 124-125.

for employees such as accommodation, interest-free loans, public transport contributions, grants for education, retaining; payments at employees' dismissal).

- 3) Support of local suppliers** (provision of materials, products and services by local suppliers which have their seat on the same geographical market as the manufacturing plant (i.e. no international payments are performed) and this either within the chain of suppliers of the whole plant, or solely within its specific localities).
- 4) Investments to infrastructure and services provided primarily for public benefit via commercial, non-profit or benefit events** (investments to technical and social equipment of communities, sport centres, healthcare and social centres, building of facilities (e.g. water pipelines, roads, schools or hospitals) primarily serving rather for provision of public services or goods than for commercial purpose, during which the organization does not expect gaining of direct economic profit; provision of publicly beneficial service with the use of direct payment of operational costs or via provision of own employees for these facilities or services).
- 5) Sponsorship** (sponsorship aimed at certain area – culture, sport, entertainment, art, sponsoring of good purposes – MUSH sponsoring).
- 6) Defining strategy in social field** (accurate determination of specific targets, definition and description of standards followed by the company in this field; activities leading to fulfilment of stated targets).
- 7) Health and safety of employees** (securing safety, health and working ability of employees; OHS trainings, technical inspections of machines, work premises; safe working procedures; necessity of protective clothing while working, in line with regulations).
- 8) Observance of the policy of equal opportunities** (provision of equal work opportunities for women, minority groups, handicapped people; equal salary for performance of the same work regardless of the gender, age, religion, race; enabling continuous work development of employees; support of young families of own employees; possibility for women to return after maternity leave).
- 9) Anti-corruption policy** (clear determination of specific targets; definition of standards followed by the company in this field and procedures in case of breach of these standards).

- 10) Increasing of customers' satisfaction when purchasing goods and services** (post-warranty service; provision of additional benefits; improvement of delivery terms; customer loyalty programmes, etc.).
- 11) Quality of products and services** (various awards of the company; observance of standards regulating this field; quality mark).
- 12) Defining strategies in the environmental field** (accurate determination of specific targets, definition and description of standards followed by the company in this field; activities leading to fulfilment of stated targets, main environmental threats and benefits of organisation regarding problems).
- 13) Environment protection** (specific measures conducted by the company for the protection of environment; procedures related to monitoring, corrective and preventive activities; own eco-brands; provision of recycling of waste generated by the company).
- 14) Activities leading to economisation of used sources** (activities of the company contributing to saving of water, energy, heat, raw materials; ability of the company to use recycled input materials; decrease in creation of emissions, sewage and waste).
- 15) Awarding of the company in the environmental field of corporate social responsibility** (the company was awarded e.g. for activities in the field of ecology; various recognitions for activities in the environmental field of corporate social responsibility).

According to the extent of a certain category contained in annual report it was possible to determine on which of the three pillars lies the marketing communication of companies from the selected sample.

4 Material and methods

Selection of companies was conducted by stratified (regional) random selection in such a manner that the basic set of 200 companies in the TOP 200 list of TREND magazine was divided into 5 parts while first 10 companies were mechanically selected from every group and this created the research complex of 50 companies with various size, economic performance, legal form and operating in various sectors (Chart 1). Annual reports of these companies were obtained from their official web

pages (majority of analysed annual reports was from 2012 and 2011, one for every company, the latest annual reports).

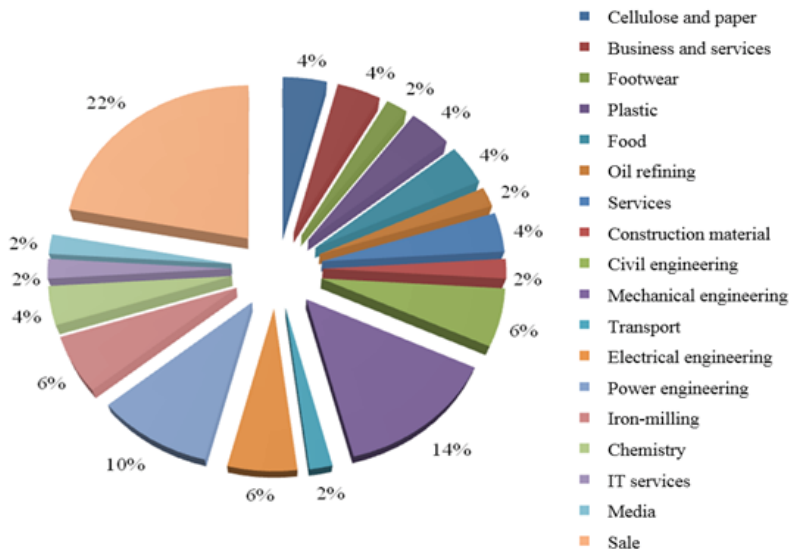


Chart 1: Representation of companies in individual sectors

Source: Own processing

The main research method was the content analysis the aim of which is to analyse and interpret qualitative data in the form of text.¹⁸ With the use of this method we analysed the presence of 15 categories compiled in such a manner to incorporate all fields of corporate social responsibility, i.e. economic, social and environmental field. Individual values were subsequently entered into table and processed in the program IBM SPSS 22.0 and Microsoft Excel 2013 with the use of methods suitable for evaluation of selected research field, such as absolute and relative quantity and non-parametric statistical methods (Kruskal-Wallis test).

5 Results and discussion

Results obtained by analysing annual reports were assessed by non-parametric statistical methods based on conducted Levene’s test of homogeneity which helped us to ascertain that the deviation of division

18 BOS, W., TARNAL, C.: In TROMMSDORFF, V., STEINHOFF, F.: *Marketing inovací*. Praha : C. H. Beck, 2009, p. 138.

of selected variables is statistically important comparing to normal state. This fact makes it impossible to use so called parametric statistical methods which assume that the division of basic set is normal.¹⁹ It is clear from the results that the selected sample of companies apply reporting of activities from economic, social and environmental field of corporate social responsibility in their annual reports.

Table 1: Extent of topics from the field of economic CSR in the analysed annual reports

Size of the company	EK1	EK2	EK3	EK4	EK5
Large	30	22	12	19	21
medium	2	2	1	2	2
Small	2	2	0	1	1
undefined size	4	4	1	2	2
In total	38	30	14	24	26

Source: Own processing

In the economic field of CSR (Table 1) companies inform about financial benefits provided to their employees, about sponsoring activities and financial donations, as well as about the support of region or town where the companies operates.

Table 2: Extent of topics from the field of social CSR in the analysed annual reports

Size of the company	S6	S7	S8	S9	S10	S11
large	23	21	15	6	20	27
medium	2	2	2	0	1	2
small	1	2	1	0	0	2
undefined size	2	2	1	1	2	3
In total	28	27	19	7	23	34

Source: Own processing

In the social field of CSR (Table 2) companies inform about the quality of their products and services with regard to their customers, business partners or suppliers and about measures securing safety and protection

19 ŠTIGLIC, M.: *Neparametrické štatistické metódy a ich ekonomické aplikácie*. [online]. Bratislava : STU v Bratislave, Stavebná fakulta, 2009. Available at: <<http://web.ics.upjs.sk/svoc2009/prace/3/Stiglic.pdf>> [8.4.2014].

of health at work They less devote to observance of the policy of equal opportunities and the least space is devoted to anti-corruption policy. From the point of informing stakeholders the companies are most active in the environmental field of CSR (Table 3).

Table 3: Extent of topics from the field of environmental CSR in the analysed annual reports

Size of the company	EN12	EN13	EN14	EN15
large	23	26	20	16
medium	2	2	2	1
small	2	2	2	0
undefined size	3	4	2	1
In total	30	34	26	18

Source: Own processing

Despite the small research sample of companies it is possible to observe the variedness of topics which are followed by these companies within CSR. Concerning the sector the relation between the sector and reporting of quality of products and services is statistically significant (Table 4). The value of probability p is 0.04, which is less than 0.05 (selected level of significance $\alpha = 0.05$). This significance can be observed mainly in the sector of iron-milling, services and civil engineering. Therefore, we can state that the companies of selected set (from the sample of 50 companies there are 6 of them which published their annual report) which make business in the field of iron-milling, services and civil engineering pay attention of quality of their products and services.

Table 4: Kruskal-Wallis test – dependence between sector and evaluated category of quality of products and services

		Quality of products and services
Chi-Square		27.121
df		16
Asymp. Sig.		0.040
Monte Carlo Sig.	Sig.	0.002 ^c
	99 % Confidence Interval	Lower Bound
		Upper Bound
		0.001
		0.003

Source: Own processing

Selected sample of 38 companies publish in their annual reports mostly information represented in categories of Defining strategy in the economic field (100 %), Quality of products and services (89 %) and Environment protection (89 %). Similar results were achieved also by Kašparová and Škapa²⁰, who assessed annual reports of 52 Czech and 30 Slovak companies. Information from the category Quality of products and services and Environment protection were the most represented in annual reports of 30 Slovak companies. Less represented topics in annual reports were topics in categories Observance of policy of equal opportunities (50 %), Awarding of the company in the environmental field of corporate social responsibility (47 %) and Support of local suppliers (37 %) The category Anti-corruption policy was represented only in 18% of companies.

Conclusion

The concept of corporate social responsibility started to appear in Slovakia in the 90s of 20th century and since then the companies try to introduce principles of this concept into their activities. It is clear from the analysis of annual reports of 50 companies operating in Slovakia. Despite the fact that this sample was not representative it highlighted the fact that activities conducted by business activity of companies contain components of the social responsibility concept, although these companies are of various sizes and operate in different sectors. Based on the results of the analysis of individual annual reports it is possible to state that selected companies aim their CSR activities mainly at the quality of offered goods and services, as well as at the protection of environment and they try to conduct activities leading to economisation of used sources. Substantial part of annual reports of companies is devoted to reporting about their economic activities since this information is essential for presenting the overall economic performance of the company. On the other hand, reporting of companies in the field of anti-corruption policy and the policy of equal opportunities is on

20 KAŠPAROVÁ, K., ŠKAPA, R.: Sociální zodpovědnost ve výročních zprávách českých a slovenských podniků. In *SEMAFOR 2007. EKONOMIKA FIRIEM 2007: Zborník z medzinárodnej vedeckej konferencie konanej v 19.-21. septembra 2007 v Košiciach*. Košice : Ekonomická univerzita v Bratislave, Podnikovohospodárska fakulta so sídlom v Košiciach, 2007, p. 275-289. [online]. Available at: <<http://semafor.euke.sk/zbornik2007/zbornik.html>> [12.3.2014].

a rather low level. 12 companies did not publish their annual reports which points out the fact that even at present companies are not able to fully use individual tools of marketing communication by which they lack the opportunity to effectively communicate with individual customers.

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INNOVATION IN COMMUNICATION OF BRANDS

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Abstract

The paper deals with the innovation in communication strategies of selected brands – AIR Bank, Bernard and LAMA mobile. At first it deals with the challenger brand category as it is written in the book by A. Morgan. As it is mentioned then the paper describes the innovative communication strategies of Czech brands including pictures from campaigns. And the innovations we could see in new media types as well – the brand could be different only with using new media types in communication.

Key words:

AIR Bank. Bernard. Communication. CSR. Innovation. LAMA mobile.

Introduction

At present, many competitors offer similar products at similar prices. What they may be distinguished with - and thus gain competitive advantage - is called „customer experience“ within marketing – here we mean the overall feeling that the client takes away, “says Rastislav Kočan from the company GfK.¹ It is exactly the customer experience, which can take many forms. The most explicit one is a positive customer experience across all channels, which may be affected by marketing – from a reliable product or service, through a single delivery service and fast service, through a pleasant experience at the shop up to creating lovemarks in customer minds.

1 Innovation in communication and brand strategy

As already mentioned above, present-day products and services and their benefits for the customer do not differ so much. However, what can distinguish different brands is their innovative communication strategy. This can also be slightly polarizing in order to draw attention. In this respect, there was created the theory of challenger brand. It means that it is a brand number two or three in the market (often even number 18), where there already exists a much bigger leader – the established

1 KSENZSIGHOVÁ, B: *Špehující zákazníci*. In Profit, 11. 6. 2014, p. 26

brand. Very often, in this regard there is mentioned the story of David and Goliath – innovation and competition for customers compared to the brand with a strong confidence in the market and with considerable force. An example of a challenger brand strategy was e.g. the company Avis, which – in the market where dominated the company Hertz – came with positioning: We are number two, so we have to work harder.

In this respect, a challenger brand can use several approaches as follows:

The Missionary

- What the others do wrong change into something, which is good.
- Come up with a mission to change the status quo.

The Democratizer

- It is based on the role of Prometheus – we take the wholesale prices, exclusive conditions and all of this we give to everybody.

The Real and Human Challenger

- A very human brand in the market, which is a corporate one.
- Nevertheless, humanity has to emerge in all areas, not only in communication; therefore this strategy building is very complex².

In the Czech market, we may consider as innovators in the communication strategy three brands – the AIR bank, the brewery Bernard and the LAMA mobile.

1.1 The brand of Bernard

The first of them is the Bernard beer brand, which belongs to the entrepreneur Stanislav Bernard. He does not invest a lot of money into advertising, but he builds the brand through a provocative communication on OOH areas, where he tries to express his views and opinions on current issues that resonate in society. As stated at the conference Brand's new day on 6 November 2012: „*One's own pathway forms the brand*“.³

The essence of the brand Bernard and its values are as follows:

- family's;
- unpasteurized;
- harmonic;
- cultish.

Within the cult, there are following values:

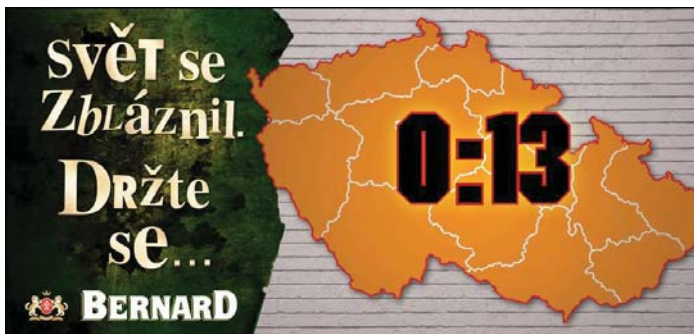
- story;

2 MORGAN, A.: *Eating the big fish*. John Wiley & Sons, 2009, p. 24.

3 Published on conference Brand's new day

- own opinion;
- retro;
- different/differentiating;
- stylish;
- expensive/rare;
- lifestyle „freedom“.

It is just cultish values, which the brewery Bernard seeks to transpose into their communication:





Picture 1 – 4: OOH areas of the brewery Bernard

Source: Different webpages

Picture 1: The world has come mad. Keep your chin up... Amnesty in Czech way

Picture 2: The world has come mad. Keep your chin up... Today from PET, tomorrow from a bag.

Picture 3: The world has come mad. Keep your chin up...

Picture 4: The world has come mad. Keep your chin up...

1.2 The brand of AIR Bank

The second example is the AIR Bank. It completely changed the view of the banking market and communication of financial institutions. It used the position of the *The Real and Human Challenger*. Thus, innovation went through all the scales of the new bank. At the beginning, the AIR Bank had first created brand values and to them the product offers were adjusted. It drew attention mainly by its specification towards major players.

As stated at the conference Brand's new day on 6 November 2012 by the marketing director of the AIR Bank Jakub Petřina, at the beginning their endeavour was based on the following insights of the brand:

- AIR Bank must be elegantly simple;
- AIR Bank must be open and trust saying;
- AIR Bank must be courageous⁴.

4 Published on conference Brand's new day



Picture 5: Display from the AIR bank advertising
 Source: materials of the company AIR bank

Another view of the banking world and the relationship with clients penetrated across all activities of the AIR Bank so as to fill their claim: You can even love a bank. For example, prohibition signs, to which customer is accustomed to see those on the door of the branch of a casual bank were exchanged by permissions.



Picture 6: Prohibition signs of other banks
 Source: materials of the company AIR bank



Picture 7: Signs from the doors of the AIR bank branches
 Source: materials of the company AIR bank

The AIR Bank also completely simplified and changed the language of their terms of trade. Again, in a way so that everything worked towards accomplishment of the bank's claim: You can even love the bank:

To all who do not like compulsory reading

It is no fun to read trading conditions. Definitely, it cannot be compared with reading your favourite authors. However, trading conditions are here not for fun and amusement, but for setting the game rules. You may not have time right now to study them properly. Therefore, we selected what you should definitely know at two pages.

Is it really You all the time?

There are many ways how you can use our services. Our time favours you to be able to cover as many things as possible comfortably from your home or using your mobile phone without seeing each other. Therefore, we will detect all the time if it is really You. Ways of verifying your identity are different when at the branch, on the phone or at home.

If anything happens, you will tell us

Not everything happens as we wish all the time. Sometimes it can happen that there occurs something which could lead to difficulties when using services. For example, you may be stolen your card or a mobile phone. In such a case let us be informed as soon as possible and we will be pleased to help you.

Indeed, the bank used the innovation really completely everywhere, where it came into contact with customers. Including in complete details such as for example a warning for the monitoring of bank premises.

While in a traditional bank it looks like this:



Picture 8: Prohibition signs of banks

Source: materials of the company AIR bank

In the AIR Bank the customer comes across more innovation in this area:



kamera jede

Při každém výběru
i vkladu hrajete ve filmu.

Prostor bankomatu kvůli případným záporným hrdinům
monitorujeme a záběry uchováváme.

Picture 9: Sign of the AIR bank (The camera is on. At each withdrawal and deposit you are also playing in a movie. We monitor the space at the banklink due to possible baddies and we keep the footage.)

Source: materials of the company AIR bank

1.3 The brand of LAMA mobile

LAMA mobile entered the mobile operators market at pre-Christmas time, when there is traditionally a specific communication period – large operators are planning massive campaigns with a specific Christmas offer. Therefore, it is much more difficult to attract attention of customers in this period. This is why the LAMA mobile decided for strong communication.

For LAMA mobile at the time of its establishment, there mostly suited the missionary a bit in combination with the real and human challenger. This means, that the brand wanted to show that the others (current national operators and small competitors) are doing it wrong, wrongly use the customers or they tempt them from trap to trap. The mission of LAMA mobile was to change this situation and to bring an offer really beneficial for the people.

Thus, the communication proposition was as follows:

- The first operator which means it really well with you.
- All operators have been robbing you. They make something cheap only if there is no other choice.

- They are looking for the tricks how to fetch out more from customers. They do not want people to know LAMA. LAMA – unlike the others – means it really well with you.

On this basis, there was established the strategy of a challenger missionary: „All of them are BADOPERATORS, but we are fair and we want to change this market.“

Naturally, this has been reflected into the sole attributes of the brand:

- *Fair prices*

By other operators you will pay the same price for one second, therefore it does not matter whether you buy one or one hundred seconds. However, LAMA mobile provides its customers with cheaper time in case they buy more time. Simply, the more you call, the less you pay.

- *Second-based billing*

Other operators charge customers by the minutes, though some of them after seconds, but after the first minute. LAMA mobile charges its customers by seconds beginning with the first one.

- *No commitments*

Other operators try to chain up customers with a contract for years, for which they give them a small bribe in the form of a telephone or a slightly lower price. LAMA mobile knows that many people have no idea what can happen in a few years, and so it could happen that they would not be able to meet their obligations. LAMA mobile does not require any commitment, it means that the customer can leave anytime they want and do not commit themselves to anything.

- *No charges*

Operators charge a variety of fees, for example for the fact that a customer has passed to them. Therefore, LAMA mobile does not have any entrance fees.

- *You do not have to anywhere*

Other operators force their customers to come to the office when they need something to sort out, for example to change something. At LAMA mobile customers can sort out everything online.

- *No unnecessary administration*

The contract can be concluded over the phone or internet and it can be delivered to the customer by a courier.

- *Purely Czech company*

LAMA mobile has Czech owners, no multinational groups.

2 Innovations in communication carriers

In addition to innovation communication strategy, it is possible to appeal using communication at non-traditional or new carriers. It is more likely that the one, who will use the new carrier as the first one, will command more attention. This can happen e.g. through graduating of such a carrier and its use among professional marketing public. After all, each of us is a customer. In September 2014 there appeared a newie at the company BigMedia on the Slovak OOH market. It is the so-called ShowCase, by means of which advertisers directly exhibit their wares. The business centre Eurovea was the first one to use this form of OOH carriers.



Picture 10 – 12: OOH communication of Eurovea

Source: www.strategie.sk

Conclusion

Innovation in communication has and gradually will have its limits, when the possibilities and opportunities in the market run dry. What will be more used when influencing customers will be CSR activities of brands? In the developed world, there grows the amount of people who think that the task of the company is not only the maximization of profit for the owners and shareholders. The companies should simply give something back to people. Otherwise, they only parasitize in the system. And there are increasingly more people who do not want to support parasites.⁵

5 MAREČEK, R.: *Čo ste dnes urobili pre dobro sveta?* [online]. Available at: <http://www.strategie.sk> [3.7.2014].

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ABILITY TO CREATE AND ADOPT INNOVATIVE CONCEPTS ON SLOVAK ADVERTISING MARKET

Dáša Mendelová

Abstract

The paper aims to present partial results of a research which dealt with identification of the current tendencies associated with innovative processes and their implementation into Slovak advertising environment. The goal of the paper is to identify the ability of the subjects operating on Slovak advertising market (advertising agencies and advertising clients) to create, but also to accept and implement innovative communication concepts. The text is therefore divided into two main parts; the first part of the paper pays attention to advertising agencies and their potential to create new, innovative advertising content. The second part places emphasis on the ability of advertising clients to accept and implement innovative concepts in terms of their marketing communication strategy. Our objective is not only to define the existing opportunities for creation and implementation of innovative advertising concepts, but also to point out the barriers related to the whole process of creating innovative advertising content and uncertain willingness of advertising clients to adopt such ideas and present them publicly. The paper thus reflects on two different levels of the given issue – theoretical as well as practical. The theoretical part of the text is based on the existing knowledge on innovation theory and innovation processes in the field of marketing communication. The practical implementation of such knowledge gives us an opportunity to define the specific conditions on Slovak advertising market associated with innovation processes, including current discussion topics and issues. The paper thus offers a complex set of knowledge on innovation processes in Slovak advertising and may serve as a referential and / or educational material, mostly aimed at professionals working in the field of marketing communication, as well as at theorists and academics who deal with the issues of innovation, advertising or marketing communication as such.

Key words:

Advertising agencies. Advertising clients. Barriers. Innovation. Innovative concepts.

Introduction

Ongoing technological development all around the world is bringing us a lot of changes, improvements, innovations. Especially the development of the Internet and so called “smart technologies”¹ has given us many

1 SOLÍK, M.: We move to the smart world (k problému digitálnych technológií

opportunities to use a huge number of possibilities of accessing new information and solving both new challenges and emerging problems. What has been considered “innovative” before is nowadays just a thing of the past.² A company, i.e. any subject that operates on the market and strives to gain success, must take into account and – what is most important – also adopt and implement innovations even into its corporate production processes. The fields of advertising and marketing communication are no exception.³ Advertising agencies should not forget to follow existing trends and create advertising campaigns that are modern, effective and designed to match the demands and expectations of the clients. On the other hand, we may discuss the question of the extent to what are the advertising clients able to adopt innovations in terms of marketing communication. The following text aims to present the partial results of extensive research⁴ that deals with the issue of innovation processes in terms of Slovak advertising environment. The goal of the paper is to answer two questions in particular – are Slovak advertising agencies able to propose and create innovative concepts and are their clients able to adopt such concepts and implement them into their communication strategies? It is therefore very important to identify the barriers to creation and / or implementation of innovative advertising concepts.

a kognitívnych procesov). In *Marketingová komunikace a společnost*. Praha : Vysoká škola finanční a správní, 2014. p. 178 - 187.

- 2 See also: ZAUŠKOVÁ, A. et al.: *Kreativny projektový manažment*. Trnava : Univerzita sv. Cyrila a Metoda v Trnave, 2014. p. 34 - 55.
- 3 See more: MENDELOVÁ, D., KRAJČOVIČ, P., KRETIKOVÁ, E.: Mediálny trh a možnosti jeho inovácií. In *MMK 2014: Mezinárodní Masarykova konference pro doktorandy a mladé vědecké pracovníky*. Hradec Králové : Magnanimitas, 2014. p. 642 - 650.
- 4 The research was conducted on 2nd – 6th June 2014, using a research sample consisting of 20 Slovak advertising agencies and 25 Slovak advertising clients. The research questions were divided into 8 categories. The research aimed to offer a complex set of knowledge on the current state of innovation processes on Slovak advertising market and to define the criteria of evaluation of such processes. Research categories included: definition of innovation in marketing communication and advertising, importance of innovation, determination of parameters of “innovativeness”, relationship between innovation and effectiveness, innovations and their influence on establishment of creative teams in advertising agencies, ability of subjects operating on the advertising market to create and adopt innovative concepts, innovations and their influence on budget creation, innovations and specific market segments.

1 Advertising agencies' ability to create innovative concepts

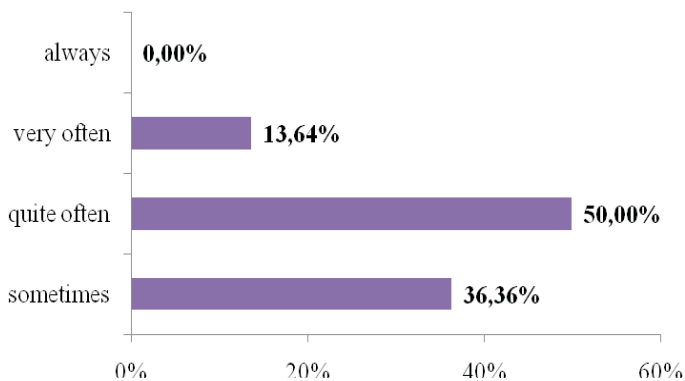
This part of the research surveyed the companies that are among the biggest or bigger advertising clients in Slovakia. Research questions were divided into several subcategories as follows:

The questions for advertising clients:

- a) How would you characterise Slovak advertising agencies – in your opinion, how perspective are their abilities to offer innovative concepts?
- b) Advertising agencies come up with an offer of innovative communication concept:
 - always very often quite often sometimes almost never
- c) What is the most frequently declared reason that leads the advertising agencies to reject an innovative concept proposed by your company (or are they not able to realise it)?

The aim of the questions: quantitative evaluation of the ability of advertising agencies to offer and realise innovative concepts. We define the current state of matters in terms of relationship between innovation and advertising agencies. Another goal of this category is to define and characterise factors that influence the advertising agencies' ability to offer, create and realise innovative concepts.

Advertising agencies come up with an offer of innovative communication concept:



Graph 1: The ability of advertising agencies to offer innovative concepts

Source: Own processing, 2014

As pictured by Graph 1, the most frequent answers related to the question of advertising agencies' ability to come up with innovative solutions are "quite often" and "sometimes". Despite this fact, we may conclude that, in terms of discourse analysis of the given answers, the respondents' reactions were much more positive, as we illustrate by specific statements: *"We witness innovative concepts being created", "Slovak agencies are, generally speaking, very open to the idea of offering creative and innovative solutions in the context of Slovak and European market and other circumstances", or even "In Slovakia, we have some of the best advertising agencies in general. They work according to 'There are no limits to creativity' principle."*

It cannot be denied that most Slovak advertising agencies are able to come up with interesting, attractive and modern projects since many of these projects and ideas have been successfully implemented and publicly presented through advertising campaigns. Slovak advertising agencies try their best to keep up with European and global trends related to new communication concepts. After all, this statement can be proved by the amount of successful advertising projects that are annually presented by Slovak competition **"Golden Nail"⁵ or are able to succeed at competing with foreign agencies in international contests or advertising trade fairs.**

Factors that influence the advertising agencies in terms of creation of innovative concepts for advertising clients:

- **Placing emphasis on effectiveness, functionality and possibility of realisation** – the real challenge related to the work of advertising agencies, which is often very hard to address, is to create an idea that is able to entertain, raise interest and step out of mediocrity by being original and special, but also to fulfil marketing and communication

5 Golden Nail (in Slovak "Zlatý klinec") is the most influential competition that awards the most creative advertisements in Slovakia. It have been organised annually since 1994. The announcer of the competition is Ad Awards Association, Ltd. and the jury includes experts from companies such as Club of Slovak Advertising Agencies (KRAS), Art Director's Club Slovakia (ADC) and monthly journal *Strategies*. The expert committee therefore consists of the most influential persons working in Slovak advertising (the members of ADC) and foreign (mostly Czech) experts. The basic and only criterion of quality evaluation of contesting projects is the originality and innovativeness of their creative ideas and quality of the realisation. More information available on website: <http://www.zlatylinec.sk/>.

objectives (i.e. to sell products). Such creativity sometimes does not take into account the strategic goals of the client and is therefore ineffective,

- **The level of experience with execution of innovative solutions** – Slovak advertising environment includes agencies that are far more experienced than some of their competitors in terms of innovative projects, considering the portfolios of their clients. However, there are also some agencies that are, at least in the field of innovative campaigns, quite inexperienced. This fact is related to another factor, which is:
- **The “forwardness” and “openness” of clients** – willingness of a client to take an opportunity to use an innovative form of communication that is different from present or past standards. Lower number of innovative concepts is often associated with conservativeness of the clients and their tendency to fulfil tactical short-term objectives; of course, another barrier to the innovation process is based on financial limitations. However, we sometimes may encounter a case when the problem is, paradoxically, associated with lacking “courage” of an advertising agency to offer an innovative solution based on a new, non-standard communication form in order to meet the specific wishes and desires of a conservative client,
- **Time schedule and workload of the staff** – the capacity and innovativeness in thinking and solutions proposed by individual staff members is, to a great extent, influenced by the amount of assigned projects. The staff members working in advertising agencies are often “overloaded” by work and therefore under constant pressure; the lack of time prevents them from reaching their 100 % performance and from offering satisfying solutions to their clients in terms of timing or budget,
- **The lack of specialists and unwillingness to consult the possible solutions with external agencies** – the need for occupying important work positions,
- **Optimisation** – the ability of an advertising agency to pick the most suitable innovation for the given market segment / client, to be empathetic and become familiar with the client’s needs and desires. Another important factor is the enthusiasm on both sides and mutual trust.

2 Advertising clients and their ability to accept innovative advertising concepts

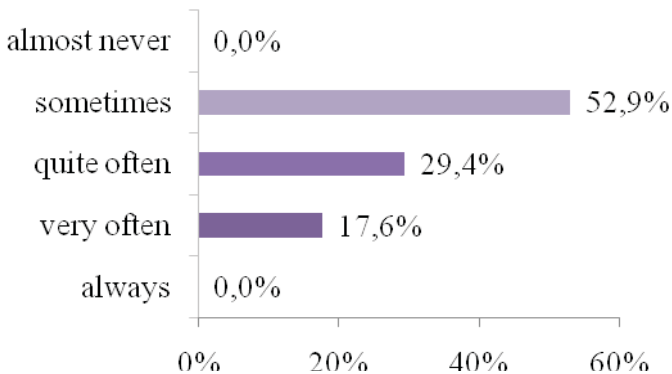
The second research question aimed at advertising agencies was formulated similarly to the first research question stated above. The advertising agencies were supposed to share their experience in terms of willingness of the advertising clients to adopt innovative concepts included in proposed advertising campaigns.

The questions for advertising agencies:

- a) *How would you characterise, generally speaking, the advertising clients in Slovakia? How would you define their ability to adopt innovative concepts?*
- b) *Slovak advertising clients are prone to adopt innovative concepts:*
 always *very often* *quite often* *sometimes* *almost never*
- c) *What factor is the most frequent reason for rejecting an innovative concept?*

The aim of the question: *quantitative and qualitative evaluation of the ability of Slovak advertising clients to adopt innovative concepts and identification of barriers and limitations that lead to rejection of innovative ideas. The main goal is thus to identify the current state of matters in terms of the relationship between innovations in the field of advertising and advertising clients.*

Slovak advertising clients are prone to adopt innovative concepts:



Graph 2: The ability of advertising clients to accept innovative concepts

Source: Own processing

The results of creative contests and competitions related to effectiveness show that Slovak advertising environment includes many interesting and outstanding campaigns that push forward the boundaries and possibilities of advertising. Despite the results shown in Graph 2, we may point out that Slovak marketing professionals are, in general, open to the idea of innovative ad campaigns, but this attitude is influenced and determined by many different factors.

Slovak marketing specialists are often “managed” by standard operative processes and it is therefore very hard to “break out” of the ordinary daily routine and to start to think about adopting innovative and so called “out of the box” solutions. The main challenge associated with creation of innovative ideas is, from the viewpoint of advertising agencies, to present such an innovation properly and encourage the client to implement this non-standard solution to practice. It is mostly about the skills and power of advertising agencies, about their opportunity to act as role models in terms of innovativeness and, above all things, to be certain guarantors of practical (and successful) realisation of innovative concepts.

The overall situation is, naturally, influenced by so called “scarce budgets” typical for the contemporary advertising. For this reason, besides other factors, the clients prefer “certainty” of success and “classic”, previously verified solutions. We may even state that financing and budget limitations are one of the key problems related to acceptance of innovative ideas by the clients.

Of course, there are also many business subjects that see the innovative solutions as necessary requirements included in the tasks assigned to advertising agencies and these types of solutions are thus expected in the first place. This kind of advertising clients takes into account that the advertising market is currently in the era of “advertising blindness” and, for this reason, they tend to support innovation activities and projects.

“Human factor” is a very important aspect of the ability to adopt innovations in terms of creation of advertising campaigns. This fact may project itself into a certain “DNA” of a firm that consists of corporate culture, management and key staff members that work in marketing departments, product departments or in departments of communication, business strategy, etc. This statement suggests that the ability to adopt innovative solutions depends on professionalism, attitude, courage and nature of workers accountable for advertising campaigns and, partially,

even on the market segment the specific company is a part of. Experienced marketing specialists see innovations as the inevitable parts of their marketing strategies. Most professionals agree that a company will never be innovative without having an innovative leader first. Such an innovative leader is able to accept the fact that any innovation is a matter of corporate philosophy and it is necessary to invest certain resources in order to fulfil the desired communication goals or business objectives.

The ideal solution may be achieved through a meeting attended by both a creative team and representatives of an advertising client, through applying ideas and technologies that are suitable for specific products or services, as well as through proper setting of expectations and budget limitations.

Identification of barriers and limitations

When receiving rejections of their innovative concepts, advertising agencies often encounter expressions such as “too bold”, “too expensive”, and “untested”. The most frequent reasons for rejecting innovative concepts include:

- **Uncertainty and doubts related to new, so-far-untested procedures**

Many innovative concepts are, for obvious reasons, untested so the agencies have no results to support their opinions on the prerequisites of success of such ideas and projects. A lot of advertising clients want to see previous implementation of the concept (e.g. in a different market segment) and they are willing to give it a try only after verification of its previous effectiveness. This fact refers to the current economic situation; many clients lack confidence in terms of adopting innovative ideas and they therefore prefer verified concepts. This barrier may be defined as a fear to enter “uncharted waters” and related lack of courage to adopt an innovative concept, improve it and make it more complex.

- **Finances and budget limitations**

This category includes conservative approach to budgeting and insufficient financial resources. Many innovations can be implemented only on a basis of using a considerable amount of financial resources. In many cases, advertising campaigns are not created and implemented with respect to their objectives, available resources, their own form, content and, last but not least, public presentation of the projects;

their effectiveness is thus problematic and positive results cannot be maximized.

• **Fear of failure of a campaign, i.e. uncertain results of a campaign**

Another relevant aspect is the distrust associated with an innovation's ability to deliver the desired results. The fact that marketing specialists are often unable to estimate the impact of a new approach to advertising also seems to be highly relevant. In this case, the differences between "classic" advertising clients and younger companies or start-ups are quite obvious. Huge corporations do their business under constant pressure related to expected results and failures are thus unwelcome and inadmissible – on the other hand, head managers of such companies, who hold whole brands and trademarks "in their hands", are more willing to adopt innovations and chase the vision of exponential results that cannot be achieved by "classic" communication.

• **Vagueness and inconceivability for customers**

Advertising clients often fear that innovative forms of communication would be too metaphoric and the real applicability of the given innovation would not be communicated at all. It is necessary to make sure that the innovation will support acceleration of the real use of advertised product.

• **Difficulties related to change**

This factor includes internal processes and difficulties of their change. Innovative solutions often involve coordination of a much wider group of people on the side of a client, not only involvement of a company's marketing department.

We cannot avoid the statement that Slovak advertising market is still quite conservative. According to some experts who work in advertising agencies, Slovak market is, compared to foreign markets, still "behind" and enthusiasm for new things comes with a two- or three-year delay. These experts consider the existence of online generation as a positive factor, which is finally getting a proper marketing position and makes the advertising clients reconsider their conservative working stereotypes. This generation cares about the quality of content, which is reflected by the change in the ratio of consumption of various media types.

Another factor affecting Slovak companies and advertising as such are the changes caused by the global economic crisis. Since the climax of the crisis, Slovak business entities (of course, this statement is not

just a matter of business in Slovakia) have not addressed the thorough planning for a longer period of time. The environment is vital and shaky; conditions of the external environment and internal adjustment of companies are far more flexible and ready to respond quickly. In such an environment, innovations are doing quite well since the established schedules are being abandoned and more clients are looking for a rapid response and more dynamic range of supply. These facts can be seen as positive, but, as mentioned above, the Slovak market is still not as full of novelties and innovations as other markets.

Certainly, it is also clear that Slovakia is a small commercial market and it is therefore difficult to expand this market by adding new segments that may not even exist in Slovakia yet. In Slovakia, innovations that are imported into communication from the “outside” often cannot even find their end customer / consumer. Thoughtful advertising clients (companies) will have to ensure the adequate performance of their brands and products still mainly through traditional media and more standard ways of communication and then – when there is an appropriate target group or a specific product – they will be able to venture into original and playful creation of marketing strategies and innovative communication of innovations as such.

Conclusion

Despite many positive assessments, whether in case of advertising agencies or advertising clients, we may conclude that the most significant problem of Slovak advertising market – in terms of innovation processes – is related to vague results of such innovative communication content (advertising campaigns). Since many innovative concepts are not tested in advance and thus it is not possible to determine their approximate effect or impact, the chance of failure of such campaigns is quite high. These barriers and limitations are often related to both groups of subjects addressed in the paper (advertising agencies as well as advertising clients). Another question is: Are the consumers themselves, i.e. the target groups of the specific products or services, ready to accept such innovative solutions and innovative communication forms? This essential question gives us an opportunity to conduct further research into innovation processes that should – as we suggest – take into account the sociological dimension of innovation. The main issue here is the fact

that innovations may come into existence much faster than we are able to process and accept them as a part of our everyday lives.

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THE ADVERTISING TEXT AS A TOOL OF BUILDING A SOCIAL AND CULTURAL IDENTITY

Jiří Pavelka

Abstract

The paper analyses and interprets the sign texts whose communication medium is a book cover. The paper tries to demonstrate – on the specific examples of the book covers of the book by the American author G. Ritzer *The McDonaldization of Society*, which is probably the most translated title of sociological literature at the turn of the 2nd and 3rd millennia – that the book covers represent not only an innovative form of semiotic and cultural transfer and an innovative marketing and advertising tool of communication, but also an efficient tool for building a social and cultural identities and a tool for some critical reflection of the world.

Key words

Advertising communication. Book cover. Semiotic and cultural transfer. Social and cultural identity.

Introduction

The theme of this study is the analysis of book covers of an American sociologist G. Ritzer *The McDonaldization of Society*,¹ which has been translated into more than twenty languages. The author has reworked this book several times, in spring 2014 its 8th edition was published in the U.S.A. This work became a bestseller book and an influential title of sociological literature at the turn of the 2nd and 3rd millennia, among other things, thanks to a clear theoretical conception, popular and scientific focus, journalistic language and pathos of civil activism. Most book covers of Ritzer's books published in English and other languages are provided with illustrations. The illustrations on these book covers are – in terms of semiotic and narrative structures – imaginative and in meditative contents very different and in some cases even divergent.

The study – using the methods of semiotics, narratology, visual studies and dicoursology² – analyses, interprets and compares the front book

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- 1 RITZER, G.: *The Mcdonaldization of Society: An Investigation Into the Changing Character of Contemporary Social Life*. Thousand Oaks, London, New Delhi : Pine Forge Press – A Sage Publication, 1993.
 - 2 Compare: FAIRCLOUGH, N.: *Analysing Discourse: Textual Analysis for*

covers of Ritzer's books that stand out as a commodity on different linguistic, national, cultural, marketing, and consumer markets. The study therefore attempts to address a general problem: what is the cause of this variability and why do this differentiation and disproportion between two interconnected content plans of the book occur. It attempts to capture the form of the semiotic and cultural transfer between the initial English scientific texts of the American sociologist and the front pages of the book covers whose authors or co-authors are artists and editorial workers coming from different linguistic and cultural areas.

The study raises the question whether and how the contents which are hidden in the semiotic and narrative structures of the illustrations correspond with the content expressed in Ritzer's scientific text. The basic research problem and the basic research question of the study is what concepts and value orientation and communication strategy are expressed on the book covers and whether in this context also the concepts of social and cultural identity are applied, and – if so – what is the role of these discursive constructs in the processes of creating value and communication attitudes expressed by individual publishers as producers.

The study therefore attempts to solve a general issue using some practical examples: what are the possibilities and limits of conceptualization of a professional text in illustrations of book covers, whether and how can the concepts and constructs of social and cultural identity expressed by visual texts of a book cover act as tools for marketing and advertising communication.

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1 The research of social identities

The research on social identities (gender, professional, group, religious, political, subcultural, national, ethnic, cultural identity), as well as other phenomena connected with them, such as e.g. social roles, stereotypes, identity politics or designing identities (identity project), has its history and tradition within social sciences which was already described³ and whose concepts were classified and systematized and issues identified.⁴ The main premises for this study are the concepts of personal identity (self-identity), which become the result of reflexive discursive practices⁵ and which are modelled as a theory defining I/Self (self-categorization theory,⁶ and the concepts of collective identity that connect and bundle various forms of social identities.⁷

The identity is a multidisciplinary category linked with a large number of different theoretical, empirical and political concepts that cannot be connected into a single framework, which often promises more than they can explain.⁸ If we perceive it as a social category, so in its broadest sense it means the identification of an individual with over-individual values, standards, and cultural patterns of behaviour of a certain group of people. A more appropriate term than 'identification' is 'acceptance'. Acceptance of identities is probably not a matter of free choice. Rather, it means that an individual is predetermined or predestined due to his/her genetic heritage, social and cultural environment into which he/she was

3 GLEASON, P.: *Identifying identity: A semantic history*. In *Journal of American History*, 1983, Vol. 69, p. 910–931; STRYKER, Sh., BURKE, P. J.: *The Past, Present, and Future of an Identity Theory*. In *Social Psychology Quarterly*, Vol. 63, No. 4, p. 284-297.

4 BROWN, R.: *Social identity theory: Past achievements, current problems and future challenges*. In *European Journal of Social Psychology*, 2000, Vol. 30, p. 745-778.

5 GIDDENS, A.: *Modernity and Self-Identity*. Stanford : Stanford University Press, 1991.

6 TURNER, J. C., HOGG, M. A., OAKES, P. J., REICHER, S. D., WETHERELL, M. S.: *Rediscovering the social group: A self-categorization theory*. Oxford : Blackwell, 1987.

7 ASHMORE, R. D., DEAUX, K., MCLAUGHLIN-VOLPE, T.: *An Organizing Framework for Collective Identity: Articulation and Significance of Multidimensionality*. In *Psychological Bulletin*, 2004, Vol. 130, No. 1, p. 80-114.

8 BRUBAKER, R., COOPER, F.: *Beyond identity*. In *Theory and Society*, 2000, Vol. 29, No. 1, p. 1-47.

born, influenced by the groups and individuals he/she communicates. And all this occurs despite the fact that the identities of individuals and groups are formed and changed over the time.

The individual creates his/her identity in the process of searching, performing and reflecting social roles. Identities of individuals, including their personal identities and those of groups, arise in specific social processes, when the individuals, groups and the entire communities try to fulfil certain roles, when they get a certain status (status) in social, societal, national and international hierarchy, when other individuals, other groups and communities react to their behaviour.

The identities are formed and regulated by institutions, e.g. family, school, work and profession, religion, political party, army, interest group, regional culture, nation, state, arts, mass media. These institutions – in the form of discursive practices, whose manual includes mainly ethic, legal, philosophical, religion, political and professional myths and codes – specify how someone has, may, and must do something and on the contrary they must not, does not have to, and does not need perceive, experience, communicate and do something. Identities form an essentials part of these practices, so they work as a regulatory tool of a human communicative, i.e. mental, communication and social behaviour.

The research of identities makes for – due to the activities of social psychology, sociology, cultural studies and social and cultural anthropology and political science – two basic, not always interconnected and connectable directions: on the one hand it takes the form of empirical research focusing on the area of behavioural, cognitive structures and value orientations of individuals and groups, on the other hand it takes the form of theoretical modelling of the social identities phenomenon. The third way how to study the issue is offered in this paper. Using the qualitative research methods, it examines and compares and evaluates the most saturated products of communicative behaviour of a man from the viewpoint of information – media products.

2 A book cover as a semiotic and cultural transfer and a tool of marketing communication

The printed book cover is a specific and separate communication medium carrying an interconnected whole.⁹ A book cover in marketing communication works as a label informing about the contents of the book and it has also a function of a protective packaging of the product. Above all, it is a bearer of the advertising messages. The envelope has to make customers buy it and consult the book. The design of the book covers and its advertising communication strategy is subordinated to this purpose, and at the same time the advertising “*is the most visible tool of a marketing mix*”.¹⁰

The standards that define and influence the design of the book cover depend on the rules of building the book covers valid in the cultural space-time and these rules are determined and influenced by the contemporary cultural paradigms. On the one hand, there are general contemporary communication conventions, including religious, political, advertising, literary and artistic discourses; on the other hand, there are processes and components that determine a particular book production.

Making the book cover is the result of an independent production system that receives a large communication range of subjects and factors, among others, the author of the literary text, the owners of the publishing right, (owner) publisher, the author of the book covers and illustrations, translator, editor, lecturer, book market, economic situation, social and political context, legislation, censorship. The book cover of the printed book is copyrighted, regardless of the fact whether the creator of the book cover and illustration is one or more authors. The co-author of the book cover is always among others, also the author of a literary product, as is the creator of the title of the book.

3 Methodology of making the selective research sample

The basic research set is small and relatively easy to grasp. It consists of all editions of the book *The McDonaldization of Society*, which was legally

9 BOHATCOVÁ, M. et al.: *Česká kniha v proměnách staletí*. Praha : Panorama, 1990.

10 PELSMACKER, De P., GEUENS. M., BERGH, J. van den: *Marketingová komunikace*. Praha : Grada Publishing, 2003, p. 26.

published in English and in many translations, by the first edition of the book (1993) up to the time of this study (end of 2014) and which entered the international library information system ISBN. These books are mandatory copies included in the national and university libraries, and are mostly available at on-line stores and bookstores. The given database of the book covers was collected using the tools that provide prestigious international web projects dedicated to books – as a bibliographical website of WorldCat (<http://www.worldcat.org/>), the website of Goodreads (<http://www.goodreads.com/>) and the on-line retailer of Amazon (<http://amazon.com/>). Website of G. Ritzer was also used as an information database (<http://georgeritser.wordpress.com/vitae/>).

Considering the limited scope of the study, it was not possible to analyse all the book covers, which were contained in the mentioned databases, although their number (33) is in the range of analytical tools of qualitative research methods. It was not necessary either, because the book covers showed the consensus on the character and structure of the mediated contents.

The book covers were divided into two groups; one was representing the book covers without illustrations, the other one with illustrations. Eight different structural types of book covers with illustrations were identified and gradually interpreted. The classification criterion of these groups was the way how the illustrations visualized both the concepts expressed in the literary text of the book, and the concepts that were developing and overlapping the literary text, or they did not have any support in the literary text.

The key classification criteria became particularly the ways how they visualized the concepts of cultural, social and collective identity relating to the transnational corporation of McDonald's, towards the clients of this corporation and towards the spatiotemporally definable target audiences of the books. If there were more book covers in the individual structural groups found, the most clear and most successful illustrations from the structural, content, attitudinal and aesthetic point of view were selected for the analysis and interpretation.

4 The first edition of Ritzer's monograph *The McDonaldization of Society* and the value attitudes expressed in the title and the literary text of the book

The literary monograph of *The McDonaldization of Society* was published for the first time by Pine Forge Press, CA, the U.S.A., in 1993. The colophon page presents "A Sage Publication Company" as a publisher, and London and New Delhi as a place of edition. All the American editions of the books were also published in these publishing houses.

The title of the book *The McDonaldization of Society* is not neutral as far values are concerned. The phrase "The McDonaldization of Society" has a metonymic form of "pars pro toto" (Latin *a part (taken) for the whole*), which means that McDonald's corporation represents a significant institution affecting the society. The value-neutral title would be e.g. the one of "The McDonald's and Society". The neologism of "McDonaldization" became the starting point for the author and the basis for creating the concept expressing and identifying general developing trends operative in the American society and culture, but also in other national and state contexts. It focuses, therefore, on a broad international readership audience. However, as to the expression of the author's attitude to McDonald's, or to the McDonaldization, we can consider Ritzer's title value-neutral. It does not say whether the McDonaldization is a process with positive or negative effects and consequences.

G. Ritzer's monograph *The McDonaldization of Society* interprets a clear and condensed theoretical model of social changes affecting the western civilization in the late 20th century. Ritzer's basic theoretical starting point is the concept of rationality that was created and applied to the bureaucracy by M. Weber. This German sociologist showed in the analysis of process of rationalization of management the society (bureaucracy) that its enforcement has illogically counterproductive (irrational – "unreasonable") social consequences.¹¹

According to G. Ritzer, irrationality (of rationality) "means that rational systems are unreasonable systems – they serve to deny the basic humanity, the human reason, of the people who work within them or are served by them. In other words, the rational systems are dehumanizing

11 M. Weber explained his concept of bureaucracy in his (posthumous printed) work *Wirtschaft und Gesellschaft* (Tübingen : Mohr, 1922. 840 p).

systems.”¹² On McDonald’s corporation management, G. Ritzer showed that rationally designed, i.e. effective, calculable, predictable and controllable production system begins to control people and their lives similarly as it does a totalitarian political system that is interfering with their privacy and affecting their fundamental values. In conclusion of this study, the author even provides an individual activist guidance: how to subvert the process of the McDonaldization.

5 The media potency of illustrations on the book cover of Ritzer’s monograph

5.1 The research questions

In the following text I will deal with the issue-question of what concepts are expressed through the book covers, what value attitudes the individual book covers take to the phenomenon of the McDonaldization, how they are constructed, and what types of relationships were created between the book covers and Ritzer’s monograph.

5.2 The book covers promoting the corporate identity and brand name of McDonald’s

The German front book cover of 2005¹³ shows a photo of a hamburger in a symbolic flagship role of the product McDonald’s portfolio; while the Chinese book cover of 1999¹⁴ shows the logo of the corporation. The media options of these illustrations are limited, because they used mechanically introduced symbols and are articulated exclusively by means of marketing communication conventions. In the situation, when the illustrations on the book cover is represented only by a logo or image-making product of McDonald’s corporation, then the book cover play the role of advertising – they advertise the company, its products and support its corporate identity and brand identity. They act as branding and advertising image-making promotion. The same situation would

12 RITZER, G.: *The Mcdonaldization of Society: An Investigation Into the Changing Character of Contemporary Social Life*. Thousand Oaks, London, New Delhi : Pine Forge Press – A Sage Publication, 1993, p. 121.

13 RITZER G.: *Die Mcdonaldisierung der Gesellschaft*. Berlin : UVK, 2005.

14 RITZER, G.: *社会的麦当劳化*. Shanghai : Translation Publishing House, 1999.

occur if there was a corporate mascot Ronald McDonald on the book cover.

There is a contradiction between the message of the book cover and the contents of the literary text of the book in the cases mentioned above. In terms of communication strategies, it is a descriptive, non-inventive solution of the book cover. The authors take positive attitudes to the corporation, while G. Ritzer is critical towards the management and policy of McDonald's corporation and the McDonaldization, too. In terms of marketing, this procedure can be accepted, because it uses the brand, which is among the most successful and most valuable ones in the world market.¹⁵

5.3 The book covers supporting the corporate McDonald's identity and brand and expressing the positive attitudes of consumers' audience to McDonald's company and its brand

Similar value orientations supporting the corporate identity and brand identity are included on the book covers depicting positive attitudes of consumers' audience to McDonald's company and its brand. This is the case of the Romanian book cover of 2011.¹⁶ The dominant and narrative hero of the illustration-photo is a huge inflatable figurine of a corporate mascot – clown Ronald McDonald who is floating among the skyscrapers. The photo informs that McDonald's corporation has been successful among the skyscrapers, i.e. in the developed western countries. Only a small group of Romanian readers will probably know that it is a shot of the famous Christmas pageant held from 1934 annually in Chicago.

A huge inflatable floating figurine of Ronald McDonald fixed by the ropes is carried by a group of people dressed in the uniforms of the corporate colours of McDonald's, red and yellow. Ronald McDonald wears a pair of skate shoes and is in a forward bent position of a finishing speed-skater with his left arm bent behind his back and his right arm stretched forward. His right thumb is straightened up, his fingers are clenched into his palm. This gesture, referring to ancient gladiator games, expresses mascot's victory and indirectly a well done job of the corporation. The fact that the corporation mascot is accompanied by a large group of uniformed

15 AYRAPETOVA, T.: *Report On The Financial Evaluation: Mcdonald's Corporation and Yum! Brands*. [online]. Available at: <<http://www.degruyter.com/view/j/cris.../cris-2014-0003.xml>> [25.10.2014].

16 RITZER, G.: *McDonalizarea societății*. Bukurest : Editura comunicare.ro, 2011.

“employees”, aims at building a positive image of the collective, corporate identity, and at the same time at forming identity images of supporters and customers with a positive relationship to the corporation and brand of McDonald’s restaurants.

A positive evaluating relationship to the company and a positive collective identity of the supporters and customers of McDonald’s restaurants is also expressed by Taiwanese book cover of 2002.¹⁷ The hero and the dominant feature of this illustration-drawing is a big yellow letter ‘M’, which rises like a rainbow over the rocky, defensive walls of a city. Outside the walls, there is the other participant of the simplistic illustration: a group of ten smiling faces and heads representing consumers of fast food restaurant.

In terms of the semantic transfer, the book covers – showing a positive corporate identity and brand identity of McDonald’s and positive attitudes of consumers’ audience to the company and brand of McDonald’s – mean nonsense. This is so because the authors of the illustration offer the contents of contradictory literary texts in the process of visual (iconic) labelling. The producers of the book cover, however, can find the support for their value orientation in value orientations and communication skills of the target audience who is the book intended to. The illustrations inform about the fact that the introduction of McDonald’s corporation to the Romanian and Taiwanese markets is understood as a positive event.

5.4 The book covers constructing an aggressive image of McDonald’s corporation and expressing the negative consequences of the McDonaldization on the planet Earth

Leaving aside the first American edition of the book *The McDonaldization of Society* (1993) with a weak and confused book cover by Lisa Mirsky, then all the following seven American editions of the book include the illustrations that are strongly critical to the image of the corporation. There is, however, a completely opposite meaning associated with the armorial fine-art words of the corporation, i.e. the logo, hamburger and mascot, than the two earlier mentioned book covers.

The book cover of the 5th American edition of 2008¹⁸ forms – thanks to this illustration – a more varied and more complex image of McDonald’s

17 RITZER, G.: 社会的麦当劳化. Tchaj-wan : Hong Chi, 2002.

18 RITZER, G.: *The McDonaldization of Society*. 5th Edition. Thousand Oaks :

corporation than those of the 2nd (1996) and 3rd (2000) American editions. The aggressor this time is a clown of Ronald McDonald, while the Earth is in a passive role again. The corporation mascot is displayed in a position of a soccer player, from the knees down. His huge left clownish shoe is treading on the Planet like soccer players step on the ball after winning the match. This posture expresses symbolically the company policy and identity based on the relationship of power and arrogance towards the Earth and also slightly towards the communities inhabiting the Planet.

The tool – which served the authors of the book cover of the 5st edition for the construction of an image of the endangered Planet and its inhabitants – was an iconic narration, a confrontation of the corporation with the world, or the human community as a whole. The communication strategies included in the illustrations are clear and understandable, however, the illustrations on the book cover of the 5st edition are more inventive.

The author of the illustration managed to negate all positive attributes of the character included in the corporate mascot. The author incorporated negative traits to Ronald McDonald – aggression, ruthlessness and cynicism; and by means of these, he expressed the image and identity of the corporation. The author of the illustration showed the audience of a match *McDonald versus the world* that it would not be an enjoyable game of a clumsy, nice, and good-hearted companion, but it would be a serious game where the existence of the Earth would be at stake; and the result of this game is known in advance.

5.5 The book covers expressing aggression of McDonald's corporation and constructing group identities of the McDonaldization participants

The escalated image of McDonald's corporation aggression is offered on the Russian book cover of 2011.¹⁹ The simplistic brushstrokes depict a portrait of a man's head with wolfish features character. The illustration is placed in the upper half of the book cover and shows a wolf skull with a tapered lower jaw, menacing eyes resting on the sides of the head and bared teeth. The offensive predatory appearance of the figure is then highlighted with ketchup around his mouth (maw) and the tip of his nose (muzzle). The aggressiveness of the figure is strengthens by the red

Pine Forge Press, 2008.

19 RITZER, G.: *Макдональдизация общества*. Moskva : Praxis, 2011.

background from which the head and shoulders of the figure stand out. The green khaki colour of the blank lower part of the book cover – in this context – also refers to the colours of military uniforms, and probably not to the change of the corporate colours, which has been gradually supported in McDonald's restaurants since 2007.

The illustration slightly describes the action when the figure attacks – like a beast – a pile of fries, i.e. the standard meal of a fast-food restaurant. The fries are apparently on the table in front of it. The fries, as other building motivic elements of the illustration are shown in yellow corporate colours. The membership of the figure to McDonald's corporation is demonstrated by the corporate uniform, it wears a yellow shirt with a white collar. In addition, the figure remotely refers to the figure of Ronald McDonald, the clown, who also has a red tip of his nose and red lips highlighted.

The illustration constructs a new iconic word: “wolf-Ronald McDonald” serving as a symbolic representation of the corporation. The hero of the illustration due to his wolfish appearance and his offensive, indiscriminate behaviour when eating can be understood as a creative visualization of the corporate policy, managerial processes of the corporation and those of the McDonaldization.

There is also a negative image of the group identity of McDonald's corporation consumers within the illustration design. The illustration shows the negative consequences of the McDonaldization for a part of the society, its consumers' audience, which accepts the corporate values and marketing strategies. The author of the illustration created an identity concept of this social group using the iconic word “wolf-Ronald McDonald”. It is based on the intersection of social, corporate, occupational and consumers' community, i.e. on the key participants of the McDonaldization.

5.6 The book covers constructing a negative image of McDonald's corporation consumers' audience

The illustration on the book cover of the Polish edition of 1997²⁰ is – compared with the Russian illustration – not only structurally simple, but mainly easy-going and idyllic as far as attitudes are concerned. It is based

20 RITZER, G.: *McDonaldyzacja społeczeństwa*. Warszawa : Literackie Muza, 1997.

on a collage fine-art technique as a semantic structural mechanism. It shows a realistic photographic portrait of a man from the shoulders above who has a hamburger instead of a head. The author of the illustration created a new iconic word of “burgerman” through which he constructed a negative image of a group identity of McDonald’s corporation consumers. This new type of a social animal has been generated by McDonald’s corporation into the form that suits its marketing strategies. The “burgerman” neither perceives, nor reflects the world with the eyes of his own, but according to McDonald’s corporate goals, interests and manuals and also his behaviour and his group identity bases on rituals and values of the corporation.

5.7 The book covers constructing an image of the destruction of regional cultural identities

The illustration on the book cover of the 6th American edition (2011)²¹ reflects the influence of the corporation on American culture and cultural areas where it enters as a strong economic entity. The basic building elements of the motive construction of the sign text are on the one hand the chicken or fish McNuggets, on the other hand the silhouettes of the buildings indicating the world capital cities and the national or regional cultural monuments. McNuggets represent here one of the most favourite item of the menu as well as another symbol of McDonald’s corporation.

The illustration shows a pile of five golden fried meat pieces on which lies a literary text in two building layers – the title of the book and the name of the author. In the third building layer placed over the two layers of a literary text in the upper side of the book cover, there are miniature, black silhouettes of the world famous buildings standing on a stronger diagonal black line.

The construction built on McNuggets has fragile foundations and limited loading so that the upper structural areas are tilted towards the right side of the book cover. The last, upper supporting area of this construction designed for the buildings-symbols of national cultures, is no longer able to bear its load – content. Some buildings on the left side of the supporting area (e.g. Petronas Twin Towers of Kuala Lumpur, Malaysia) are still standing but the buildings of the right side are already on the slide (e.g. Taj Mahal of Agra, India). Other buildings are already on the

21 RITZER, G.: *The McDonaldization of Society*. 6th Edition. Thousand Oaks : Pine Forge Press, 2011.

slippery slope and fall down (e.g. the Statue of Liberty in New York or the Eiffel Tower in Paris) and again others have already landed (e.g. Giza pyramids of Egypt) at the bottom of an imaginary abyss, on the lower right side of the book cover.

This illustration creates a negative image of McDonald's corporation and the global McDonaldization using an allegorical story about foundations of a slippery slope. The illustration informs that the corporation brings the global McNuggets culture into the regions and thus it destroys the national and regional cultures and cultural identities.

5.8 The book covers constructing an image of political, national and cultural identity

The illustration on the Polish book cover of 2009²² arose from a photo collage of black and white photographs and two coloured photographs. The participants of the narration in the black and white photograph are crowds of people. Five figures standing in the first two rows are so clear that it would be possible to identify them as specific, historical personalities. The figure of a slim young man in the front reminds – with his curved mustache – young Lech Walesa (born in 1943), a leader and co-founder of the Polish movement of Solidarity that considerably contributed to the collapse of the Polish communist political system. This allusion and also the hairstyles and clothes of other depicted figures together with the poetics of black and white photographs evoke the conclusion that it is a documentary photograph of one of many protest rallies against the communist regime taking place in Poland in the 1970's.

Another participant of the narration is a red revolutionary flag as a symbol of a social rebellion. Then, there is a hamburger in true colours placed as an emblem in the middle of the flag and the book cover and it is much larger than any of the heads of the protesting crowd. The flag with the message carried by the hamburger-emblem flies over the protesting crowd and becomes a symbolic expression of its activities as well as collective identities.

The book cover constructs an image of the changing identities of the Polish nation. The black photograph and the red flag narrate the story of the history of the Polish national political and liberation movement

22 RITZER, G.: *Mcdonaldyzacja społeczeństwa*. Warszawa : Literackie Muza, 2009.

from which the national and political identity arose. The illustration as a whole also says that the victory of the movement and focus on the American diet – and indirectly on the politics and culture of the U. S. A. – has resulted in the transformation and loss of the Polish political and national identities. The acceptance of McDonaldisation, i.e. foreign, exported, American culture means the support for consumerism forming the ideological basis of a new, transnational, collective and cultural identity of the globalized world.

5.9 The book cover as an expression of conceptualization and a design tool of collective identities of the Czech and American communities

The exclusive and unique feature of the colourful illustration on the Czech book cover of *McDonaldisace společnosti* (1996)²³ is the fact that it precisely defines the space-time in which the iconic narration takes place.²⁴ The place of the narration is determined by the buildings shown in the illustration. A visible silhouette of Old Town Tower on the left of the centre, a silhouette of Strahov Monastery, St. Vitus cathedral and St. George's Basilica and Charles bridge in the foreground, even if it is depicted without its typical Baroque sculptures. These building represent some of the most important historic architectural monuments in Prague, and at the same time they become a symbol of the city of Prague and – due to the status of the city as a cultural, administrative and economic centre of the Czech lands – a symbol of the Czech statehood and sovereignty. The time of the narration is also determined accurately – it shows the event in the illustration. Hamburger arrived in Prague for the first time on 20th March 1992, when McDonald's corporation opened its first Czech fast-food restaurant in the city centre – in Vodičkova Street. The central figure of the iconic story is a hamburger which is in the centre of the illustration. Hamburger brings a figurative and symbolic meaning in addition to the basic meaning of the word, which is a type of food. It became a symbol of McDonald's corporation as well as a symbol of general trends associated with the expansion of the American culture into other cultural areas. The American hamburger comes to Prague on the tracked wheels of a tank. This creates a new iconic word and symbol

23 RITZER, G.: *McDonaldisace společnosti: Výzkum měnící se povahy soudobého společenského života*. Praha : Academia, 1996.

24 PAVELKA, J.: *Knižní obálka jako forma sémiotického a interkulturního transferu – na příkladu ilustrace obálky knihy McDonaldisace společnosti*. In Bulletin Moravské galerie, 2010, Vol. 66, p. 152-165.

– a tank-burger. It passes through the crowd of Prague citizens, across Charles Bridge as far as the city centre, the Old Town. Prague citizens get a narrative status of a minor character of the narration because they are in the position of a passive, greyish and anonymous crowd-audience lining the way around in several rows. The locals are displayed with black glasses and with white sticks. The attribute of the crowd – representing the Czech community and expressing the Czech national identity – is blindness, which symbolizes ignorance and lack of knowledge.

At the bottom right of the illustration, there are four figures and a dog, but they behave differently than the crowd. The first figure is a pregnant woman. She does not lean against the white stick, but she holds it in her right hand raised above her head in a threatening gesture expressing her active hostile attitude to the tank-burger. Her behaviour reflects the identity of a mother or parents who feel responsibility for their children and therefore they defend “their” territory against the invasion of foreigners.

The black dog – held on a tight leash by a little girl – shows his bare teeth expressing his open hostile, aggressive attitude, maybe some fear, against a foreign tank-burger. The place of the little girl in the narrative space reflects her status and identity of a child. The little girl is the only depicted figure, who stands undisciplined, a few steps ahead of the line of the first row, because she probably does not know the social and cultural reality.

There are two more female figures protruding out of the crowd. The first figure, clad in a black robe with a black nuns head cloth on her head, lined with a white border; the figure looks through the dark glasses at the opposite side towards the Old Town. The other woman has her head bent down; she might be an adolescent, under the age period between childhood and adulthood, due to her short stature. Both figures represent different forms of personal and group behaviour and different personal and group identities, too, even if they have common disinterest in the tank-burger. In the first case it means the behaviour of a professional group that devoted their lives to the service to God and Christian oriented spiritual life. In the second case it means the behaviour of an age defined population group, which is characterized – according to developmental and social psychology – by conflicts, protests, instability and searching for values orientations and personal and social identity.²⁵

25 BIANCHI, G., LÁŠTICOVÁ, B., ŠRAMOVÁ, B.: *Meanings of macrosocial*

The way, how the arrival of a hamburger in Prague is depicted, reflects a general idea of contemporary marketing strategies and actions of McDonald's corporation on the international markets and the Czech idea about the US role as a new hegemony on the Czech political and economic scene. The crucial role in the construction and articulation of the contents expressed in the illustration is played by a negative historical experience of the Czech nation with foreign tanks. It refers to the occupation of Prague and the Czech Lands of 21st August, 1968, in the form of allusion.

The illustration shows Czech contemporary efforts to find a new identity in the times of dramatic social changes. This textualization of collective and individual knowledge and behaviour is being created – if we use van Dijk model of the ideological space – in the process of building up and confrontation of our own (Czech) “us” and foreign (American) “them”.²⁶ The story is based on the confrontation of attitudes and value orientations of the two main participants, the “Prague citizens”, or Czechs, and the “Americans”. The American culture (“them”) is represented by the tank-burger. The American culture is presented – in the behaviour and the value orientations – as a homogeneous and unified group, as an aggressive, fast-food nation²⁷ expanding into foreign areas. The Czech culture (“us”) is, on the contrary, depicted variably and differently.

The Czech majority community of the “blinds” is not in confrontation with the external enemy (“them”), it register “tem” only. Even some Czech minority subcultures (the Church) and demographic cohorts (adolescents) do not perceive this as an enemy. Only a group of expectant parents and dogs as guardians of a man and his home take a critical and active defensive posture (attitude) to this external enemy. The illustration creates a virtual story about the American occupation of Prague in the form of visions and threats. The nature of the message of the illustration is not the fact that a tank-burger brings the McDonaldization and Americanization to the Czech Republic, but it is a message that the Czech community is not able to assess and predict the consequences of the globalization effects of the McDonald's Corporation at the beginning of the 1990's.

categories in Slovak adolescents: between region and Europe. In
Československá psychologie, 2007, Vol. 51, No. 5, p. 464-475.

26 van DIJK, T. *Ideology: A Multidisciplinary Approach.* London : Sage, 2000.

27 SCHLOSSER, E.: *Fast Food Nation: The Dark Side of the All-American Meal.*
New York : Houghton Mifflin, 2001.

Conclusion

Book covers represent a peculiar commodity and distinct communication, advertising and artistic medium, which is produced in a separate and independent production system of the publishing and printing industry, applied in the specified language segments of the mass-media market and detachable within the system of a book communication. The illustration on the book cover represents a sign text, which originated as a product of the process of semiotic and cultural transfer, and marketing and artistic communication. In fact it means that the illustrations on the book cover are the product of mutually interlinked processes pursuing different objectives and functions – they are partly the result of the transfer of information, values, standards and stories from the literary sign text and code into an iconic text and code, and from one social and cultural space-time into another, partly it is a result of the creative activity of the artist and it is also a result of advertising strategies and objectives of the producer of the book.²⁸

Analyses and interpretations of the illustrations on the book covers of Ritzer's book show that the illustrations are made with different communication and marketing strategies and different value orientations. There are a few book covers where a critical contradiction occurs between the content of the illustration and the literary text of the book. This is the case of the German book cover from 2005 or the Chinese book covers from 1999 supporting the corporate and brand identity through McDonald's logo or a corporate symbol of a hamburger. The construction basis of these book covers is not a semiotic transfer, whose aim is as accurate transfer of the literary text contents into a fine-art text of the illustration as possible, but on the contrary, the promotional and advertising communication strategies have been established here. The illustrations adapt to the marketing strategies of McDonald's and the value attitudes of the target audience, which sees the corporation activities and its management positively.²⁹

The Romanian book cover from 2011 and Taiwanese book cover from 2002 go even further. The illustrations become a manipulative tool of

28 PAVELKA, J.: *Knížní obálka jako forma sémiotického a interkulturního transferu – na příkladu ilustrace obálky knihy Mcdonaldizace společnosti*. In Bulletin Moravské galerie, 2010, Vol. 66, p. 152-165.

29 SCHNEIDER, W.: *McMarketing: Einblicke in die Marketing-Strategie von McDonald's*. Berlin : Gabler Verlag, 2007.

the advertising communication. They show that the contradictions and disproportions between the cover and the content of the goods are possible or common. In terms of semiotic transfer and advertising ethics, however, the illustrations are problematic because they make a false picture of the value attitudes of the book, and therefore, using misleading information they convince customers and readers to buy the book.

The illustrations of American editions visualize and conceptualize the main Ritzer's idea, it means the principles of the semiotic transfer have been satisfied. The authors of the illustrations view the effect of the corporation on the Planet's environment and society in broad multinational, global contexts. The imaginative, exoteric way of construction a negative image of the corporation and its identity ensures the efficient advertising use of these illustrations on the American and West European markets.

The illustrations of the Russian book cover from 2011 leads up to similar concepts and objectives as the 5th American edition of the book. Its author, however, made a reckless and also explicitly aggressive corporate image in the construction of Wolf-Ronald McDonald, and above all, he related it – in a generalizing and degrading way – to McDonald's employees and McDonald's consumers, which was unmotivated due to Ritzer's text. The figure of the Wolf-Ronald McDonald is designed in the way that it could be perceived on the Russian book market as a symbol of the U.S.A. and an expression of the American national identity – the American expansionism and aggression in the export of cultural capital and foreign policy. The communication strategy appears to be attractive and effective for the other book markets as well as for the audiences, which take highly critical attitudes towards the American culture, economic and politics.

The common feature of another group of illustrations is that they process only one thematic area of the whole issue, which G. Ritzer deals with in his book. The illustration on the 6th American edition of Ritzer's book constructs an image of destruction of regional cultures and regional cultural identities, which McDonald's corporation causes on the world stage. This illustration is generally understandable, even if it works with a large number of cultural symbols (e.g. symbols of McNuggets and buildings) and gnostic allegorical stories (about fragile foundations and a slippery slope).

The Polish book cover of 1997 takes a different communication strategy. The author of the illustration visualized only one narrow segment of

the issue that Ritzer's book deals with – the impact and effects of the corporation to its consumers and supporters and promoters of the McDonaldization. The negative image of these two communities and their identities are constructed and expressed in the concept of burgerman. This illustration and the illustration of the 6th American edition of Ritzer's book are due to their concise, descriptive and surprising directness and clarity generally applicable to any Euro-American language book market.

In terms of a cultural transfer, the most interesting books are those that take, together with Ritzer, the same critical attitudes towards the McDonald's corporation and the McDonaldization, but they include locally motivated and anchored contents and stories, which are outside the framework of the content of the book. Basically, it means that the contents that are hidden in the semiotic and narrative structures of the illustrations do not correspond to the contents expressed in Ritzer's scientific text. This is the case of the Polish book cover of 2009 and the Czech book cover of 1996; they both construct an image of a political and cultural identity of the Czech, or the Polish nations in the face of the cultural identity of the U.S.A.

The Czech book cover disrupts, exceeds and extends Ritzer's narrative. The story of the McDonaldization of Prague, where the key structural component and a slogan of an iconic message is the concept of the tank-burger; it is capable of an independent life outside the book cover. The iconic word of tank-burger is generally understood in any cultural area and it is very imaginative and very precise expression of the McDonaldization concept, which has been created within the illustrations.

The illustration of the Czech book is, however, addressed to the Czech audience, since it refers to the events in the Czech history – the occupation of Prague, but it has a wider scope. It is a report on the American economic and cultural expansion into the Central European region and on cultural imperialism as a form of a cultural transfer through which the political and economic powers dominate the world. The book cover itself – and even in a more extreme form it applies to the Polish book cover of 2009 – it is incomprehensible to other communities. That is why these book covers on the Czech and Polish book market are more impressive and effective, because they open and lead the intercultural dialogue.³⁰

30 PAVELKA, J.: Intercultural communication competencies. In Hochgerner, J., Čornejová, I.: *Communication in International R&D Projects. A Perspective from Social Sciences and Humanities*. Brno : Společnost pro odbornou

Another question is how the economic and cultural expansion affects the management of international service-providing companies in Czech Republic.³¹

The analysed illustration book covers do not only conceptualize – through the fine-art language – the contents and attitudes expressed in a literary text (semiotic transfer), but also – use the standardized procedures, such as e.g. adaptation, collage, quotation, allusion and translation – and help the information, values, standards and stories transferred from one social and cultural space-time into other space-time overcome the cultural communication barriers of different communication conventions and competences of the consumers' audiences (cultural transfer). The most successful book covers in terms of functions, formats and structures belong to the civic activism and social advertising.³² This is an attitude orientation that brings the illustrations with Ritzer's message closer together. The efforts to activate civil responsibilities were also the driving force behind the processes leading to the conceptualization and construction of social identities of figures acting in the narrative structures of a fine-art text.

The analysis and interpretation of Ritzer's monograph book cover showed that the illustrations in the most book cover represented a very interesting and resourceful tool for construction and controlling of collective identities in the process of mass communication; that identities, as a form of stereotypes, together with myths and rituals, gave the world some meaning and purpose³³ and that group identity became a very effective tool of advertising messages.³⁴ The analysis and the interpretation of book covers showed at the same time that the advertising work does not necessarily serve only as a means of a visual manipulation and colonization of the world by multinational

literaturu and Barrister & Principal, 2008, p. 23-31.

- 31 JURÍKOVÁ, M., KOCOUREK, J., JURÁŠKOVÁ, O.: The Impact of the Economic Crisis on the Marketing Management of Czech Service-Providing Companies, In *Proceedings of the 1st WSEAS International Conference on Risk Management, Assessment and Mitigation*. WSEAS Press, 2012, p. 353-358.
- 32 KOTLER, Ph., ROBERTO, N., LEE, N.: *Social marketing: improving the quality of life*. 2nd Edition. Thousand Oaks (CA) : Sage Publications, 2002.
- 33 McGARTY, C., YZERBYT, V. Y., SPEARS, R. (eds.): *Stereotypes as explanations: The formation of meaningful beliefs about social groups*. Cambridge : Cambridge University Press, 2002.
- 34 BARTHOLOMEW, M.: *Advertising and Social Identity*. In *Buffalo Law Review*, Vol. 58, No. 4, p. 931-976.

corporations and multinational capital, but they can also become a tool for some critical reflection of the world.

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COMPLEX PROMOTIONAL – ADVERTISING ACTION: A BEGINNING OF THE INTEGRATED MARKETING COMMUNICATION

*(HISTORIC LOOKING BACK AT INNOVATION OF THE CZECH ADVERTISING
THEORY AND PRACTICE IN THE 70S AND 80S OF THE 20TH CENTURY)*

Dušan Pavlů

Abstract

The Czech theory even at the time of its isolation from foreign information sources and development trends perceived the imperfections and weaknesses of partial and non-systemic promotional activities, particularly, in the aspect of a little effective and little efficient commercial communication. As a consequence, at the start of the 70s a group of theoreticians involved in the field of study: promotion at the Faculty of Journalism, Charles University in Prague comes up with the concept for complex promotional action as a higher level of a concentrated and systemically conceived promotional activity. The paper is aiming to cover the sources and roots of this innovative approach and its practical implementation to promotion practice.

Key words:

Advertising. Complex advertising action. History of development of the concept. Integrated marketing communication.

1 Efforts to integrate advertising activities – the period until the 50s of the 20th century

An almost traditional phenomenon in the Czech theory: every time a new approach to the previous forms and content of marketing communication introduced, the usual reaction of the involved public is excitement and enthusiasm. A new phenomenon has appeared and they all start to worship the new God – once it is CRM, another time event marketing and most recently the integrated marketing communication. Sadly, the contemporary “apostles” tend to forget the fact that in the Czech environment advertising as a systematic communication commercial activity has been evolving from the second half of the 19th century and many „contemporary marketing communication phenomena“ have had their predecessors here: these advertising activities were naturally called differently in line with the knowledge of that period, and typically in their content related just to advertising; which is only natural as the concept – advertising - as indicated by the literature of

that period – used to be understood as an umbrella brand – i.e., the umbrella globally covering the concept for all types and forms of commercial communication. Regrettably, this lack of general knowledge of the marketing communication profession regarding its history is evident across the generations of marketers – as we can see on the pages of domestic professional magazines, scientific journals and books published in this field.

Studying the professional marketing literature reveals that as early as at the start of the 20th century, i.e., in the first overall book publications dealing with the phenomenon of the turn of the century – advertising – there are authors' thoughts and ideas on how to devise and execute advertising to achieve the maximum effect. In 1906 it is Z. Šindler who says: „*Advertising was, is and will be. It is the most powerful lever of business for it is no art to make the goods but it is the art to sell, to recommend them. Advertising is the Alpha and Omega of trade. It has been for all times and shall be until humans become extinct. The trader is the advertising for his goods, the scholar for his book, the priest for his religion and the monarch for his empire.*“¹ We are tempted to say that Z. Šindler already anticipates the future development of the phenomenon: advertising that particularly in the second half of the 20th century crosses its borders of a purely commercial communication and becomes a more and more universal tool to form the human consciousness and subsequently the human behaviour in many areas of life of an individual and of the entire society.

The second important personality of the first decade of the 20th century, Vojta Holman, as early as in his characteristic of advertising in 1909 reflects the beginnings of the mass-scale production when emphasizing: „*The modern social organization is heading towards the production of goods in masses and these masses of goods have to find their market again in masses. And it can't be achieved without advertising, to be honest, even with advertising many just can't make it anyway.*“

*Advertising is not a necessary evil, it is not a mere evil at all and it is not an unconditional good, either. It inherently includes and entails good and evil, vulgar and noble, in other words all characteristics the general dealings with people bring along. Advertising always pursues the same goal, only its tools change according to the time and to the habits of a nation.*²

1 ŠINDLER, Z.: *Moderní reklama*. Praha : Fr. Šimáček, 1906, p. 9.

2 HOLMAN, V.: *Reklama a život*. Praha : Nákladem V. Holmana, tiskem POLITIKY, 1909, p. 8.

Holman points out a significant aspect of advertising activity - its cultural conditionality. Šindler deals with the effect of culture on the content and form of advertising communicate similarly – and they both put it in relation to the necessary condition for effectiveness of advertising impact – i.e., with understanding its content which is conditioned by the knowledge of the cultural context of the delivered information, symbols, associations, etc.

Holman comes back to the thought of a more complex approach to advertising communication in several places of his book. E.g., on the page 37 emphasizes the significant role of the organizer of advertising who has to bear on mind that all forms of communication build the final effect: *“According to the size of the business everything that happens to be there has to be advertising, advertising and advertising once again, i.e., not only posters, advertisements, brochures , pricelists, sample books, circulars, leaflets and supplements but also travelling salesmen, attending staff, shopping window and last but not least the lightning have to be the good parts of the systematic, neat and methodical advertising to ensure the whole apparatus of advertising perfectly worked.”*³

So, it is about the interlinking of the individual communication activities, about their conscious involvement in the overall communication activity of the company. At the same time he emphasizes (admittedly, perhaps somewhat surprisingly, considering the year 1909) the planning as one of the key principles of effective advertising – marketing – communication: *„Although it is very difficult to define any general rules and principles according to which advertising should be performed, it is more and more often recognised that also this field should adopt a method which needs to be tried so that every beginner could achieve his goal. And to be able to do so, he has to pursue his goal in a planned way.”*⁴

The most important stage of development of the Czech advertising theory which is very significantly conditioned primarily by the American advertising theory and practice and to some extent also by the German influence takes place in the 20s and in the 30s of the 20th century. There can be no doubt it is Jan Brabec who left a most distinctive mark on the Czech theory for the future generations having published his experience and findings from his American stay from the mid 20s – in books-monographs, as the publisher of the magazine titled TYP as well as the official of the

3 Ibidem, p. 37.

4 Ibidem, p. 35.

Czechoslovak Advertising Club. His first extensive monograph titled *The Principles of Profitable Commercial Advertising* from 1927 is looking into many topics associated with effective advertising, market research, basic parameters of advertising tools, advertising text, etc.

He must have meant the concentration of advertising activities through all kinds of means and tools of communication nature when writing: „*Even when I try in the series of adverts to instil into the reader’s mind just one reason to buy, it has to happen through a change in the form, through various illustrations, stories, certificates and so on. However, every time something should remain in the advert to increase the cumulative effect, something according to which the adverts would be identifiable as the adverts for the same goods or company*“⁵ And not only that, he accentuates a necessity for one consistent advertising style which is the only chance to guarantee a clear identification of the client commissioning that commercial communicate, presentation for the brand, name of the product or offered service, etc.

We can find the concept of advertising campaign, advertising action used here for the first time: „*An advertising campaign or action. It is an integral part of advertising plan. We speak about it when the advertiser decides to go for an extra intense advertising effort which is always limited to a shorter time.*“⁶ It is especially worth mentioning that Brabec outlines here one of the main attributes of any advertising action – i.e., it is limited in time. He generally discusses the typology of advertising campaigns and classifies them by their main goal into the group of attack advertisements and that of defensive advertisements – depends whether it is about a commercial effort leading to a change in the market or about one’s own defence against the competition pressure. He continues with the characteristic of actions according to the territorial principle – local, national; and examines general campaigns, export campaigns and those held on one’s own territory.

It would be out of character for Jan Brabec, the author of the first comprehensive theory of market research in the Czech circumstances⁷, not to pay attention to the role of market research in devising and assessing advertising campaigns: „*Every campaign desires its special*

5 BRABEC, J.: *Zásady výnosné obchodní reklamy*. Praha : SFINX, 1927, p. 166.

6 Ibidem, p. 324.

7 See HES, A., PAVLŮ, D.: *Determinanty rozvoje vnitřního obchodu*. Praha : Powerprint, 2012, p. 56-65.

*investigation of the market. It can't have ten goals at once as it would make it fragmented and little impactful. So it needs to find out the goal that is most important in this case and what appeals and means can best guarantee its achievement... The strength of a campaign lies in its focus and in achieving a cumulative effect. It means mainly the cooperation of all the involved.*⁶⁸ J. Brabec emphasizes the importance of coordinated efforts of all elements active in the execution of an advertising campaign as the essential condition for a synergic resulting effect. This view of his can be seen in the following text where the next pages of his book explain the belief in success of a campaign as a precondition for any effective communication, the need for cooperation between travelling salesmen and traders in retail and the role of the core idea of advertising campaign, etc.

Jiří Solar is another very important personality of the theory of advertising in the period Between the Wars aiming to develop a Czech theory of advertising. His strongest point is that he was an active advertising creator in the broadest sense of the word: he was the owner of an advertising agency (set up in 1928), the advertising strategist, the copywriter, he lectured in many advertising courses, wrote more than ten books – some of them about advertising theory and some of them then very popular Breviaries published in ten thousand copies and representing sort of publicity and promotional publications about various situations and phenomena of everyday life often with a moralizing “message” (titled: Okolo pultu (Around the counter), Host a my (The guest and we), Půjde to (It can be managed), Budeme (We will be), Breviář srdce (Breviary of the Heart). There is no doubt about J. Solar’s genuine talent for copywriting shown in those texts and proven in the galore of advertising slogans, names of products, etc.

What is important with regard to our topic is that J. Solar not only theoretically but also practically paid intense attention to the effectiveness of advertising and integration of the individual advertising telling elements into a comprehensive communication system as the only option to guarantee a desired synergic effect. As early as in 1928 he believes the key is what the modern marketing language calls corporate identity: *„Under the linking parts of advertising I understand the elements common to our advertising expedition which occur in advertisements, in posters, on slides, on leaflets, in brochures and on letters. These elements are*

8 BRABEC, J.: *Zásady výnosné obchodní reklamy*. Praha : Janda, 1927, p. 325.

primarily: name, brand and claim.”⁹ He further develops this information and specifies some other elements:

- Name of company
- Name of goods
- Trade mark
- Trade character – as the type of trade mark
- Claim - slogan (claim-appeal, claim-highlighting the advantages, claim-idea, praise)
- Portal of the shop

In 1938 on the 10th anniversary of setting up his advertising office he publishes a still very modern publication titled: Advertising manual where he develops many ideas and suggestions related to the effectiveness of advertising activity in the context of an advertising campaign or action with an accent on its systematic, planned and continuous character; on its being interlinked – in other words and in the modern language - the synergy of all parts of our advertising activity. *„Rarely would one advertising means be suffice to achieve the desired advertising effect – typically, it is necessary to combine few of them – adapt them to the selling season. Only an action well and professionally planned and executed promises the full result. The secret of a successful advertising strategy lies in the precise planning, in the well thought out performance, in the finding of a unifying idea, of the red thread.”*¹⁰

It is my belief that the J. Solar’s thought on cooperation between the advertising office and the company is a concept very close to the contemporary thinking about the complex character of a promotional action, i.e., the integration of all key elements of that action into a homogenous whole, where inter alia, he says. *„The outline plan includes the schedule of the whole action according to the advertising means – the schedule according to time – the timing, a rough advertising budget..... A good advertising plan, the programme of the action means introducing the system, a certain rhythm and the iron backbone to advertising.”*¹¹

The systematic thinking of Jiří Solar is evident in the way he recommends as closest cooperation with the client as possible and designs a tool we

9 SOLAR, J.: *Kurs obchodní reklamy*. Praha : Masarykův lidovýchovný ústav, 1929, p. 104.

10 SOLAR, J.: *Reklamní příručka*. Praha : Vyd. Reklamní poradna Solar, 1938, p. 64.

11 Ibidem, p. 34.

can see today, e.g., on the website of AČRA-MK – a questionnaire to collect answers which in an aggregated form represents the full information needed to be able to develop an agency strategy. Solar is very thorough and in the preparation of the assignment – the client’s brief – asks the client 73 questions he needs to be answered before he could work out the whole concept of an advertising action or campaign. He opens the chapter *What should the advertising professional know about the company to be able to give really good advice and serve*, with a bold statement: *„If he is to work for you, he has to know you – the better he knows you the better he can serve you.“*¹²

The idea of integrated communication activities systematically appears in the Solar’s conception in all his professional texts. For the sake of illustration below you will find one h example from his Ten principles in the work of a good advertising worker: ... ad 6:

„What decides on the effect and selling power of advertising is, above all:

- a) Research and analysis of the company, of the goods, of the customers –
- b) From that resulting the leading idea –
- c) Choice of the right means (media), the right timing, the careful execution – well-chosen appeals – reasons to buy based on the knowledge of the goods, of the market and of the customers –
- d) Well considered, graphic, convincing and dynamic language as well as original and adequate graphics (illustrations, selected cut and size of the font, colours, paper, cleanness of the print, etc.).“

The thinking of an important promotional graphic designer in the advertising era Between the Wars named Jindra Vichnar is similar to that of Jiří Solar when in his excellent publication on promotional graphics titled *TYPOREKLAMA* (Typo-advertising) confirms the key complex, synergic basis of the concept and execution of advertising communicates in an advertising action (campaign): *„Advertising boards, films, lighting advertising, shop windows and hundreds of other means want to willingly and efficiently help in the selling process. And someone has to look after them, has to be able to handle them and mainly, has to know how to use all of them together with print advertisements and focus on the only goal: to sell the product. And the one best fit to do it is a neutral advertiser who impartially and so with a greater chance to succeed manages all available types of advertising tools. The most successful actions or campaigns would be the ones for a longer time managed by a competent individual. Nothing*

12 Ibidem, p. 37-42.

*can be more efficient than the advertising campaign with a consistent style of the content and graphic used in all parts of that campaign, i.e., the address, advertisements, brochures, cinema slides, boards, shop windows - in short, everything for one company should be along one line, in one style. Such consistency is especially striking, really standing out and at the same time showing top orderliness, discipline, a firm, robust plan – it impresses, gain trust and the main thing – it sells.*¹³ What is worth paying extra attention is the emphasis the author placed on the planned character of all communication activities, their content and formal unity and a clearly defined timing.

The absolutely most significant publication delivering a comprehensive view of the communication role of advertising and of its socio-economic function in the period Between the Wars and representing a certain completion of developments in 1927 – 1940 is the book published by Reklub – The Czechoslovak Advertising Club - in 1940 titled the Book on Advertising. This extensive publication pays attention to efficient and effective advertising typical of planning and inter-linking the individual tools of communication. I am sure the selected quotations can convincingly prove the systematic thinking of our advertising community and the key principles directed towards the integrated communication become more clearly and comprehensively outlined. Karel Himmelsdorfer, secretary to the advertising office Solar, in his paper: Advertising plan and advertising budget says: *„If the advertising is to reach and correctly impact all these classes (of the population – DP), it needs to use different advertising means at a different time and with different appeals, which makes the planning more difficult on the one hand but on the other hand makes them more desirable and necessary. So, the condition for a purposeful and correct planning of any advertising is firstly a thorough analysis of the market which will enable us define where, who to, when and how to offer by the advertising campaign. Based on the investigation of the market.....we can subsequently:*

- 1. Set the goals and style of advertising,*
- 2. Decide about the individual advertising means and tools to be used,*
- 3. Make a timing schedule and*
- 4. Make a financial budget.*

.... However, it is necessary for an advertising campaign to have one leading theme that like the red thread goes through all advertising means and activities of the involved company. The company logo or standard is most often the leading theme but it could also be a special selling appeal or logo,

13 VICHNAR, J.: *Typoreklama*. Praha : Typografia, 1934, p. 16-17.

*an advertising character, a special colour combination, a typical consistent type of graphic used in all advertising means and tools, etc.*¹⁴

Stanislav Kubík, director of advertising and promotion at Philips, also underlines the unity of content and formal elements used in any advertising communication to achieve a consistent impact: *„For the full use of advertising and promotional actions it is absolutely necessary to in time and in detail inform about them all those who can benefit from them to increase the sale of the communicated products. And not only inform: it has to be performed in as refined and compelling form as the one used to prepare the campaign to be aired. For it is necessary to see the selected style of advertising sounded consistent and harmonious in the whole depth of the axis of the process – from the sales director of products to the shop assistants to the traders. The style - yes, the style – and the rhythm is what bit by bit sets the bell of advertising swinging to huge expansions which have a deep response in the wide public! To work constantly on the same point in the mind of people, to make them a sensitive focus on which to catch all other accessories necessary for the final outcome, i.e., for the purchase of products!*¹⁵

One more view worth mentioning from the period until 1945: Miloš L. Škrdle, advertising architect, published in the Yearbook NOVINY (the news) – the title annually published by the advertising department of the printing and publishing houses NOVINA in Prague between 1930 and 1941: *„In preparing any advertising action it is necessary to proceed like when preparing a battle action. Every won battle is based on an absolute coordination of different arms. The individual actions of the individual arms were always in their coordination well prepared and thought out in advance to see the activity of one followed that of the other. The individual groups supported each other and together prepared the ground for the final victory.Sport is a noble fight to win, beat the opponent and so is advertising, or, better to say should always be – a noble fight to beat the competitors by convincing customers through the use of better means about the pluses of our goods. The condition for a successful outcome is cooperation of all or of a bigger number of advertising means with respect to the final goal.In an advertising action it is an advertisement, leaflet, poster, shopping window, display which are well coordinated and so can*

14 HIMMELSDORFER, K.: Reklamní plán a reklamní rozpočet. In *Kniha o reklamě*. Praha : Advertising klub československý, 1940, p. 118.

15 KUBÍK, S.: Úkoly šéfa propagandy a propagačního oddělení. In *Kniha o reklamě*. Praha : Advertising klub československý, 1940, p. 137.

*guarantee the final victory.*¹⁶ In the next text he accentuates the element of a complex impact of advertising which determines the cognitive value of the advertising message: „*Coordination in advertising is thus a strong and successful means of fighting in the battle of certain goods to win, it is the educational means which makes it easier for the customer to more quickly and thoroughly familiarize with the goods and the advantages these goods have for him and so finally well serves the entrepreneur who was able to correctly use this coordination.*“¹⁷

2 Situation after the year 1945

Due to many reasons of both subjective and objective nature, domestic and international influences the post-war development had been extremely complicated for our commercial advertising. By the year 1948 it was possible just to revive advertising primarily thanks to the initiative of private producers and traders although its offer and competition role was largely limited in the situation of a gradually sorted lack of basic products needed to satisfy the needs of our population. The change of power in February 1948 meant the most profound change in the perception of advertising which – defined in very broad terms – was presented as an undesirable form of the capitalist way of life, as an element creating inequality in consumption, forming prestigious usage and building undesirable consumer patterns.

However, a gradual recovery of the post-war economy, a slowly but surely developing gradual increase of the proportion of the manufacturing industry and so a richer offer available on the domestic market had to result in accepting advertising and recognising its information value at the start of the 50s as shown in the regulation of the Minister of Domestic Trade published in 1953 about „*socialistic commercial advertising*“, in the situation when it was possible to hold conferences like the *International Conference of Advertising Workers of the People's Democratic States in Prague in December 1957, the National Conference of Advertising/Promotional Workers in Brno in 1963*, a gradually developing system of shows of advertising TV and radio creation, high school and university studies of advertising – promotion, the set up specialized advertising agencies and promotional companies – all of that gradually leading to a

16 ŠKRDLE, M. L.: Souhra v reklamě. In *Ukazovatelé cesty*. Praha : Vyd. NOVINA, Ročenka Noviny, 1941, p. 52.

17 Ibidem, p. 57.

higher and higher quality of advertising and promotional activities, and to the fact that the in content and form consistent type of promotional actions/campaigns was systematically gaining ground as the initial stage of our integrated marketing communication.

The National Conference of Advertising and Promotional Workers held in Brno in 1963 was aiming to inter-link the individual advertising/promotional campaigns nation-wide in the aspect of coordination of activities performed by the individual trade organizations in our country. In 1961 the government of Czechoslovakia installed an Inter-ministerial Coordination Committee for Promotion Activities to direct and set the key directions for promotion of goods: *„From the start of the coordination committee its task was to assess important advertising and promotional actions/campaigns in the aspect of promotional activity and economically spent funds as well as their cultural level.“*¹⁸ The Conference looked into many topical circles and issues that were very pressing and up-to-date for many advertising/promotional workers:¹⁹ the content of promotion, forms and organization of promotion, qualification of promotional workers, economy, survey of the efficiency and effectiveness of a promotional action. There's no doubt it was a qualitative turning point in the way the political and economic class looked at the legitimacy of promotion at that time, acknowledgment that promotion was a meaningful activity and played a positive role in influencing the lifestyle of different groups of our society. We can find the statements indicating the direction towards the integrated forms of promotional activity, for example, in some passages of the Resolution of the first national conference of advertising/promotional workers that summarized the key thoughts discussed there and defined the tasks for the advertising/promotional workers for the next time period. The passage looking into coordination, management and organization of promotional activity mentioned: *„What we need is to introduce the right method of planning promotional activities. The plans of promotional actions have to clearly formulate the content of that promotion, its goals and background, state the reasons why it is planned, what target group of the population it is for, overall impression, main advertising and promotional forms and means, for how long it is to be aired, coordination with other promotional actions and control of its efficiency and effectiveness. Promotion has to closely follow the economic*

18 *Sborník Celostátní konference propagačních pracovníků*. Praha : Vydavatelství obchodu, 1964, p. 11.

19 *Ibidem*, p. 27-32.

or cultural-political measures and can't work isolated. Such connection creates favourable conditions for a high efficiency of promotion. " 20

Ignoring the obligatory use of the means of expression conforming with the era, the above statement definitely has a rational core and can be understood as a certain formulation of the first indications, efforts to comprehensively grasp the promotional activity of an active social – social institution in the broadest sense of the word – and, 40 years later, leading to the formulation of an integrated marketing communication theory:

- it is the requirement for the planned character of advertising/promotional activities,
- a clearly defined goal to be achieved,
- the involved segment of the public is defined – the target group,
- the choice of promotional tools and means adequate to achieving the goal,
- the timing schedule for airing the promotional action/campaign,
- its integration with other promotional activities,
- measurement of the effectiveness of communication effort.

3 Complex promotional actions

The subject of complex promotional actions has been systematically studied and developed in the department of agency journalism and promotion at the Faculty of Journalism, Charles University founded in 1971.²¹ The first comprehensive study on promotional activities was published in 1980 by Zdeněk Červený, the promotion theoretician and practitioner, working for the department of Press and Promotion of the Ministry of Foreign Trade and external teacher at the Faculty of Journalism, Charles University in Prague.

Defining the characteristic of objective conditions for the concept of a promotional action/campaign as a higher level of organizing and implementing advertising and promotional information he emphasized: *„A problem has emerged – how to orientate in the complicated tangle of tasks and connections that affect all sections of our social life. How to best use the means that are available to achieve that goal. The point was to give*

20 Ibidem, p. 300.

21 The authors systematically publishing there works here: Z. Červený, V. Hanzl, B. Häckl, A. Kachlík, D. Pavlů and others.

*a logical order to intents that should also apply to the method of using the means supposed to serve to the achievement of goals.“*²²

He defines the promotional action as the type of communication that is integrated at more levels: *„Organizing a promotional action it is mainly about the combination of different promotional means. The promotional means in that action are joint together by one subject of promotion or by several subjects of promotion according to their mutual agreement and according to a uniform plan. It is always the purposeful association of various means the use of which is subordinated to the common goal. The promotional action is always held during a prior defined time period according to the time schedule and the allocated financial means to be used for that action are specified in the financial plan for that action.“*²³

The entry: *promotional action* prepared by Z. Červený for the Dictionary of Promotion a- a...z mentions one more important attribute of a promotional action, i.e., a clear definition of the goal of communication efforts: *„promotional action – the use of a group of promotional means to meet the set goal of promotion according to the prior prepared plan where the types of promotional means are defined as well as their quantity, way and time of their use.In the p. a. in their working together they support one another and so usually achieve a higher efficiency.“*²⁴

Also D. Pavlů in some connections pays attention to making the term: promotional action more precise, to the questions of coordination of promotion of more subjects directed towards the common goal of promotion, etc.²⁵

A few words in conclusion

The above indicates the concept of integrated marketing communication is a higher level of the previous efforts of several generations of marketing communicators – strategists and copywriters of communication – having systematically and long-term (in the Czech circumstances as early as from the turn of the 20th century) worked towards the synergy of their communication activities in the sense of the intrinsic interlinking of

22 ČERVENÝ, Z.: *Tvorba a realizace propagačních akcí*. Praha : SPN, 1980, p. 3.

23 Ibidem, p. 5.

24 PAVLŮ, D. et al.: *Slovník propagace a...z*. Praha : Merkur, 1983, p. 145.

25 PAVLŮ, D.: *Propagace – specifická forma sociální komunikace*. Praha : Novinář, 1984, p. 68-72.

the individual tools of communication within the promotional action, promotional campaign and/or coordination of promotional activities of more subjects in meeting the common goal of promotion.

Also Kenneth E. Clow and Donald Baack are seeking to answer this question: „*Some theoreticians say the integrated marketing communication (IMC) is a new approach in its way. According to others it is only the name that is new, as the concept alone has been here for a longer time. They emphasize the value of effective coordination of all marketing and promotional activities has been mentioned in marketing literature for many years. The IMC programmes would be described in different ways, but the definition they all agree upon says: integrated marketing communication (IMC) is a coordination and integration of all marketing communication tools and channels within the company into a comprehensive programme that maximizes the impact on consumers and other end users at the minimum costs. This integration applies to all company communication – intercompany communication, communication in marketing channels, communication focused on customers as well as internal communication.*“²⁶

We could define a broader concept of integrated communication now when taking into account the other integration processes in companies where it seems desirable to integrate at the managerial level with marketing communication also the communication flows from the area of innovation, development, trade and business, human resources and other spheres possible to influence particularly the content of marketing communication within the institution as well as in relation to all involved outer target groups.

Nevertheless, we can be very proud of our predecessors that in the initial circumstances of the onset and development of advertising as a modern communication phenomenon they were able to think in the spirit of maximising the effectiveness of their communication effort, tried to find ways to plan communication, conduct market research and public opinion polling, coordinate communication activities and measure their effectiveness.

26 CLOW K. E., BAACK D.: *Reklama, propagace a marketing komunikace*. Brno : Computer Press, 2008, p. 9.

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INNOVATION IN THE INTERNAL TRADE AS A DETERMINANT OF CHANGES OF PURCHASING BEHAVIOR OF CONSUMERS

Marta Regnerová – Daniela Šálková

Abstract

Processes of globalization and the CZ EU accession influenced the external environment of the life of society and a gradual, though very slow and differential change in the determinants of consumer behaviour occurred. Individual customer groups enter the market with still usually higher requirements, which are determined by life experience, work habits, financial situation, but also a certain medical condition or predisposition or family traditions, etc. The decision-making process when purchasing goods and services is influenced by innovations in manufacturing, distribution, purchase, sale or postponement of products. Young people are entering the market with extensive application of modern technologies, customers with certain medical restrictions with concern about the availability of goods and services, seniors mostly with greater caution and scepticism to changes when deciding whether to buy or not to buy. This paper addresses the question to what extent the “explosion” of innovation is the decisive factor in the changes of purchase decision-making process of customer groups in the Czech market.

Key words:

Consumer behavior. Customer-consumer. Innovations. Internal trade. Determinant.

Introduction

The paper and its objective seek to answer the following question: “Did the innovation processes in the internal trade determine changes in the purchasing behaviour and decision-making of consumers in satisfying their needs and, if so, to what extent”? In terms of methodology, it is based on literature research and the obtained theoretical knowledge is compared with the everyday observations of the consumers, obtained through a number of surveys and based on the consumer purchasing preferences.

1 Basic Terms

Innovation - The Academic Dictionary of Foreign Terms of 2009 explains innovation from the economic perspective as the introduction of something new, a novelty in the production, technology, etc.; product innovation is explained as an improved or new product.¹

*Innovative enterprise - "... is a set of entrepreneurial activities specialising in the consistent implementation of innovation. With regard to research and development, the line of business includes bringing of outcomes of science and research to commercial maturity, i.e. to the market. Technology transfer is an important instrument for this. The innovative enterprise process starts with a plan (an idea) and results in the placement of new products on the market, assessment of their parameters and properties, as well as in a sophisticated method of their disposal (recycling) after the completion of their life cycle. Innovation (technology) marketing plays an important part in the interactions between the beginning and the closing of the innovation process."*²

A determinant is the determining component, a factor significantly affecting its environment.³

2 Description of the Operations of the Internal Trade System in the early 21st Century

Internal trade as a system includes the subsystems of wholesale, retail, hotel and restaurant services, and tourism. In the course of their business, all the subsystems directly or indirectly (in the case of wholesale) participate in satisfying the needs of end customer (consumer, guest, client).

The development in the area of trade in the late 20th century is associated with innovation processes, in particular, the internationalisation of internal trade. Multinational corporations entered the system using their trade technologies and gained control over an important share of our

1 KRAUS, J. et al.: *Nový akademický slovník cizích slov*. Prague : Academia, 2009, 352 p.

2 ŠVEJDA, P. et al.: *Základy inovačního podnikání*. Prague : AIP ČR, 2002, p. 42.

3 KRAUS, J. et al.: *Nový akademický slovník cizích slov*. Prague : Academia, 2009, p. 167.

market. In addition to running retail networks, these corporations have operated their own wholesale warehouses, transport and other related facilities, including those for the manufacture and modifications of the goods. The subsystem of hotel and restaurant services is also linked to multinationals and there has been gradual internationalisation in the tourism subsystem.

A high degree of integration provided these corporations advantages that, in turn, increased their competitiveness, in particular in the area of management of business operations and flow of goods, using extensively information and communication technologies in their central purchasing, warehousing, logistics as well as in their marketing and sales strategies, including specific PR and advertising events.

Retail chains: The international companies that entered our internal market system in the late 20th century are predominantly parts of multinational business groups, and they have built up and still maintain a certain position on our internal market.⁴ This is shown in the comparison provided in Table 1: Ranking of the TOP 10 retail chains (food-nonfood) in terms of the total turnover, the total turnover of another 40 top corporations and the total turnover of the TOP 50 in CZK billion on the Czech market in 2000, 2003, and 2004.

Table 1: Comparison of the turnover of the TOP 10, TOP 11-50 and TOP 50 total in 2000, 2003, and 2004

2000 Turnover in CZK bn. 2003: turnover in CZK bn. 2004: turnover in CZK bn.	Total turnover in CZK bn.	2003	Total turnover in CZK bn.	2004	Total turnover in CZK bn.
TOP 10	155.984	TOP 10	197.78	TOP 10	221.8
TOP 11-50	44.656	TOP 11-50	70.42	TOP 11-50	99.4
TOP 50	200.640	TOP 50	268.20	TOP 50	321.2

Source: *Obchod v České republice v roce 2004*. Prague: Ministry of Industry and Trade, 2005, p. 27-28.

The figures suggest a growing influence of international chains in the retail subsystem of internal trade in 2000, 2003, and 2004. Czech companies with a high number of smaller retail stores, including those

⁴ *Inovace: jediná účinná cesta k úspěchu v globální ekonomice*. Prague : SVŠET, s.r.o., 2005, p. 103.

of a cooperative nature, account for a half of the TOP 11– 50 companies, and the turnover of these TOP 40 companies is very low in comparison with the TOP 10 businesses.

3 Consumer Behaviour in General

Consumer behaviour is the behaviour of individuals - end customers - that relates to the acquisition, use, and disposal of consumer products, including services.⁵ Behaviour associated with the need for goods - both tangible and intangible - generally represents an important level of human behaviour. This level represents a process that includes:

- the causes that lead individuals to use certain goods (products, services, ...),
- the ways of the acquisition, use, and disposal of goods,
- the influences that accompany this process.

Naturally, this consumption process cannot be detached and isolated from other human activities (even though, this cannot be completely avoided at the theoretical level) and this level of behaviour needs to be seen in the broader context of general human activities.

Human consumer behaviour is not only the behaviour associated with the immediate purchase of goods, which may (or may not) address the difference between the current and the required status. In addition, it also includes a “space” where certain consideration, search, evaluation, and selection from multiple options take place, leading to the eventual decision and thus achievement of the desired state of balance – the human tendency to maintain a constant internal environment against the external, ever-changing environment where the innovation processes that determine the changes in the consumers’ purchase decision take place. All such human activities can be influenced (in both the positive and negative sense).

3.1 Basic Approach to Consumer Behaviour

What influences the consumer behaviour of a specific individual is partly derived from their in-born predispositions and partly it results from that individual’s life within the human society. Multiple approaches can be

5 KOUDELKA, J.: *Spotřební chování a marketing*. Prague : Grada Publishing, 1997, p. 58.

distinguished, depending on where greater emphasis is placed in the explanation of the purchasing and consumer behaviour:

- **Psychological approaches** - the perspective focuses on the links between the mind of the consumer and that consumer's purchasing and consumption behaviour. It can be safely said that there is no consumer expression (even a routine one) that would be unassociated with the individual's mind.
- **Sociological approaches** - sociological approaches to consumer behaviour explore how various social situations condition consumer behaviour and how individuals - consumers act in different social situations, what social groups the customer / consumer belongs to (e.g. with certain limitations - by age, income, disability, etc.), how important they are for the consumer, what role the consumer plays in them, how the consumer is seen by such groups or their members, how the consumer copes with the demands and pressure imposed by the social environment, and this affects the consumer's purchasing and consumer behaviour.
- **Economic approaches** - from the economic perspective, consumer behaviour is primarily seen as the result of the consumer's rational considerations. They are described and explained on the basis of categories such as price, income, demand functions, price and income flexibility of demand, budgetary limitations, utility, indifference curves, etc. Rational approaches in consumer behaviour presume that the consumer proceeds according to "cool-headed calculations" in which there is no or only little space for emotional, psychological and social elements.

Which approach is the most suitable one? In the decision-making about the application of any of the approaches to the explanation of the purchasing and consumer behaviour, it must be considered that:

- a) it depends on the situation in which the purchasing and consumer behaviour is taking place. Expensive products lead to a significantly higher role of rational components in consumer behaviour. On the other hand, the importance of the psychological components, and thus of the psychological approaches, usually increases in the case of goods of general consumption, which are often purchased on impulse. Because of the important role of fashion trends, spread via social interaction, the social approaches come to the forefront in clothing purchases.

- b) it depends on the purpose for which we monitor purchasing and consumer behaviour, i.e. whether it is the interest of a psychologist attempting to determine the psychological background of the consumer behaviour, the interest of a sociologist trying to evaluate the degree of impact of social links assessed through consumer behaviour, the interest of an economist who tries to identify the basic relationships between the economic categories at the microeconomic level, or the interest of a marketing professional.

From the perspective of the marketing focus, applied in the market environment, one of the number of theoretical models can be selected to understand the individual aspects of consumer behaviour. All the three approaches intertwine, combine and complement each other in the marketing perspective of the purchasing and consumer behaviour to provide the resulting view. Marketing apparently seeks to understand the purchasing and consumer behaviour comprehensively.⁶

3.2 Innovation and the Purchase Decision Process

The purchase decision process is a process during which the difference between the current and the desired status is resolved. It includes multiple stages ranging from the recognition of a problem to the search for, evaluation of, and selection from several options, to the decision in favour or against the purchase, to post-purchase behaviour, which, in turn, leads to feedback to consumer predispositions.⁷

Table 2: Stages of the Purchase Decision Process

Stage I	Stage II	Stage III	Stage IV	Stage V
Problem occurrence and recognition	Information search	Evaluation of alternatives	Purchase	Post-purchase behaviour
PRE-PURCHASE BEHAVIOUR			PURCHASE DECISION	DISPOSAL OF THE PRODUCT

Source: HRUBÁ, D., REGNEROVÁ, M. *Vybrané kapitoly obchodních dovedností I*. Prague: PEF ČZU Praha, 2003, p. 41.

Table 2 above provides a diagram of the 5 stages of the purchase decision process, which are potentially followed up by another stage (stage VI)

6 HRUBÁ, D., REGNEROVÁ, M.: *Vybrané kapitoly obchodních dovedností I*. Prague : PEF ČZU Praha, 2003, p. 23-26.

7 Ibidem, p. 40-50.

which occurs once the product reaches the end of its service life and needs to be disposed of.

The individual stages of the purchase decision process overlap and there are no clear borders between them. For example, they may be very short because of innovation in terms of the forms of sale but some may also be intentionally extended. Extension may be significant in stage VI in the case of disposal of unused food ("food waste"), where additional innovative elements such as charity, NGOs, food banks, taxation, etc. come into play. We can usually talk about 3 basic types:

Complete purchase decision process (extended problem solving), where all the stages are fulfilled, leading to unique and original solutions. The purchase of a new car featuring advanced technologies can be used as an example. In this case, the innovation of the purchased product is the key determinant in the purchase decision.

Limited purchase decision process (limited problem solving), where the innovation of the product being purchase does play a part but often the purchase concerns an urgent need (spectacles, a fast-boiling kettle) and thus involves an immediate decision.

Routine purchase decision process (habitual decision-making), where some phases are almost eliminated. The process typically concerns common goods in the replenishment of the needs/supplies in the household. Product innovation is not crucial. However, in the long term, it may influence changes in the purchase of food for a healthy diet, gluten-free diet, for consumers with diabetes mellitus, etc., for example.

4 Changes in the Purchasing Behaviour of Consumers

In the last 10 years, significant changes took place in the purchasing, consumption, and dietary habits of buyers. These changes were caused by a number of global and local factors. The most significant changes resulted by the economic reform of the 1990s, which reflected the boom of the innovation process worldwide as a consequence of the globalisation of world economy. The turnaround in was greatly influenced by the opening of the market to international businesses, which then used their experience in modern technologies and marketing.

The development of large shopping centres around and inside cities (innovation of services) led to major changes in the shopping habits of the customers. Companies tried to attract the customer with both the

wide supply of goods and the comfortable and convenient availability of all the goods in a single spot. The prices are also alluring because they are usually lower than those in smaller shops located in the middle of urban residential or in rural settlements. This is greatly helped by innovation in the use of marketing communication instruments such as discount portals, advertising leaflets listing weekly sales, sales support with tastings of new products in the retail shops and restaurants, and other events.

Modern ways of shopping (innovation in the retail and dining subsystems) via the internet, e-mail and telephone with subsequent delivery are also gaining in popularity. This way of shopping is particularly convenient because customers may do their shopping without leaving the comfort of their home or office.

Changes are also taking place in the consumption habits (including dietary habits) in connection with a number of factors related to innovation processes in the relevant area, such as:

- increasing role of environmental factors;
- increasing differentiation in the quality of the purchased products and services, in particular for consumers - coeliac disease patients;
- reduced consumption of certain foods by focus on healthy foods;
- increasing income of the population;
- from the perspective of the customer, there is a variable shift (because of limited income) from the conventional customer to a knowledgeable customer, etc.

Conclusion

The introduction to this paper asks the following question: “Did the innovation processes in the internal trade determine changes in the purchasing behaviour and decision-making of consumers in satisfying their needs and, if so, to what extent?” The paper suggests that the answer to this question is neither simple nor conclusive. In the Czech Republic, the innovation processes related to the globalisation of world economy affected both the economic (financial, entrepreneurial) sphere and the area of public administration as well as all the spheres of the government. Because of the changes caused by innovation in the areas of production (including agriculture), transport, business structure, imports, etc., these changes, working through the products and services,

also involved, initiated and determined changes in the customers' attitudes and behaviour regarding their decisions as to what products and services, where, for what price and in what quantity and quality to satisfy their basic and advanced needs.

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PREDATORY AND ALTERNATIVE HEDONISM – FROM SELF-DESTRUCTION TO VOLUNTARY MODESTY

Ondřej Roubal

Abstract

Hedonistic ethos is to intensify in the environment of consumer culture and in the atmosphere of unlimited consumerism, intentionally supported by market mechanisms. The value patterns of hedonistic life style are defined by experience motivations, excitement, sensual pleasures, delight, self-satisfaction, intensive need for emotional stimulations, present-time orientation or accelerated pace of life. It is considered identical with radical inclination towards individualization life practices, rapidly growing egoism and narcissistic tendencies confirming the meaning of one's own existence. Hedonistic life style oriented towards consumer values, however, meets with frequent social, ecological and ethical criticism. There is room for discussion related to the alternative model of hedonism based on more responsible and well-considered approach towards consumption and voluntary modesty, which shall eventually enhance the sense of personal happiness and general satisfaction with life.

Key words:

Consumer culture. Deferred pleasure. Experience. Hedonism. Life style. Marketing communication.

Introduction

Different strategies contributing to the growth in demand and to creation of new markets gradually developed as part of the consumer culture. The ability to participate in consumer culture also becomes a significant indicator of personal success, prestige and appreciation.¹ Personal efforts and aspiration thus lead to competitive acquisition of consumption goods used as the values of social comparison as well as the confirmation of one's own social status and life situation. This naturally affects the strategies of life style, which are more present-time oriented, the unwillingness to economize and to postpone the consumption for the future. On the other hand, the consumers are socialized to be willing to accept and to adopt fashion trends, to search for new consumer targets

1 Zahrádka, P.: Úvod do historie, teorie a výzkumu spotřební kultury. In Zahrádka, P. (ed.): *Spotřební kultura: Historie, teorie a výzkum*. Praha : Academia, 2014, p. 10-11.

and to wander from one experience to another. The formation of new markets and the initiation of customer demand stress more the need for saturation of different individual desires, usually anchored in an emotional world of subjectively formulated objectives and authentic wishes. In this context, Schulze depicts the consumer culture as an ideal environment cultivating and strengthening the attitude of people to non-material values of *experiences*.² According to Schulze, the focus of people on the experience becomes a significant determinant of search, formulation and implementation of a life project, as part of which the satisfaction of emotional needs, initiation of exciting feelings and induction of states of bliss play a key role. In order to meet these needs, it is more popular to apply hedonistic life approaches systematically supported and confirmed by interventions of globally functioning marketing activities. The emotional marketing of experiences is being developed, through media representing experiences as values that bear no delay and whose attractiveness, intensity and uniqueness can be preserved only through action, fast decision and determination not to postpone anything³. Consumers turn into „experience collectors“, persistent adventurers wandering the marketing-marked paths of sensuality and aesthetic experience, aiming to hedonistically intensify present moments by shifting fleeting attention and only temporary interest in one experience to another. Prioritization of the experience as the central value leads to „everydayness improvement“ and to radical withdrawal of meaningful rational conduct in favour of experience rationality. The nature of everydayness improvement lies in the ideal of „beautiful life“ which is based on constant search for new experiences. „*The motto of the day is: Make the most out of your life!*“⁴

In the related context, we will try to specify the main features and manifestations of hedonistic life style which is described as *predatory*. This description is used to identify a specific model of hedonism developed in conditions of consumer culture, the coordinates of which present hedonistic life attitudes similar to the models of brisk and predatory rapaciousness and predatory style of thinking. At the same time, we will try to show how predatory characteristics of hedonism manifest themselves and to indicate its ambivalent displays. In the end, we will try to point

2 SCHULZE, G.: Společnost prožitku. In PONGS, A.: *V jaké společnosti vlastně žijeme?* Praha : ISV, 2000, p. 205-233.

3 LIPOVETSKY, G.: *Paradoxní štěstí*. Praha : Prostor, 2007, p. 75.

4 KELLER, J.: *Sociologie středních vrstev*. Praha : Sociologické nakladatelství, 2012, p. 88.

out possible factors of self-destructive potential of predatory hedonism through liberal criticism and to offer an alternative model of hedonistic life style, from which the consumers should discover more authentic and stable feelings of life joy and happiness. The alternative model of hedonism is to represent a generally more considerate and economical life style which takes into account ecological, social and ethical values, simultaneously respecting the needs of consumers as well. Alternative hedonism is not thus perceived as an attempt to promote ascetic life style but as an attractive, less economically and time-consuming life style where non-material as well as material values play the key role, however these values are achieved through a more considerate type of consumption. One of possible factors of alternative hedonism respecting the more considerate and rational approach towards the consumption may even be the ability and willingness to postpone joys and pleasures for the future. Such induced situation may bring more life pleasure and joy than approaches preferring immediate gratification.

1 Life as „experience project“ and hedonistic cult of the moment

In a society, where marketing industry as a significant media body substantially supports and promotes pleasurable experience instead of the most valuable attributes of life, hedonism gains ground as an essential attribute of commercialized life style. Schulze's concept of life as the „experience project“ is thus fulfilled in a hedonistic view of life accompanied by extraordinary desire to live life to the fullest, to constantly search for new emotional stimuli and pleasures, to maximize private welfare and to reveal the secrets of all new pleasurable experiences. It is based on fleeting appetite of different experiences that need to be changed as fast as possible, without hesitation, unnecessary delays and postponement. The choice for entertainment is less stable and more impulsive; it bears no delay since the objects of experiences themselves quickly change in the explosion of practically unlimited offer of new opportunities. Moreover, experiences are difficult to be „consumed“ in parts, whereas a certain part cannot be saved for „a rainy day“. Consumers are „trained“ by marketing to worship the „cult of immediate satisfaction“ with one rule „*now or never*“⁵. Under certain circumstances, consumers turn into *predators* that respond immediately

5 BAUMAN, Z.: *Umění života*. Praha : Academia, 2010, p. 15.

and quickly chase after the prey promising unique emotional excitement and authentic experiences⁶.

Orientation to experiences becomes the central motive of life, dominant value and aim in life that is no object of choice but necessity. The society intensively focusing on values identified with the emotionality of pleasurable experiences, initiation of delights and spiritual bliss will more likely support life cycle strategies corresponding to hedonistic mentality preferring *instant gains* and conduct models that are connected with term *instant gratification*⁷ in economic theory. Experiences become mainly the object of momentaneous consumption, present moment, object of acute action and are only with difficulties and reluctance postponed until a later time. Predators act immediately since any hesitation or postponement may jeopardise not only the goal achievement but also shorten the time given for fast and fleeting change of other experiences generated by wide choice of opportunities of emotional marketing. The orientation of life style to the *instant gratification* is distinctly and quite intensively supported by the interventions of marketing actions that stress the trend of immediate and easy availability. Marketing themes usually initiate active and fast action, they refer to life „without limits“, suggest life in a world of unlimited possibilities and endless adventures. It is quite difficult to imagine a commercial marketing message advising the consumer to be contained, careful, to postpone decisions and to be modest and restrained.

Bauman pays attention to the specific significance of phenomenon *instant gratification* which is no longer the aim of social actors only but it also concerns completely impersonal and trans-personal institutionalized structures.⁸ The promotion and enforcement of the cult of immediate consumption are quite evident in the whole complex of marketing industry, the main task of which is to monitor the increase in economic

6 Life philosophy of independence, non-determination and „inner orientation“ logically leads to the application of such life strategies that can support and develop this attitude to life. Predatory hedonism focusing on the values of pleasurable experience requires mobility, flexibility and variability; it refuses to accept stability and obligations, i.e. anything that could tie and restrict life movement focusing on the fleeting and shifting world of experiences. It is a life „without ties“, unpredictable, unsettled, wild and impulsive.

7 LOEWENSTEIN, G.: The fall and rise of psychological explanations in the economics of intertemporal choice. In LOEWENSTEIN, G., ELSTER, J. (eds.): *Choice over time*. New York : Russell Sage Foundation, 1992, p. 3-34.

8 BAUMAN, Z.: *Umění života*. Praha : Academia, 2010, p. 15-17.

profits of firms that offer various goods and services. The sellers try to achieve that the consumers spend the least time on activities of consumption and purchase; the time spent on consumption should be reduced to the minimum. Mottoes such as „With no effort“; „Easy and fast“; „Quick pleasure“; „Immediate result“; „One-touch application“ are to explicitly inform the costumers that they will save time, however, it is implicitly monitored if this saved time is turned into market profits in return since this time shall be used for other purchases. The objective of manufactures and sellers of goods and services is to make the customers spend less time with the products they have just purchased and to make them quickly return for other purchases and search for other alternatives of consumption. According to Bauman, this strategy is effective because the customers themselves call for fast effects; they desire quick results and usually prefer only temporary activation of their mental and physical skills during the consumption in order to have enough energy and time to accomplish other shopping goals. Marketing enforcement of hedonistic cult of the moment is thus used to spare the customers' time, ironically only to put it back on the altar of quick time in the chase for other shopping escapades.

This whole process, however, is likely to show ambivalent nature. On the one hand, consumers chasing after various adventurous experiences are rewarded with certain delights and excitement; they may come across new impulses and sources of pleasure and the unwelcome fossilization of everydayness is actually prevented by their own consumer greed for experiences. They will not allow the initial attractiveness of pleasurable feelings to simply turn into commonplace and boring comfort. They search for new challenges, discover new things, refuse routine and like players they start to play new games with a view to having a good time with the game and its outcome. They enjoy the game as well as the results they achieve during the game.

On the other hand, however, the methods of hedonists – predators constantly searching for new and more exciting preys represented by experiences, obviously did not induce more stable and permanent feelings of pleasure and satisfaction. The problem is that every particular decision and every choice from the wide offer of opportunities must evoke doubt as to whether other choices and decisions might not induce more irresistible experiences after all. The bigger the choice of different experiences is, the more intensive feelings of insecurity are induced

by the next decision.⁹ In order to eliminate the unpleasant feelings of insecurity and fear that each specific decision made within the choice of possible experiences may have deprived the consumers of other more attractive and tempting aims offering irresistible feelings of pleasure, the collectors of experiences try to switch as fast as possible a large amount of different pleasurable experiences. They run back and forth between experiences, trying to absorb as much as possible within the shortest possible time to have enough time to „taste“ other temptations. This naturally leads to the inflation of experiences where the effort to accumulate most of the experiences within the shortest periods of time also results in superficiality. Besides the feelings of insecurity, feelings of disappointment set in as well. The obsession with constant change and variation of experience objects, fast sequence of changing experiences cannot erase fancies and visions of other more attractive and still untested temptations that keep escaping and need to be pursued till complete exhaustion; moreover, the principle of constant innovations and the stream of exciting novelties turn into commonplace routine – becoming the cycle of everydayness.

In this context, we can introduce the concept of „self-deceiving hedonism“ by C. Campbell, based on the out-of-control desire to have everything new and on intensive imaginative dreaming and fantasies about changes that are the main aim in life in this perspective.¹⁰ The hedonist is constantly unsatisfied, especially with the way he lives, but he dreams up another life he could live. Campbell compares contemporary hedonism to Romanticism, where dreams and fantasies were important personal quality reflecting the efforts of people to live non-alienated and authentic life.¹¹ However, the difference lies in the fact that hedonistic dreaming comes true through desires to acquire consumer goods as the more important aspect is the desire of wanting to have the goods than to own it. Hedonist dreaming is permanent and unstoppable, desires and fantasies are endless, for to resign and to be satisfied with the things the

9 SCHWARTZ, B., WARD, A., MONTEROSSO, J., LYUBOMIRSKY, S., WHITE, K., LEHMAN, D. R.: *Maximizing versus Satisficing: Happiness Is a Matter of Choice*. In *Journal of Personality and Social Psychology*, 2002, Vol. 83, No. 5, p. 1179.

10 SOPER, K., FAFEJTA, M.: Alternativní hédonismus a život v dobrovolné skromnosti. In ZAHŘÁDKA, P. (ed.): *Spotřební kultura: Historie, teorie a výzkum*. Praha : Academia, 2014, p. 388.

11 CAMPBELL, C.: *The Romantic Ethic and the Spirit of Modern Consumerism*. Oxford : Blackwell, 1987, p. 193.

hedonist already has would mean to adapt oneself to the world and to resign the project of „non-alienated life“. A more important aspect of this project is to want than to have. Once the dreaming hedonist achieves the object of his desire, this specific item becomes unimportant for him. He quickly redirects his desires and attention to some other goods representing something new. Possession of things thus does not induce more peace or satisfaction with the customers, but it leads to constant dissatisfaction, furthermore initiating obsessive struggle and search for new seemingly indispensable products.

Hunters of pleasurable experiences spin the axes of entertainment hustle and bustle faster and faster; they frantically jump from one experience to another only to find out that more frequent devouring of experiences makes the appetite for excitement even stronger. The hunger for experiences remains, only the appetite is more promiscuous. The question remains how to diminish many a disappointment and disillusion where the experiences should bring joy and pleasure, how to diminish anxiety and insecurity where the practically unlimited choice of experiences should induce feelings of authenticity and unlimited personal freedom.

2 From predatory hedonism to its alternative model

The hedonistic model described as *predatory* is the object of frequent social criticism.¹²

British philosopher K. Soper presents a rather untraditional criticism revealing self-destructing potential hidden in practising the unbound hedonism containing many often unrecognised self-destructing elements that need to be reflected and eliminated for our own good.¹³ Soper's criticism questions consumerism-based hedonism not only in terms of problematic ethical, environmental and social effects, but mainly in terms of the negative impact on the actors themselves. In the end, the predatory model of hedonism is to soften sensual pleasures and to divert attention

12 SASSATELLI, R.: Representing Consumers: Contesting Claims and Agendas. In SOPER, K., RYLE, M., THOMAS, L. (eds.): *The Politics and Pleasures of Consuming Differently*. London : Palgrave Macmillan, 2009, p. 25-42.

13 SOPER, K.: *Beyond Consumerism: The Critique of Consumption, Democracy, and the Politics of Prosperity*. In ZHRÁDKA, P., SEDLÁKOVÁ, R. (eds.): *New Perspective on Consumer Culture and Research*. Newcastle upon Tyne : Cambridge Scholar Publishing, 2012, p. 180-200.

from more spiritual forms of good life. Hedonistically-oriented life style is to restrict human abilities to experience spontaneous moments of joy and to lead to total sensual numbness.¹⁴ On the other hand, fast-food life style eliminates what becomes the object of growing interest, such as more free time, more personal contacts and a slower-paced life.¹⁵ According to Soper, modern forms of consumerism represented by predatory hedonism principally follow the ideas of growth economy as a system operating effectively provided that people are willing to spend their money. However, the problem is that if consumers should increase the number of their purchases, they would have to intensify their work-load, i.e. to spend more time at work thus limiting their free time for themselves and the family. This forces people to purchase larger amount of goods and services, which compensates the lack of free time they are deprived of while trying to earn financial means necessary to support and to implement the consumer life style.¹⁶ This consumption dynamics is to restrict more available and financially far less demanding forms of satisfaction which are ruthlessly replaced with more expensive compensations in the form of consumer goods and services. For instance, travel and vacation industry generates products promising to get back at least some of the time spend on work duties. The similar concept can be seen in the popular web of city fitness centres resembling artificial impersonal industrial halls where people intensively focus on their bodies in concentrated training sessions. This may also involve a compensation for the lack of free time that could be invested in slower less stressful and quieter movement in nature.

The progressing model of consumption culture prosperity is more and more based on collective willingness and readiness to spend money and reluctance to save, to live in the mode of voluntary modesty and to postpone pleasures and joys for the future. At the same time it assumes that people will work harder and more intensively and sacrifice more time for financial income subsequently invested in products compensating and replacing those properties and values which people give up in favour of time-consuming work.

14 VEENHOVEN, R.: *Hedonism and Happiness*. In Journal of Happiness Studies, 2003, Vol. 4, No. 4, p. 437.

15 SOPER, K., FAFEJTA, M.: Alternativní hédonismus a život v dobrovolné skromnosti. In. ZAHŘÁDKA, P. (ed.): *Spotřební kultura: Historie, teorie a výzkum*. Praha : Academia, 2014, p. 371.

16 Ibidem, p. 372.

In this context, Soper presented the model of *alternative hedonism* as a variation of sustainable life style that is environmentally friendly as well as considerate of physical and mental health, taking into account the needs of privacy and family life.¹⁷ This alternative hedonism model is based on the assumption that the predatory consumption hedonism fails to evoke feelings of happiness and satisfaction, but rather personal disappointment, inner tension, emotional emptiness and permanent insecurity. It points out necessary restrictions of the consumer life style that does not bring more but fewer sensual pleasures and joys. The concept of alternative hedonism is not puritan and does not follow the ideas of renunciation and asceticism. To the contrary - it offers more attractive strategies to achieve peace, welfare and sensual pleasures. The source of these pleasures and joys should not be searched for in the objective knowledge of „real“ or „true“ needs, i.e. in the visions of what values the consumers should try to achieve or what properties they should desire. It is necessary to focus on our own skills of self-reflection, experience and self-critical discovery of negative impacts of consumerism on our own life as well as on the surrounding world for which an alternative hedonist should be able to assume responsibility. We abandon here the idea of „unrecognised“ and commercially generated „artificial“ needs manipulating the desires of consumers. The stress is put on authenticity, self-control and the potential of free will of consumers who are able to continuously reflect and independently evaluate their own life situation determined by the consumer culture and consumerism. Self-reflective skills of consumers should identify negative aspects of consumption-based hedonist methods offering satisfaction instead of ecstasy and preferring resignation to transcendence.¹⁸ This should also show the consumers a way to „more spiritual“ interests and overall more profound and intensive experiences.¹⁹ With the reference to Adorn, we live in a society where „everybody lives on a plane“, but they obey the commandment „thou shall not fly“.²⁰ It shows

- 17 RYLE, M., SOPER, K.: *Alternative Hedonism: The World by Bicycle*. In OSBALDISTON, N. (ed.): *Culture of the Slow. Social Deceleration in Accelerated World*. Monash University Australia : Palgrave and Macmillan, 2013, p. 94-110.
- 18 SOPER, K., FAFEJTA, M.: Alternativní hédonismus a život v dobrovolné skromnosti. In ZAHŘÁDKA, P. (ed.): *Spotřební kultura: Historie, teorie a výzkum*. Praha : Academia, 2014, p. 378-379.
- 19 HONORÉ, C.: *In Praise of Slowness: Challenging the Cult of Speed*. New York : Harper One, 2004, p. 47.
- 20 Reference to Adorno (1967, p. 95-117) borrowed from study Soper, Fafejta (2014, p. 379).

that the main sources of personal happiness include values that exist beyond „shopping zones“ and cannot be simply bought as a product or service. They mainly represent family values, friendly social relations, a meaningful job and free time.²¹ Alternative hedonism focuses on acquiring abstract qualities, such as time, attention, space, peace, nature and safety that are to represent new forms of luxury and comfortable life.²² The possibility to enjoy our free time and to be allowed to decide about our time is one of the most desirable values. Enough free time is to represent one of the most luxurious factors and a significant determinant of a happy life. It relates to the concept that alternative hedonism rejects constitutive parameters and qualities of predatory hedonism, e.g. the before-mentioned „cult of immediate satisfaction“, which has to obey the rhythm of quick time. Alternative hedonism as specific life strategy of high-quality, fulfilled and happy life disapproves stressful haste, urgency, rapid and quick changes of different life moments, desire for quick results and temporary emotional excitement and rather focuses on a slower-paced life that offers free moments allowing to enjoy peaceful joys of ordinary life situations.²³ While the feature of predatory hedonism is the afore-mentioned „cult of immediate satisfaction“, the constitutive feature of alternative hedonism might be the „cult of deferred pleasure“.

3 Better later than now?

In the context of developed ethos of predatory hedonism and the related „cult of immediate satisfaction“, we often and in vain search for more distinct and frequent displays of what many economists describe as „anticipated gain“, sociologists or anthropologists as „deferred pleasure“. Generally speaking, the anticipated gain results from a situation where

21 DURNING, A.: *How Much is Enough? The Consumer Society and the Future of the Earth*. New York : Norton, 1992, p. 137.

22 LIBROVÁ, H.: *Vlažní a váhaví: kapitoly o ekologickém luxusu*. Brno : Doplněk, 2003, p. 54-56.

23 It could be expected that given the widespread „cult of immediate pleasure“, we shall slowly lose our ability and willingness to wait in the conditions of consumer culture. This issue was tackled by L. Potter who carried out empirical inquiry in waiting rooms and analysed attitudes of people in connection with these situations where they have to put up with time delays. Potter found out that most respondents perceived waiting as a most pleasant situation and the waiting room stood for the zone of quietness. The results stress the significance of relaxation and the ability to enjoy uninterrupted free time. „*English patience*“ *Observer Magazine*, 21.10, 2010.

you look forward to possible future pleasurable experience.²⁴ It refers to a situation where immediate consumption of a product gives way to deferred consumption. Some products may evoke such powerful feelings of “looking-forward-to” that the preference of deferred consumption to immediate consumption appears to be subjectively more beneficial from psychological perspective.²⁵ Subjective feelings of joy, pleasure and bliss need not result from hasty and immediate consumption but also from deferred pleasure. Deferred pleasure belongs to the category of human activities that can be practised only in slow time. To postpone something means to wait, not to rush and to wait for the right moment that shall bring the expected gain. Lottery ticket agents may not profit from the fact that betters would spend a lot of money on tickets because they would naively believe to win the main prize, where the statistical chance of such a win equals almost zero. These companies might economically profit only because the betters buy a chance to win, though this chance is extremely small. And the visions of such lottery winnings may evoke most intensive feelings of pleasure and the looking-forward-to process related to the possible winnings becomes the only reward in most cases. Certain disappointments experienced in these lotteries need not result from the fact that the ticket was not the winning ticket but from the fact that the better can no longer enjoy the time and situation filling him with pleasurable feelings of possible win.

A number of travel agencies offers the so-called „last minute travels“. It is a situation depicting life motives in quick time conditions, involving quick decision, fast and short preparation and hasty urgent implementation. Customers, who often use this bargain, do not usually have enough time for proper preparations, but they also lack time that could be used as the looking-forward-to-holiday phase. It is the enjoyment prior to the holiday and pleasurable dreaming about what the holiday might bring that might be the best thing about the whole holiday. This might be the reason why many travel agencies have offered the so-called „first minute travel“, the contrary to the „last minute travel“ in recent years.

24 HOUDEK, P.: *Preference, užitek a dosahování štěstí (přístup behaviorální ekonomie)*. Working paper. Praha : Vysoká škola ekonomická, 2010, p. 6-8.

25 There are empirical studies demonstrating that the vision of “looking-forward-to” feelings is such a strong motive of a man’s conduct that many cases prefer the deferred consumption to earlier consumption. E.g. people would love to wait for a kiss 3 days or for a dinner in a French restaurant a week. LOEWENSTEIN, G. F., D. PRELEC.: *Preferences for Sequences of Outcomes*. In *Psychological Review*, 1993, Vol. 100, No. 1, p. 95.

The customer thus purchases the holiday as well as enough time to look forward to the holiday.

The fact that many luxurious trademarks introduce waiting lists pursues at least two goals. First, it enhances the prestige guaranteed for the buyers by the identity symbols that have to be waited for. The customer experiences a situation that is intentionally and calculatedly forced out by the complex of marketing communication in the culture of instant gratification in the interest of economic subjects. Ironically, the customer is deprived of the possibility to acquire something immediately – which is otherwise a standard usually provided to the general public of less wealthy consumers. It is the situation of waiting and postponing the access to the goods that demonstrates certain characteristics that this situation requires a certain sacrifice from the customer. These sacrifices in the modern consumption-based society might be the most tormenting.²⁶ However, if the customer makes “this sacrifice” in order to obtain something, the product on the waiting list gains in value for him and most likely for the others as well. Second, the introduction of the waiting list also makes sense because the customers may look forward to the product they are going to purchase. It does not take into account the gain from the value he intends to get. The same pleasure and joy might be brought by looking forward to a luxurious watch that cannot be purchased unless you are on a long waiting list with other buyers...as if they were waiting for a cheaper holiday.

Conclusion

Preference of deferred gains means return, though only temporary, to the conditions of slow time, i.e. a situation we might be less familiar with and are not well aware of in this time of modern communication technologies and information influx. The strategy of deferred pleasure does not support the arrival of quick time; this strategy of acquiring psychological gain is driven away by commercial marketing communication, systematically maintaining and enhancing the consumer appetite and greed for knowing new sources of entertainment and pleasure. Enforcing the principles of deferred pleasure is not in the interest of impersonal institutionalized structures forming consumers' spirit and commercializing everydayness, but it might be in the interest of social actors themselves in order to

26 BAUMAN, Z.: *Umění života*. Praha : Academia, 2010, p. 23.

slow down the axes of entertainment hustle and bustle and the pace of hasty running back and forth from one experience to another with the expectation that more experiences and more frequent emotional adventures might also bring more pleasure and joy. Metaphorically speaking, fast driving trains as well as quickly passing landscape relief offer numerous varied pictures and perceptions; they attract more and more travellers. The customers wish to travel faster, they hate waiting on the platforms and refuse to lose their time with tiring travelling on one single line so that they could restlessly jump from one train to another and try as many train connections as possible. Travelling should offer entertainment; it is about the ride, not some commonplace and flat transportation from point A to point B. Travelling gets faster which is not only the wish of passengers, but also the pragmatic interest of transportation companies. Nobody cares about the brakes, only about the gas pedal. It is necessary to add that stepping on the gas pedal results in faster drive; however, it certainly does not fulfil the expectations of passengers concerning this ride speed. Sometimes, the customers show bad mood, sullenness, disappointment and inextinguishable thirst for travelling, which might be just the side-effects of a furious ride that lost its aim and probably became much too fast. Who would ask then for a slow ride with a view of a few sceneries if these fast trains can offer much more? Who is willing to restrict the scope of travelling if it offers so much? Would it not be more convenient to try more often what it is like to buy the ticket and to look forward to the future ride?

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SENSORY MARKETING: SENSORY PERCEPTIONS AND EMOTIONS AS THE KEY FACTORS INFLUENCING CONSUMER BEHAVIOUR AND DECISION-MAKING

Jana Rybanská – Ľudmila Nagyová – Ingrida Košičiarová

Abstract

Marketing methods and techniques are gradually developing. One of the latest marketing methods is sensory marketing. Sensory marketing is a revolutionary new development in the field of marketing, based on creating the concept and the brand image and building the perfect synergy between product and consumer leading to increased consumption. In everyday life, more senses together participate on different activities and same happens in marketing. It is almost impossible to involve just one of the senses in customer behaviour and decision-making. One sense can be primary, but more or all of them are involved. So the more senses we're able to engage in relation to specific brand mean the greater chance we have in gaining the customer. Many studies show that there is an important connection between sensorial stimuli and the formation of emotions. Depending on the degree or intensity of the sensory experience the emotions are recorded to the memory, resulting in the evocation of past experience.

Keywords:

Consumer Behaviour. Emotions. Sensory Marketing. Senses. Sensory Perceptions.

Introduction

Marketing is a scientific discipline, which for a long time now does not only affect the development of the economic sphere, but applies also in many other areas of human life. The main objective of marketing is to meet the needs of companies, organizations, customers, human beings. The world today can be characterized by dynamism and constant changes happening faster and faster in a global environment. All sectors and areas of human activity, including marketing, must react promptly to these changes. So too this discipline has to acquire new knowledge, learn new techniques, obtain new skills and know-how to be able to continue meeting the needs of society most effectively.

Currently, there are a number of new methods that are applicable in marketing. Marketing is becoming more closely linked not only with

the social sciences and psychology, but especially with neurosciences. Knowledge of the basic principles of functioning of the human mind, cognitive processes and affective states facilitates the understanding of processes of buying behaviour and consumer decision-making. At present times it is very important to understand the difference between traditional marketing and its methods and modern marketing methods such as sensory marketing and neuromarketing. Understanding these new kinds of marketing means also understanding new possibilities they bring.

This article is focusing the attention mainly to sensory marketing, the five human senses and consumers' emotions evoked by sensory stimuli and thus influence the buying behaviour and decision-making. Authors aim to explain the methods used in sensory marketing, its focus and its main purpose and how it affects the relationship between consumers and the product, brand or organization. Based on real examples from working experience and our own qualitative treatise we will show how important senses are in marketing. The conclusion includes also limitations which sensory marketing is meeting in practice and possible further uses are proposed.

1 Traditional versus sensory marketing

Traditional marketing considers the customer a rational being, a person that is deciding rationally and behaves economically responsibly. It focuses on the individual attributes of products or services, their functionality, usability, performance and overall usefulness. The goal of traditional marketing is to reach customers before purchasing a product or service, respectively during the decision-making process or during the actual purchase. The basis of traditional marketing is the marketing mix, which contains tools by which a company communicates with customers.¹

Marketing methods and techniques gradually evolve. One of the latest methods is sensory marketing. Sensory marketing is a revolutionary new development in the field of marketing, based on creating the concept and the brand image and building the perfect synergy between product (service) and consumer leading to increased consumption. Sensory

1 McCARTHY, E. J. et al.: *Basic Marketing: A Marketing Strategy Planning Approach*. Boston : Boston Press, 2013, 784 p.

marketing is proposing strategies from customer perspective. This kind of marketing considers the customer as more emotional than rational being. It is based on interaction and cooperation of the customer and the company aiming to create emotional value.²

Sensory marketing is trying to convey a holistic experience and establish a connection with customers. It focuses mainly on the experience after the purchase of goods or services. This new “wave” of marketing works primarily with feelings and emotions using different communication channels and different techniques to record feedback. Considers consumption, resp. the use of the product as the most important moment and exactly at the moment of consumption can product (brand) affect customer the most and so establish long-term relationship based on emotional bond.³ It does not only create bond to a specific product or service, but to the brand itself. Sensory marketing is trying to convey a positive experience through the five human senses and arouse in customer positive emotions before, during and after the purchase of a product or service. The basic strategy of sensory marketing is through sensory perceptions evoke feelings and emotions that are recorded in the mind of the consumer and create a strong emotional attachment to the brand, product or company. This process also significantly strengthens customer loyalty to the brand or product.⁴

The goal of sensory marketing is to exceed customer expectations and experiences in a way that creatively manipulates their sub consciousness so that they create a positive emotional bond to the selected brand. This type of marketing is completely distinct, it represents a new flow in marketing development. The customer does not select a product or service based on a rational assessment of price, but on the basis of a positive experience product offers before, during and after consumption. If this experience is pleasant, its importance is archived in memory⁵.

2 LINDSTROM, M.: *Brandwashed: Tricks Companies Use to Manipulate Our Minds and Persuade Us to Buy*. New York : Crown Business, 2011, 304 p.

3 HISTEROZA, N. B., JAMES, P. T. J.: *The effects of sensory marketing on the implementation of fast-food marketing campaigns*. In *Journal of Management and Marketing Research*, 2014, Vol. 14, No. 6, p. 26-37.

4 LINDSTROM, M.: *Brandwashed: Tricks Companies Use to Manipulate Our Minds and Persuade Us to Buy*. New York : Crown Business, 2011, 304 p.

5 SCHMITT, B.: *Experiential Marketing. How to get customers to sense, feel, think, act, relate to your company and brands*. New York : The Free Press, 1997, 304 p.

Sensory marketing allows consumers to know how the brand smells, tastes, looks, how it sounds and feels on touch. The aim is to induce such an idea of the brand in the consumer; that brand-owner wishes, through positive emotional experience. Buying behaviour and decision-making is then based on the subjective experience of emotions, not the reality of price.⁶

Marketing formulated for the first time outside its traditional contours.⁷ He was also first who thought about the impact of emotions on consumer buying decisions and the first to see the need for change in marketing strategies based on individual attributes of products and services. He preferred the new strategies based on emotions and positive experiences. Providing positive experiences and inducing positive emotions associated with the brand creates a strong emotional bond that is the key to long-term or permanent relationship between the customer and company.⁸ Marketing needs to the function in a way where it is essential what the customer feels during the selection, purchase and consumption of products and services. Sensory marketing provides the brand with added value. Thanks to unforgettable experience customers fall in love with the brand and these emotions spill over to their relatives and family members. Thus the decision what to buy becomes a habit. If the product is able to convey a pleasant experience, evoke pleasant emotions and satisfy customer needs, success is guaranteed.⁹ Brands that use sensory marketing generate for their products special charisma that reaches customers through their senses and tries to identify itself with their needs. Sensory marketing strategies seek to involve as many of the five human senses as possible, thus raising in customers memorable, strong emotions and affecting their buying behaviour and decision-making.¹⁰

- 6 HISTEROZA, N. B., JAMES, P. T. J.: *The effects of sensory marketing on the implementation of fast-food marketing campaigns*. In Journal of Management and Marketing Research, 2014, Vol. 14, No. 6, p. 26-37.
- 7 SCHMITT, B.: *Experiential Marketing. How to get customers to sense, feel, think, act, relate to your company and brands*. New York : The Free Press, 1997, 304 p.
- 8 HISTEROZA, N. B., JAMES, P. T. J.: *The effects of sensory marketing on the implementation of fast-food marketing campaigns*. In Journal of Management and Marketing Research, 2014, Vol. 14, No. 6, p. 26-37.
- 9 SCHMITT, B.: *Experiential Marketing. How to get customers to sense, feel, think, act, relate to your company and brands*. New York : The Free Press, 1997, 304 p.
- 10 CLEGG, B.: *Capturing Customers' Hearts: Leave Your Competition to Chase Their Pockets*. New York : Financial Times Management, 2000, 240 p.

2 Sensory perceptions and emotions

In everyday life, more senses together participate on different activities and same happens in marketing. It is almost impossible to involve just one of the senses in customer behaviour and decision-making. One sense can be primary, but more or all of them are involved. So the more senses we're able to engage in relation to specific brand mean the greater chance we have in gaining the customer.

One of the most interesting features of the human senses is their high sensitivity. For each of the five senses there is a minimal stimulus that can detect. They were described by Galanter in 1962. Visually, we can detect a light as dim as a candle flame 48 kilometres away on a clear night. Our hearing can detect the soft ticking of a clock when it's quiet on distance of six meters. We can smell a drop of perfume dispersed in the space of six rooms. On the tongue we can detect the sweetness of a teaspoon of sugar dissolved in ten litres of water and our skin feels the touch of a fly's wing dropped on from a height of one centimetre.¹¹ Information from the senses is transmitted to the brain through receptors. The receptor is a specialized type of nerve cell that transmits a signal to the cerebral cortex.

2.1 Vision

The most sensitive sense for humans is vision. Human visual system includes eyes, corresponding parts of the brain and the connections between them. The eye is composed of two systems - one creates an image and the other converts this image into electrical impulses. System that creates the image consists of the iris, pupil and lens, whose task is to create the sharpest image possible on the retina. Here are located two types of receptors - rods (provide night vision) and cones (provide vision during the day). Rods and cones contain photopigments that absorb light. In the process of light absorption by photopigments, a nerve impulse is created and transmitted through the bipolar cells to ganglion cells. Ganglion cell axons after leaving the eye form the optic nerve leading to the brain.¹² Through vision we are able to see light, shapes and colours. Vision together with hearing are two senses used most often in marketing. Based on the knowledge of the basic laws of physics, psychology of colours and simple marketing researches, marketers are

11 ATKINSON, R. L.: *Psychologie*. Praha : Portál, 2003.

12 Ibidem

able to effectively communicate with customers and using different tools evoke emotions of various kinds and nature.

2.2 Hearing

„Hearing together with vision is one of the most important instruments for gathering information from environment“¹³ Auditory system consists of ears, corresponding parts of the brain and connecting nerve pathways. The ear does not consist of only visible part, but the entire auditory system, with the largest part hidden in the skull. The ear like the eye consists of two parts. One part amplifies and transmits sound to the receptors, the second part of the transduction process converts audio to nerve impulses. Transfer system includes the inner ear and the middle ear, which consists of the eardrum and three auditory ossicles – the hammer, anvil and stirrup. Auditory receptors are stored in the inner ear, called the cochlea (snail). The inner ear is involved in recording sound, which is then transmitted through the ear canal to the eardrum. Transmitting sound waves leads to the eardrum vibrations. The main role of the middle ear is to transmit these vibrations from the eardrum through the air-filled cavity to oval window, which is the entry way to the receptors of the inner ear. The transmission in the middle ear continues through auditory ossicles. Auditory ossicles do not only transfer, but also intensify the sound.

Transduction system in the cochlea is divided into a few membranes, which are filled with liquid. Auditory receptors – hair cells are found in the basilar membrane. The pressure on the oval window leads to changes in fluid pressure in the cochlea, which in turn oscillates basilar membrane and bends the hair cells, which in turn generate electrical impulses. Most of the auditory neurons are each linked to one of the hair cells. The auditory nerve is composed of about 30,000 auditory neurons. Auditory pathway from each ear leads to both brain hemispheres.¹⁴

Marketing is mainly making use of music. The combination of visual and auditory stimuli in the consumer creates a very powerful emotions that are immediately stored in long term memory. Various tunes and jingles are used primarily in television commercials. When consumer hears a familiar melody, he can immediately imagine the product without actually having to see him. Some tunes are almost permanently remembered, so

13 Ibidem, p. 130.

14 Ibidem

the consumer can envision a product or brand even after many years once melody is heard.

2.3 Other Senses

The rest of the senses are lacking richness of combinations of sensations, therefore vision and hearing are also known as “higher senses”. But the other senses are vital too.

Smell is has of all the senses the most direct contact with the brain. Olfactory receptors are already present in the nasal cavity without any protective layer. Olfactory impulses are molecules which are released by a certain substance. These molecules travel through the air and enter the nasal cavity. Such molecules must be soluble in fat, since the olfactory receptors are covered by a film of fat. Olfactory system consists of olfactory receptors (cilia) placed high in the nasal cavity, the corresponding brain areas and connecting neural pathways. When the cilia come in contact with the scent molecules, they form electrical impulse. Thus, there is a transfer of the stimuli to the signal. The impulse travels along nerve fibre into the olfactory bulb – part of the brain which is located directly below the frontal lobe. A direct link exists between the olfactory bulb and that part of the brain that is involved in the creation of long-term memory traces. There is evidence that certain smell or odour is an effective stimulus for the recall of old memories.¹⁵

Closely related to the sense of smell is the taste. With smell in disorder, taste too is weakened, yet also in a strong fever we are able to distinguish salty and sweet taste. Taste stimulus is the substance dissolved in the saliva. Gustatory system is made of taste receptors, which are located on the tongue, the relevant parts of the brain and neural pathways. Taste receptors are called taste buds. On the surface of each taste bud are thin hair ends of receptors that extend to the surface of the tongue and are in contact with the solution in the mouth. This creates an electrical impulse that travels to the brain. Sensitivity to individual taste stimuli varies by location on the tongue. Different flavours can be recognized anywhere on the tongue, except on its centre. The greatest sensitivity to sweet and salty taste is the tip of the tongue, to sour taste on the sides and to bitter on the root of the tongue.¹⁶

15 Ibidem

16 HULTÉN, B.: *Sensory marketing: The multi-sensory brand-experience concept*. In *European Business Review*, 2011, Vol. 23, No. 3, p. 256-273.

Touch was originally considered a single sense. Today we distinguish three separate types of skin receptors that sense pressure, temperature and pain. Touch receptors are neurons with free nerve endings directly in the skin. Sensitivity to pressure stimuli is the highest in the area of the lips, nose and cheeks, and the smallest on big toe. We are able to recognize a change in temperature of less than 1°C. Any stimulation working with such intensity that leads to tissue damage is an incentive for pain. We distinguish between phasic and tonic pain. Receptors for the perception of skin stretch are called Ruffini endings, for the perception of cold Krause end bulbs, the perception of pressure Pacinian corpuscles. Tactile sensory receptors on fingertips are the Meissner corpuscles.¹⁷

The last three mentioned senses are in marketing used the least, but there is great potential for their development. Taste and smell are highly subjective, therefore it is very difficult to work with them. Modern sensory marketing focuses mainly on smell, because different scents can evoke different emotions and the very old memories too. According to scientific research, the scents and smells can take the longest root in our brains from all the sensory inputs. Up to two-thirds of people can even after one year associate the smell with an event.¹⁸ Recent research also shows¹⁹ that also the touch plays in the buying decision very important role. Customers are more likely to choose a product that you can hold in their hand than that which cannot be touched.

[online]. Available at: <<http://www.emeraldinsight.com/0955-534X.htm>> [14.10.2014].

17 ATKINSON, R. L.: *Psychologie*. Praha : Portál, 2003.

18 BIEL, M.: *Obchodník môže využiť všetky zmysly*. In Trend, Vol. 12. [online]. Available at: <<http://www.etrend.sk/trend-archiv/rok-2014/cislo-12/obchodnik-moze-vyuzit-vsetkzmysly.html>> [14.10.2014].

19 KRISHNA, A., SCHWARZ, N.: *Sensory marketing, embodiment, and grounded cognition: Implications for Consumer's Behaviour*. In Journal of Consumer Psychology, 2014, Vol. 24, No. 2, p. 158-168. [online]. Available at: <<http://www.sciencedirect.com/science/article/pii/S1057740813001162>> [14.10.2014]; KRISHNA, A. et al.: *Product Scent and Memory*. In Journal of Consumer Research, 2014, Vol. 37, No. 1, p. 57-67. [online]. Available at: <http://www-personal.umich.edu/~aradhna/ Scent_and_Memory.pdf> [14.10.2014].

2.4 Emotions in marketing

A number of studies²⁰ show that between the information from senses and the emergence of emotions is significant correlation. Depending on the degree or intensity of the sensory experience the emotions are recorded to the memory, resulting in the evocation of past experience. Emotion is defined as a state of psychological excitement with cognitive aspects arising from the specific context.²¹ We distinguish between basic and complex emotions. Basic emotions are the same for all people, regardless of gender, age, race, culture, and the like. They are so-called universal emotions. Ekman²² ranks among them joy, anger, sadness, fear, surprise and disgust. Complex emotions are combinations of basic, resp. primary emotions. Complex emotion is for example nostalgia.²³ Most of the emotions formed by influence of sensory marketing, but also marketing in general, are complex emotions.²⁴ Emotions arise from the sensory stimuli and are subsequently affecting buying behaviour and decision-making. Brands that create an emotional connection with customers are much stronger on the market than those which do not create an emotional bond. Emotions are triggered by environmental stimuli, which may be internal or external. Based on emotions, emotional reactions of varying intensity are evoked. Different emotions affect human behaviour in various ways²⁵.

In connection with sensory marketing it is very important to distinguish between feelings, emotions and moods. Feelings come from sensory

20 BAGOZZI, R. P., GOPINATH, M.: *The Role of Emotions in Marketing*. In Academy of Marketing Science Journal, Vol. 27, No. 2, 1999, p. 184-206; CLEGG, B.: *Capturing Customers' Hearts: Leave Your Competition to Chase Their Pockets*. New York : Financial Times Management, 2000, 240 p.

21 PLUTCHIK, R.: *The Circumplex as a General Model of the Structure of Emotions and Personality*. Washington : American Psychological Association, 1997, p. 17-45.

22 EKMAN, P.: *Emotions Revealed: Recognizing Faces and Feelings to Improve Communication and Emotional Life*. New York : OWL Books, 2007, 288 p.

23 HISTEROZA, N. B., JAMES, P. T. J.: *The effects of sensory marketing on the implementation of fast-food marketing campaigns*. In Journal of Management and Marketing Research, 2014, Vol. 14, No. 6, p. 26-37.

24 SCHMITT, B.: *Experiential Marketing. How to get customers to sense, feel, think, act, relate to your company and brands*. New York : The Free Press, 1997, 304 p.

25 LINDSTROM, M.: *Brandwashed: Tricks Companies Use to Manipulate Our Minds and Persuade Us to Buy*. New York : Crown Business, 2011, 304 p.

input. Emotions are the answer to these feelings and are short-term, resp. have short duration. Moods are longer-term emotional states.²⁶ Emotions are recorded into short-term and then into long-term memory. Memory affects the information to which the consumer is exposed, but the actual memory is also influenced by the information obtained. People behave and act based on what they have encoded in the memory. What is not stored in memory cannot create experience and with no experience the behaviour cannot be induced. Sensory marketing works exactly with this principle - trying to use sensory perceptions and positive emotional experiences to store brand in the consumer mind, which in turn evokes buying behaviour (Chart 1).

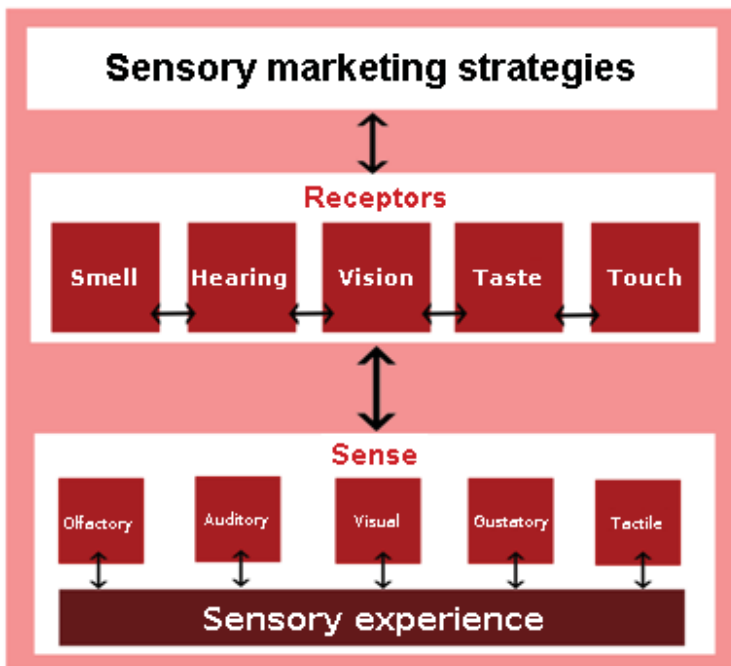


Chart 1: Sensory marketing strategies

Source: Own processing from HULTÉN, B.: *Sensory marketing: The multi-sensory brand-experience concept*. In *European Business Review*. [online]. Available at: <<http://www.emeraldinsight.Com/0955-534X.htm>> [14.10.2014].

26 FREEMANTLE, D.: *What Customers Like About You: Adding Emotional Value for Service Excellence and Competitive Advantage*. London : Nicholas Brealey Publishing, 1999, 310 p.

Sensory Marketing works with several modern neuromarketing methods used for recording the emotions of consumers. Some physiological changes observed in the course of emotions are observable on the surface of the body, either to the naked eye or with help of different apparatus. We distinguish peripheral and visceral manifestations of emotion. Peripheral expressions of emotion can be observed by multiple techniques. For instance the psychogalvanic reflex is when different resistance of the skin is measured (changes in skin conductivity). Psychogalvanic reactions are important and often observed indicators of the presence of emotions.

For detection of emotions is further used HRV biofeedback, EEG biofeedback, measuring changes in blood pressure, muscular tension, tracking eye movement and consequently reading microexpressions, facial mimicry (facereader). Visceral manifestations of emotions are related to changes in tissues and are associated with the activity of the autonomic nervous system, which is controlled by the hypothalamus. "Visceral response of organism to emotiogenic stimuli are a function of the relationship between the sympathetic and parasympathetic parts of the autonomic nervous system, while the sympathetic function is primarily activating, the parasympathetic part functions by forming reserves".²⁷ The functions of both branches of the vegetative nervous system complement each other so that one is irritating (sympathetic) and the second is absorbing (parasympathetic). Emotions cause an imbalance in the activity of internal organs, which is given by an imbalance in the activity of the sympathetic and parasympathetic parts.²⁸

3 Methodology

In this article were used different methods of qualitative research. It is primarily an analysis of secondary data, interviews, observation and qualitative experiment.

3.1 Analysis of secondary sources

The authors' first steps of research were to gather information from other already completed studies dealing with the issue of sensory marketing and neuromarketing. Particular attention was paid to the latest

27 NAKONEČNÝ, M.: *Lidské emoce*. Praha: Academia, 2000, p. 156.

28 NAKONEČNÝ, M.: *Lidské emoce*. Praha: Academia, 2000, p. 332.

knowledge and research dealing with sensory stimuli still mostly unused in the marketing. It is particularly the taste, smell and touch. Based on the analysis of selected resources were selected several examples from practice to demonstrate the use of unusual sensory stimuli to elicit emotions in consumers.

It is known fact that between memory and different scents / smells is a close relationship. This relation is called Proust phenomenon. In a much greater degree than most used senses – vision and hearing can smell trigger memories and consequently emotions. Many companies now started using mentioned phenomenon. For example, chain of Hugo Boss stores is using a combination of musk and citrus aromas. Customer will experience it in all of their stores worldwide. It does not only create a pleasant atmosphere, but it is also company symbol, by analogy as a logo and corporate colours. Bloomingdales network likewise used coconut scent in their swimsuit section which in customers evokes memories of summer, palm trees, sea and beach.²⁹ Hotel chain Holiday Inn combines the olfactory and auditory cues to influence the length of stay of customers. For weddings they use scent of roses, for business meetings scent reminding of new leather cases, for various celebrations scent of exotic fruit. Customers of M&M's stores will immediately smell the scent of chocolate. They use special sprays with a strong odour of chocolate, which are applied to air conditioning. Even McDonald's company uses sensory marketing. At lunch time, customers can hear the sound of frying and smell the fresh chips.

Sensory marketing is used by many other companies. All companies mentioned above managed with help of sensory cues to increase their turnover several times. Based on these examples we can say that it is very important to consider also other senses, not only the most frequently used vision and hearing, because others too have a very high potential to affect consumer behaviour and actions.

3.2 Interview

Semi-structured interview took place with participants in the qualitative experiment before its implementation. It was attended by 42 respondents, third year students of bachelor program aged 20 to 22

29 BIEL, M.: *Obchodník môže využiť všetky zmysly*. In Trend, Vol. 12. [online]. Available at: <<http://www.etrend.sk/trend-archiv/rok-2014/cislo-12/obchodnik-moze-vyuzit-vsetkzmysly.html>> [14.10.2014].

years, including 25 women and 17 men. The form it took was face to face in a group and lasted about 20 minutes. Goal of the interview was to find out what forms of sensory marketing have respondents in their lives met and what sensory stimuli they prefer. More than half of the respondents (69.04 %) stated that they considered the most important sense a vision. All respondents have experienced various forms of sensory marketing, but the least one met is the taste and tactile cues.

The reason why the interview was chosen as a method of research is the ability to instantly obtain the necessary information and also chance to observe the participants during the interview. It also provides an opportunity to clarify the purpose of the research thus ensuring full understanding by all participants.

3.3 Observation and qualitative experiment

The strong aspect of the observation is that it is the most direct way to get information. It's not something written by man which is subsequently quantified, but what we can directly see. Qualitative experiment used direct observation, where researcher observed what the participants of the experiment are doing and when necessary asked them clarifying questions.

The principle of qualitative experiment is to interfere with the natural operation of some events. We do something unusual and unexpected to detect the reaction of surrounding environment to our invasion. After the intervention we do not moderate anything, do not influence anything and do not control anything. The research position rests in not assuming that we control some variable. We do not assume that we know the environment and we consciously stay in the role that Mikulášková calls "stranger attitude". After experimental interference we only observe phenomena and describe them in the natural environment"³⁰ Research participants were divided into two groups of 21 individuals and each group was gradually exposed to different sensory stimuli. The research was conducted in accordance with ethical principles, participants were informed about the objectives of the experiment and voluntarily agreed to participate. Qualitative experiment was aimed to determine the effect of sensory stimuli on research participants engaged in product assessment. During the research, we used two kinds of Marshmallows

30 MIKULÁŠKOVÁ, G.: *Základy kvalitatívneho výskumu a diskurzívnej analýzy*. Prešov : Prešovská univerzita v Prešove, 2013, p. 43.

candy from two different brands. All research participants stated in the interview that they know both brands.

Both the experimental group and the control group had been shown both product brands and were requested to state which package would they choose and why. Both groups received wrapped candies, therefore could not smell or touch them. They only had available visual stimulus. Since all participants knew both brands, they made provision for the price and taste too. In the experimental group 17 participants (i.e. 80.95 %) chose cheaper candies in colourful yellow package with child motif. In the control group, it was only 15 people (71.43 %). All who had chosen yellow packaging saw it more beautiful, more colourful and were more intrigued and their incentive was also the price. From remaining 10 participants, 4 respondents (40 %) were attracted yellow wrapper but considered sweets in green package of higher quality. 60 % of respondents considered green cover as more attractive.

Later, the two groups were asked not only look but also to smell and touch the sweets. 12 respondents (57.14 %) in the experimental group and also 16 people (76.19 %) in the control group would in this case choose candies in green package because they considered them more soft and aromatic. Several participants reported that the smell of sweets evokes in them memories of childhood, vacation or other positive experiences. When asked if the higher price and less attractive packaging is not an issue, they agreed that they do not mind, because more scented sweets are potentially tastier and they were willing to pay for better flavour and aroma.

4 Summary

An analysis of previous research confirmed the importance of using sensorial stimuli in marketing. Many studies³¹ suggest that it is necessary

31 BAGOZZI, R. P., GOPINATH, M.: *The Role of Emotions in Marketing*. In Academy of Marketing Science Journal, 1999, Vol. 27, No. 2, p. 184-206; CLEGG, B.: *Capturing Customers' Hearts: Leave Your Competition to Chase Their Pockets*. New York : Financial Times Management, 2000, p. 240; BARSALOU, L. W.: *Grounded cognition*. In Annual Review of Psychology, 2008, Vol. 59, No. 1, p. 617-645; KRISHNA, A., SCHWARZ, N.: *Sensory marketing, embodiment, and grounded cognition: Implications for Consumer's Behaviour*. In Journal of Consumer Psychology, 2014, Vol. 24,

to focus also on other senses than vision and hearing, which are used in marketing most often. Auditory cues have long been known to evoke very strong emotions that are recorded into a long-term or permanent memory. Similarly “strong” sense appears to be the sense of smell. This stems not only from studies of other authors, but also of our own qualitative study.

Qualitative experiment that we conducted has a lot of research limitations. First of all we did not take into account whether the research participants like or do not like Marshmallow candies. We also do not know the personal characteristics of respondents and we did not even examine in detail the motives of their choice. This experiment is used primarily for demonstration of how significant are the human senses in marketing.

However, research shows that when in addition to sight we engaged also smell, experiment results and buying decision of respondents changed. Therefore, it is possible to consider this in two planes. On the one hand, that smell is in marketing at least as important as the vision and hearing, because it evokes strong emotions and brings up memories. On the other hand, the more senses we include, the stronger emotional experience is formed and the image of brand is changed, consumer will remember the brand because stronger bond in him is created.

Conclusion

In this article, attention was devoted mainly sensory marketing and its effect on the thinking, behaviour, activity and consumer decision-making. Summarizing various researches we explained methods used in sensory marketing and what is its focus. Examples from practice and our own qualitative study highlighted the importance of the senses in marketing. In the future it is essential to continue research senses not only in laboratory, but also under natural conditions. Likewise essential is to work with other disciplines such as psychology, sociology, neuroscience and medicine. The better companies and organizations understand

No. 2, p. 158-168. [online]. Available at: <http://www.sciencedirect.com/science/article/pii/S1057740813001162>> [14.10.2014]; KRISHNA, A. et al.: *Product Scent and Memory*. In Journal of Consumer Research, 2014, Vol. 37, No. 1, p. 57-67. [online]. Available at: <http://www-personal.umich.edu/~aradhna/Scent_and_Memory.pdf> [14.10.2014].

mindset of the consumer, the faster they can satisfy consumer needs and create an emotional bond that usually lasts a long time.

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USE OF STRATEGIC MARKETING TO INCREASE THE COMPETITIVENESS OF A UNIVERSITY

Elena Simonenko – Irina Androsova – Olga Sogacheva

Abstract

The objective of the article is to assess the need to apply marketing practices for increasing competitiveness of universities. The currently known definitions of “benchmarking” and “competitiveness” are covered and their special aspects are elicited. Employing benchmarking tools the authors suggest the system of indices and indicators of university competitiveness which comprises several units. That makes it possible not only to give comprehensive assessment of university activity, but also to assess its particular focus areas and aids to identify its internal reserves and limiting factors. The authors also suggest some steps for successful introduction of benchmarking into the scope of university management activities in order to improve its competitiveness.

Key words:

Competitiveness. Benchmarking. Management. Strategic marketing. University.

1 Rationale for the need for assessment of a university competitiveness rate

Present-day economy is marked by a shifting to a totally new level where knowledge rises to the matter of great significance as to achieve high socioeconomic indices. According to experts' assessments knowledge retains its relevance to innovation-driven economy development within the term of 3-5 years depending on the kind of economic activities as evidenced by the recent progress in different branches of human knowledge. In the current context effective management of an entity is impossible without a marketing system in action which is focused on innovative product development as part of the entity activities in various fields. Marketing is extensively applied in education since present-day educational service market in Russia exhibits competition among state and non-state higher education institutions for applicants. The applicant's decision to choose a particular education institution is sufficiently determined by the available information concerning the university and its absolute truth. In the present context universities have to meet the present-day demands as well as the trends of world educational market development. Thus, competitiveness improvement

is one of the challenges universities have to face; this makes the strategic role of university marketing policy in building up its advantageous competitive position even more evident. Microanalysis proves that effective application of various marketing techniques is one of the ways of HEI competitiveness improvement.

The studies touching upon the process of competitiveness enhancement are presented in some works by foreign authors. The research papers of such foreign scientists as F. *Wiersema*, M. Porter, A.J. Strickland, A.A. Thompson, K. Ohmae, A. Pettigrew, K. Prahalad, M. *Treacy*, G. Hamal and some others deal with the studies of the essence of competitiveness enhancement. In order to cover the economic aspect of the concept the paper gives the analysis of competitiveness definitions which is reported in Table 1.

Table 1: Overview of conceptual definitions of competitiveness

№	Definition	Author
1	Real and potential capability of a company as well as the facilities available to design, manufacture and market goods which are, considering their price and nonprice features in package, more attractive for consumers than those produced by rival companies	Rubin U.B.
2	The ability of the company to sell their products at the prices which would ensure the growth and fulfilment of liabilities to third parties (ensuring a certain level of profitability, fund generation, recovery of money invested)	Jacot D.
3	The property of an entity which is characterized by the extent it satisfies consumers' requirements compared to the similar entities with a certain position in the market. Competitiveness determines the ability to withstand competition compared to the similar entities in the particular (internal or external) market	Fatkhutdinov R.A.
4	Competitiveness is the property of an entity with a certain share on the relevant market which specifies the extent of conformance of the object's technical and functional specifications, economic, organizational and other features to the consumers' requirements, determines the market share hold by the entity and resists the market repartition to the advantage of other entities	Svetun'kov S.G.
5	Competitiveness is ability of a country or a firm to sell their goods	Rove M.
6	Competitiveness of an enterprise is a relative feature, which distinguishes the company rating according to the extent it satisfies consumers' requirements and the efficiency of its productive activity; competitiveness of an enterprise shows its capabilities and its behaviour as to adjust to market competitive climate over time	Mescon M.H.

7	Competitiveness is manufacturer's position on both internal and external markets conditioned by economic, social and political factors and exhibited by indicators which adequately identify the present state of affairs and changes over time.	Seleznev A.
8	Competitiveness of an enterprise is the aggregate of the following features: share of the market captured by the enterprise; the ability of the enterprise to produce, sell and develop; the ability of the top management to accomplish the objectives.	Kono T.

Source: PEREPECHAEVA E., SIMONENKO E.: *Assessment and Management of Competitiveness of a Manufacturing Enterprise*. In *Proceedings of the Southwest State University*, 2012. Vol. 44, No. 5-2, p. 298-306.

The studies of different definitions of competitiveness proved that each of them presents a specific view on the concept and is applicable to particular economic entities. In our opinion M. Mescon's standpoint is most relevant to the definition of university competitiveness, as it covers the range of features specific to competitiveness of an entity which carries out its activities in education and training

1.2 Algorithm for assessment of competitiveness of a university

In our opinion competitiveness of a university is a complex feature which covers the aggregate of internal and external factors (those displayed by specific indicators) beneficial for competitive advantages to ensure strong strategic position of a university.

The studies conducted made it possible to develop the algorithm for assessment of university competitiveness which is presented in Figure 1.

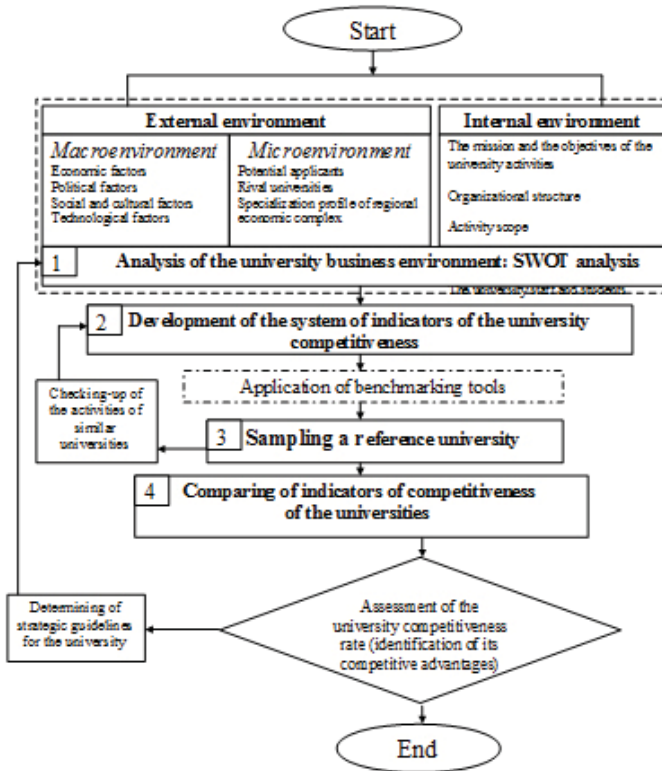


Figure 1: Algorithm for assessment of university competitiveness

Source: Own processing

One of the steps of the proposed algorithm for assessment of university competitiveness involves the elements of SWOT analysis to assess competitiveness of the educational services provided by the university, in particular, benchmarking strategy which allows to put better business experience into practice, to improve the quality and the efficiency of the educational services provided, to set up a new strategy of educational activities. Taken together it eventually ensures sustainable development as well as achievement of target competitiveness rate for the university.

The results of the university activities and the efficiency of the educational services provided are to be assessed in an integrated manner which makes it possible to carry out comprehensive analysis of its activities and identify the possibilities for its improvement. University as carrier

and provider of educational services has to conduct steady monitoring of its internal and external environmental factors which directly affect the quality of the educational services provided and the efficiency of the scope of its activities.

2 Studies of possible uses of benchmarking tools for identification of competitive advantages of a university

In our opinion among the other marketing techniques application of benchmarking provides overall exposure of the strategic advantages of an entity. As reported by American Quality Foundation more than 30% big American companies use benchmarking systematically, and the figure follows the upward trend. While developing corporate strategy specialists from Japan, the USA, Germany, China, Russia involve benchmarking tools in management, marketing, logistics in order to achieve improvement of the entity activities.

Benchmarking can be highly efficient for identification of university competitive advantages, as it is the most universal tool of comparison and assessment of educational services; it takes into account the factors of internal and external environment and also indicates the directions for the development, improvement and updating of the main aspects and principles of university activities to meet the purpose of increasing university competitiveness. The choice of a particular benchmarking type for a particular university is determined by its objectives, needs, environmental demands, resources available, growth capacity as well as the possibility to implement the technique into its managerial mechanism of strategies and policies which ensures its competitiveness.¹

3 System of indicators for assessment of university competitiveness

Implementation of benchmarking model into the mechanism of university competitiveness management makes it possible to put better business experience into practice, to improve the quality and

1 SIMONENKO, E.: *Benchmarking as a Tool for Identify The Competitive Advantages of The University*. In Proceedings of the Southwest State University, 2013, Vol. 6, No. 51, p. 43-50.

the efficiency of the educational services provided, to set up a new strategy of educational activities, to assess the professional efficiency and skills of top management. Taken together it eventually ensures sustainable university development as well as achievement of target competitiveness rate. Using benchmarking tools for assessment of university competitiveness we propose the system of competitiveness indicators which are arranged into sets according to certain frames of reference (Table 2).²

Table 2: Indicators of competitiveness of a university

Set of indicators	Indicators	Units of Measurement
Human resources capacity	Percentage of academic teaching personnel with academic distinction (Dr. of Sciences, Candidate of Sciences) and (or) academic rank	%
	Percentage of Doctors of Sciences and (or) Professors	%
	Percentage of teaching staff working on a full-time basis	%
	Average annual number of dissertations per 100 members of academic teaching personnel	
Quality of education	Certified quality management system	Yes/No
	International special-purpose accreditation for the disciplines of economics	Yes/No
	Percent of annually updated educational programmes for major subjects	%
Scientific research - activity	Number of scientific research fields	
	Average annual extent of financing of scientific research	Thous. rubles
	Average annual scope of scientific research per capita for the period of five years	Thous. rubles
	Average annual number of monographs per 100 full-time employees with academic distinction and (or) academic rank published for the period of five years.	
	Number of post-graduate students per 100 full-time students.	
	Percentage of post-graduates defended their dissertations within a year after they completed their post-graduate studies (of the total number of post-graduates)	%
	Number of Dissertation Advisory Committees	

2 SIMONENKO, E.: *Development of a System of Competitiveness Indicators of The University in The Education Market*. In Almanac of Modern Science and Education, 2013, Vol. 11, No. 78, p. 161-164.

MARKETING IDENTITY

International cooperation	Number of Cooperation agreements with foreign higher education institutions	
	Joint international scientific projects	Yes/No
	Total number of scientific papers published abroad in English over the last three years	
	Number of joint educational bi-diploma programmes which provide obtaining of diplomas and certificates from both home and foreign universities	
	Number of educational programmes in foreign languages	
	Number of international exchange programmes, teaching staff business trips over the last three years.	
	Number of international exchange programmes of full-time students (bachelors, masters, doctors) over the last three years.	
	Number of foreign students.	%
	Number of foreign lectures, other teaching staff, working for at least one term over the last three years.	
	Number of lecturers completed foreign scientific or work experience training or participated in international educational programmes.	%
	Number of students taking part in international students professional youth associations.	%
	University image and reputation	Number of scientific conferences and young scientists training courses held by the university
Number of lecturers from other universities taken retraining courses at the university		Number of people
Percentage of graduates decided to do a postgraduate course - master course, second university degree, advanced training and retraining courses, post-graduate course.		%
Percentage of the university ex-graduates' applications for the purpose of recruiting young specialists		%
Competitiveness of graduates	Number of agreements of cooperation between the university and employers	
	Percentage of the university graduates working within their specialty in comparison with the percentage of those working within their specialty graduated from other universities.	%

Source: Own processing

The presented indicators of university competitiveness are divided into 6 sets, which allows to estimate university activity in an integrated manner as well as in separate fields of work, and helps to find out their internal resources and constraints. The proposed system of indicators describes the most significant results of university activities which comprise the

competitiveness of the provided educational services. The list of data and indicators of university competitiveness assessment can change depending on the analysis purposes and required information availability.

4 Recommendation for benchmarking implementation in university management

To implement benchmarking into university management in order to increase its competitiveness, we consider it necessary to comply with a number of recommendations:

- develop an information model of educational service receivers, which allows to improve a university marketing strategy and to increase its strength in the competitive environment;
- accumulate the potential capacity and expansion of the range of strategic marketing tools application; work out innovating marketing strategies for university development;
- explain to the university top management the essence and the necessity of the improvement of market-oriented activities, develop methods of market orientation diagnostics, adapted to the sphere of education;
- execute regular analysis and assessment of external and internal environmental impact on university activities, which will contribute to the improvement of its image, attractiveness for prospective university students and will result in university competitiveness improvement in the market of educational services;
- create database for monitoring globalization trends, contributing to the university integration into the international educational environment.

At the present-day stage of economic development, universities as they are increasingly taking more and more features of businesses, have to meet modern requirements and trends of the world educational market in order to achieve some competitive advantages. It is necessary to use an integrated approach to ensure the implementation of all the management functions for the efficient putting of benchmarking into the business practice of universities. Eventually that will directly influence sustainable development of both educational institutions and the economy on the whole.

Conclusion

The authors have developed an algorithm of assessment of university competitiveness rate, which takes into account the application of benchmarking tools. The system of indicators; its analysis and assessment alongside with the benchmarking concept elements proposed allows to determine university competitive advantages and provide a stable strategic position of the university.

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INNOVATIONS IN MARKETING COMMUNICATION OF SENIORS IN TOURISM

Martin Slivka

Abstract

Aging is a global phenomenon and the number of seniors is significantly increased not only in Slovakia but also in the world. Theme of seniors, retirement and aging topic in recent years has been very frequently and begins to cause a media stir. The demographic revolution and aging are the early 21st century the greatest challenge for traders while this special segment did not pay too much attention, as traders took the view that this segment is not attractive enough. The period of life and especially the consumer is still extended and the historical situation requires a fundamental change in thinking and innovation communication that will change at the same time, relations between generations. The effect of age manifests itself as one of the important factors in the purchase decision and by tourism are among the fastest growing areas. Aim of this paper is to assess the effect of age as a significant factor in the purchase decision and innovation of marketing communication in a fast growing segment of tourism in the age group 50+ and specific cases.

Key words:

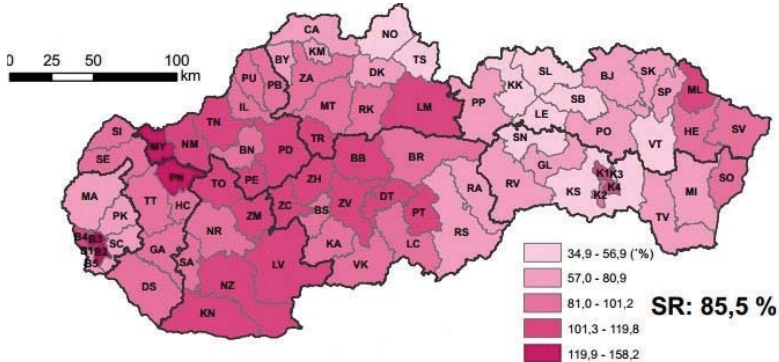
Aging. Innovation. Senior. Tourism.

1 The aging of population

Official Review of the United Nations from 2012¹ predicts an increase in world population. In July 2013 the world population amounted to 7.2 billion people (about 648 million more than in 2005). In 2050, the estimated number of people on earth is 9.6 billion. Globally, the number of people aged 60+ is to triple in 2100, the population aged 80+ is projected to increased sevenfold in the year 2100. If we compare the data from the past, in 1950 only 8 % of the population was aged 60+, in 2011 it was 11 %, in 2050 is expected up to 22 %, what will expect 2 billion population of the world. In 2050 it is expected that only 52% of the population will be in working age, while in less developed countries, the percentage of people of working age will rise from the present 55 % to 62 %.

1 *World Population Prospects In: The 2012 Revision, United Nations 2013.* [online]. Available at: <http://esa.un.org/wpp/Documentation/pdf/WPP2012_Volume-I_Comprehensive-Tables.pdf> [20.10.2014].

Slovakia is a development similar to the global scale. While currently, on one inhabitant aged 65, are two residents under the age of 17 years, in 2050 this ratio will be reversed. In Figure 1 we can see the aging index in different districts of the SR, thereby confirming the aging population.



Picture 1: Ageing Index² population in the districts of SR 2012

Source: Index starnutia. Available at: <<http://www.portal.statistics.sk/>> [20.10.2014].

Groups of seniors:

Classification of the World Health Organization recognizes the basis of the calendar age of these groups:

- 45-59 years - middle age;
- 60-74 years - old age, old age or early old age (presénium);
- 75-89 years - old age, geriatric age, own age (senium);
- 90+ - longevity.

In marketing, we can define at least two groups of older people:

1. The first is the “young old” at the age till 70 years who are proficient, active, mobile and enterprising.
2. The second group are called: “aged aged” who has exceeded the age limit of 70 years. These people often live in seclusion, are less mobile and are usually at home. But even among them, 20 % of people who live an active travel or vacations.

2 Ageing index: number of persons aged 65 years and over on 100 children aged 0-14 years

2 Generation 50+

According to the above studies, the population is aging and therefore people aged 50+ becoming crucial for marketers target group.³ Generation 50+ lives and considered vital, creative and positive. When talking about the generation 50+, marketing focuses primarily on the well-heeled, respectable elderly customers. The segment of older people nowadays due to changing demographics power, especially in the field of tourism.

2.1 Age and buying behaviour

Seniors compared to younger people have higher brand loyalty. Seniors are due to different life experiences, income and lifestyle very heterogeneous behaviour, you cannot use one strategy for the entire segment. Basically, there are two ways to influence the market seniors. The first option is to get a customer at a young age and keep them in old age or other option right now operate on older customers. The second option is referred as a classic form of marketing seniors.

Existing research shows that a non-negligible role in the purchase decision and behaviour play age. Subsequent research could be applied to the segment of tourism, as reservations and purchases in tourism destinations are influenced by emotional attitudes. Research on emotional attitudes to shopping carried out by M. Solomon⁴ revealed that, compared with the younger age segment seniors put more emphasis on the sensory aspects of shopping. Of course, there are opinions by Schiffman⁵ that the existence of this link disagree and argue that age is only a secondary influence on the buying process and the age segmentation is unnecessary. This difference of opinion justifies examining age as a determinant of purchase decisions seniors. That is, given the current age structure of the population and future projections of their development, the traders have to find ways to meet the needs

3 See also: KUSÁ, A., GREŠKOVÁ, P.: 50+ Generation - the perspective for marketing. In MATÚŠ, J., PETRANOVÁ, D. (eds.): *Marketing Identity: Design that sells*. Trnava : FMK UCM, 2013, p. 91-108.

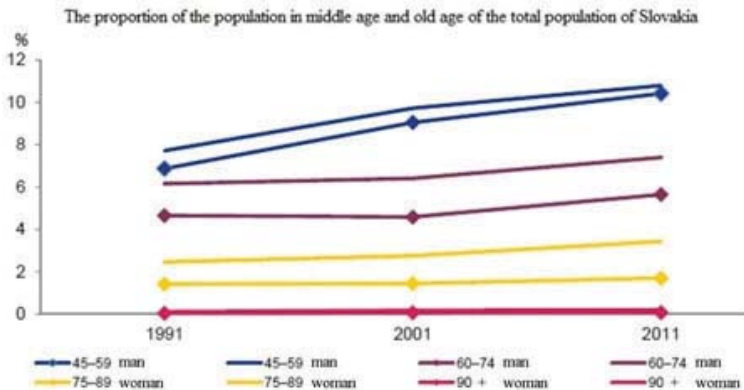
4 SOLOMON, M.: *Consumer Behaviour: Buing, Having, Being*. 6th Edition. New York : Pearson Prentice-Hall, Englewoods Cliffs, 2004, p. 54.

5 SCHIFFMAN, M., KANUK, L.: *Consumer Behaviour: Buing, Having, Being*. 8th Edition. New York : Pearson Prentice-Hall, Upper Saddle River, 2004, p. 13.

of seniors and to identify which factors are important to them and how they interact.

Research results show that with age varies purchasing decisions and behaviour of seniors. It should be noted that the physical effects of aging are not the only factor causing changes in shopping behaviour. Although lifestyle changes resulting from the process of aging, education, economic situation affect individual behaviour. The findings of the research show that the segment of the elderly is a heterogeneous, that there are significant variations between the partial segments. Age has been confirmed as an important determinant explaining changes in consumer and purchasing decisions.

The period of life, and especially the consumer's life is still rising. For Slovak seniors it presents opportunities to travel, in the past they had travel restrictions and no possibilities of tourism former regime. This age segment consists about 18 % of total population of Slovakia and it should be doubled in 2030. Share of population in middle age and old age increases every year, as we can see in Picture 2. The taste of travel, which represents the interest is also a trend that is unsustainable and will probably continue to increase. Economic development shows that the proportion of the population that spends holidays in domestic destinations, ensuring these areas several thousand jobs.



Picture 2: The proportion of the population in middle age and old age of the total population of Slovakia

Source: Statistical Office, Census, 2011. Available at: <<http://www.portal.statistics.sk>> [20.10.2014].

For marketers it is important to identify the target group of seniors at certain stages of the senior development particularly in terms of the ability to receive and decrypt the marketing message, analyse the possibilities of marketing communications as well as to formulate basic assumptions effectiveness of communication with this specific target group. The older generation is largely reflected in the change of values. Older people live their lives still active. For a group of over 50 years travelling is important for the perception of their own life.

Also like the other markets, the tourism market is not a homogeneous market but it is a very diverse market. We can speak about different age groups: generation 50+, 60+ and older generation, respectively, a group of people who, due to their medical condition choose their travels through different criteria. The attitude of these customers to information and a stay order is determined by their age, physical condition, income, marital status, tourist experience, interest in traveling alone and loyalty to residence certain places.

2.2 Marketing communications focused on the 50+ segment

The older generation exhibit an increased interest in offering services geared specifically to their needs and creative approach in their travelling. Strong emphasis is given on comfort and convenience, the confidence and awareness. Communication in the field of services is an important element, especially in reaching out to older customers. It is to be understood, that communication is just one of the biggest problems of marketing aimed at seniors. It is necessary to take into account the criteria of subjective perception and decision-making process, which is specific for seniors.

Older audiences are much more powerful in search of communication, respectively personal dialogue. They have clearly formulated needs for sufficient quality information and security. They accentuate strong emphasis on comfort and services. In addressing this target group is important communication through words comfort, claim, maturity, vitality and quality. Personal dialogue is primarily important, especially at the first contact with representing first line workers (front desk, travel agency) and marketing communication in promoting services and destinations. In the future, the assumption is, that older consumers will be more experienced internet user, will be more interested in comfort

and will be prepared to pay for comfort and service. Then, all consumers will be more critical.

Marketing of group 50+ expected new trends in the development of online communication, addressing targeted customers, better promotion of the Internet as a communication channel, more consistent personification. In communication with the target group are important: trustworthy demeanour, direct and clear communication, personal contact and value communication.

To create marketing activities in tourism it should be answered:

- How to reach and gain seniors?
- What appeal seniors in choosing the place of residence?
- What factors play a role in the selection of property?
- What information are important for seniors?
- What are favourite complementary programs?

3 Innovations and trends in tourism for seniors

UNWTO (World Travel Organization) report new trends in travel in 2020: increase of elderly passengers and a change of active holidays to holidays focused on experience. In general, we could say that the current trends in travel tourism are determined primarily:

- the growing importance of the demand in the age group 55+;
- increased demand for quality;
- more segmented markets;
- lack of time and a lot of money;
- increasing awareness of environmental issues and issues of sustainable development;
- greater number of active holidays with a longer itinerary.

3.1 The using potential of senior segment - through a case study example of TUI - travel agency

In the case of early detection of trends in tourism, very good example is travel agency TUI. Strong growth in tourism, which the group for the coming years, predicts has caused primarily client generation 45+. Strong growth in tourism, that this concern predicts for coming years, has caused primarily client generation 45+. Many years TUI did not make any difference between young and elderly customers. Gradually, they

appeared older generation with their special needs and started offering more tours for seniors. In summer their customers represents 40% of age of 50 years and in winter it is 55%. This business success, as the spokesman of the company says, depends on a correct understanding of older audiences.



Picture 3: Logo of tour operator TUI

Source: Logo of TUI. Available at: <<http://www.tui-reisecenter.sk/>> [10.20.2014].

Company TUI has previously identified three megatrends of development:

1. The first is health that is constantly increasing responsibility of individuals and their investment in their health.
2. The second is the importance of the nature of man - people often want to achieve inner balance, to slow down in life and find the right philosophy of life.
3. The third megatrend is demographics - growing proportion of people “in the prime of life” who are supporters inclined in wellness activities.

TUI continues to expand their cooperation in the field of services of health stays, considering to its achievements in cooperation with health insurance companies. Participants can combine preventive health visits with activities such as Nordic walking (Nordic Walking), back school (courses designed to reduce or suppress back pain), fitness, pilates, or personal training. The result is an increase in sales revenues. Here is an opportunity for declining bathhouses, which in this way they can compensate the loss incurred by reform health policy. They have developed a special concept to market with an older clientele years ago, called: KINGS. This is a shortcut: Comfort, Information (information), Nature (nature), Gesundheit (health) and Sicherheit (security)⁶.

3.2 The paradigms in seniors segment

In the segment of seniors arise new opportunities for tourism:

1. There is no accepted consensus exactly who is part of the segment.
Some studies balanced with the population aged 50 to 69 years

6 REIDL, A.: *Senior-zákazník budoucnosti*. BizBooks : Brno, 2012, p. 200.

- they are healthier and more active. Other studies include the population at age 69 and above too, which is more passive.
- 2. The purchasing power of seniors is higher than average. In countries such as Germany, Austria, Switzerland and the Scandinavian countries, this segment has the most money available for consumption measured on the family unit.
- 3. The greatest interest is demonstrated on sports such as swimming, hiking, wellness, exercise, sailing and golf.
- 4. Healthy food is becoming more and more a part of life.
- 5. Quality is an attribute that greatly influences the decision-making process in buying products and services.
- 6. This segment on the Central European markets is willing to pay a higher price for better quality. This trend is particularly important to consume products and services related to tourism and health. They show more interest in anything that is connected with luxury and comfort.
- 7. They are more inclined to philosophy: "enjoy your life."
- 8. They use less new technologies and information media such as young people. For this group have specialized magazines and the media generally greater significance.⁷

Segment of seniors 50+ is considered like passengers with greater purchasing power, who are trying to enjoy a quality in the areas of: wellness, health, sport and culture. As stated in the report on tourism trends in Europe made European Travel Commission in September 2006 and placed in the various reports and studies compiled by the European Commission and Eurostat in the population projections, the number of people in the senior segment is set for rapid growth in the medium term.⁸ In view of these developments, the number of tourists 50+ is growing faster than tourism in general. Statistics and forecasts governments assume that pensions will gradually decrease and the retirement age will increase. This may result in a slowdown in revenue growth by segment of seniors in tourism in the long term. However, due to the development in recent years, this new segment of the market, creating a new and very interesting business opportunities for the European tourism industry. As the demand has increased for high quality year-round products and

7 Compare with: PETRANOVÁ, D.: *The Media Literacy Level Of Slovak Seniors*. In *Communication Today*, 2014, Vol. 5, No. 1, p. 70-85.

8 World Population Prospects. In *The 2012 Revision*. United Nations, 2013. [online]. Available at: <http://esa.un.org/wpp/Documentation/pdf/WPP2012_Volume-I_Comprehensive-Tables.pdf> [20.10.2014].

services, this is a unique opportunity to offer new solutions to new market needs and therefore for new customer segment, too.

The main consequences resulting from this trend for the tourism sector we can identify innovative communication:

1. increased demand for quality, comfort and safety;
2. increased demand for convenient transport;
3. increased demand for relaxing leisure facility, offering activities such as golf, health services, etc.;
4. increased demand for products for individuals;
5. greater demand in the low season;
6. commercialization, where the focus should be less on age and more on comfort;
7. aging of population and rising health concerns led to increase demand for wellness and spa services in tourism;
8. increased interest in cultural tourism and programs designed specifically for older travellers.

Each age segment has its own specifics and just in tourism if they decide to travel, seniors have a strong need to get enough information. Older people who are already retired have more free time, and because of that they have thoroughly searched information. Before they decide to spend their holiday in a particular place, in detail informed about the site itself, transport, services provided and the surrounding area. They want to know everything exactly. For the need to obtain information they use: studying similar brochures and video material, visiting information seminars and info line, where the candidate can ask their questions personally. Satisfaction with holidays can be achieved by a modular. For example hotel, located in a charming and peaceful country environment where there are also young and older clients, spacious comfortable rooms, friendly and specially trained personnel who can work with older people, programs and events focused on health and culture. Innovation of communications and adapt to customers of this age brings satisfaction to the client side and thus the economic benefits to the provider.

Summary

It can be concluded that, in relation to the user profile and behaviour, there are groups with a range of premium needs to be a common characteristic and that is the availability to all persons who are able to

use and enjoy the products of tourist infrastructure and services. The demographic profile is important and crucial for creating products in tourism. These include variables such as gender and age, as well as lifestyle as determinants of these segments. If we focus on the elements of behaviour, we can accurately detect impacts and introducing a strategy for increasing demand. The main reason for traveling is relaxing, in most cases they use their own vehicle (which also depends on the destination) and the length of accommodation is usually either 3-4 or 9-10 days. Accommodation options are many, but the most common and most popular types are hotels. Word-of-mouth is the most used tool for obtaining information about the destination. Regarding to the exist market opportunities and can be developed in the future, displacement of tourism is from the main season to off-season. If it will use the out of season in some areas of tourism and there is a possibility of alterna main attractions and programs, it may be used to increase yields in the future and thus infrastructures throughout the year. For this special segment are not needed niche markets, but markets with quality and constantly improving products and services related to accessibility. Enterprises in tourism can increase their market potential and improve the image, they will continually improve the quality and competitiveness of their offer in tourism.

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WORD OF MOUTH ANALYSIS ON FACEBOOK IN BANKING

Lucie Šperková

Abstract

With the penetration and stabilization of social networks in people's everyday lives, customers are talking not only about e-commerce consumer products, but also share their opinions and problems in other areas such as finance and telecommunications. Advanced analysis of unstructured content can play a significant role for such institutions with their positioning in the market. Investigation of information context brings companies up to another level of identifying customer behaviour, and its relationship to companies with a resolution to be more customer-centric. This paper deals with the issue of Word-of-Mouth and its necessity to be analysed by information technologies. With the Autonomy software using the methods of clustering and sentiment analysis, this paper provides an examination of the data of Czech banking institutions from social networking site Facebook, and shows the process and results of mining the contextual information from unstructured data.

Key words:

Clustering. Facebook. IDOL. Opinion mining. Sentiment analysis. Unstructured data. Word-of-Mouth.

Introduction

The proliferation of social networks generates a large volume of unstructured data which convey a huge potential for knowledge discovery and market research. If companies want to keep up with today's market, they must be increasingly customer-oriented and lead effective social marketing campaigns. A critical success factor in this effort is primarily an analysis of Word-of-Mouth (WoM) data, which are focused on customer's opinions, requirements and feedback through various marketing channels and their rapid change in knowledge by collections and analysis of this data. WoM recommendation is simple, free, and effective in the noise of information constantly enveloping us. People are faster to trust it much more than leaflets in their mailboxes. Consumers have always been influenced by the opinions of other consumers which plays a vital role in decision making process. The influence is greatest when consumers are buying a product for the first time, when products are relatively expensive, or when they don't fully understand the

product or service which they are actually buying.¹ The last example is widespread in the case of insurance, telecommunications, and banking; when consumers need to do more research and comparison between the offered products, because the conditions of purchase and use are not *prima facie*.

A social network is a suitable platform for opinion sharing, which shifted the targeting from a one-to-one communication scenario, to a one-to-many basis. It also allows business organizations to endeavour to enhance their capabilities and products by providing the best of their services according to the reasonable demands of the people. Today, the inability to process unstructured information in a user-friendly way represents a major technological challenge.

Companies spend a large part of their budget on marketing, in the past mostly on elaborately conceived advertising campaigns.² As the influence of growing online communities' increases, marketers have come to recognize WoM's importance and understand how to generate a coordinated, consistent response that reaches the right people, in the right time, with the right content, and setting. This generates a greater impact on customer's purchase decisions, recommendations, satisfaction, and loyalty.

WoM issues addressed many publications already at the time when it did not have anything to do with social marketing e.g. Helm and Schlei³, Braun and Reingen⁴ and also Richins⁵. Today it mainly deals with the so-called Voice of Customer, which is also discussed in research of

1 BUGHIN, J., DOOGAN, J., VETVIK, O. J.: A New Way to Measure Word-of-Mouth Marketing. In *McKinsey Quarterly*. 2010. [online]. Available at: <<http://vandymkting.typepad.com/files/2010-4-mckinsey-a-new-way-to-measure-Word-of-Mouth.pdf>> [6.10.2014].

2 Ibidem

3 HELM, S., SCHLEI, J.: Referral potential – potential referrals. An investigation into customers' communication in service markets. Track 1 – Market Relationships. Paper presented at 27th EMAC Conference. In *Marketing Research and Practice*. 1998. p. 41-56.

4 BROWN, J. J., REINGEN, P. H.: *Social ties and Word-of-Mouth referral behavior*. In *Journal of Consumer research*, 1987, Vol. 11, No. 1, p. 350-362.

5 RICHINS, M. L.: *Negative Word-of-Mouth by dissatisfied consumers: a pilot study*. In *The Journal of Marketing*, 1983, Vol. 47, No. 1, p. 68-78.

Griffin and Hauser⁶, Evangelopoulos and Visinescu⁷ and also Peng et al.⁸ With the internet there originated a new concept, a kind of classical innovation of WoM, e-Word-of-Mouth, which has received considerable attention in both various enterprises and academic circles. E.g. Huang et al.⁹ examined the impact of customer recommendations on their future decisions. Other authors^{10, 11} examined the influence of WOM on product sales, on the contrary the quality of the products,¹² on the loyalty to the store.¹³

Common practice is to manually identify key customer needs mass from questionnaires, surveys and interviews. These are random, time consuming, error prone processes that can be with increasing information explosion difficult to scale. To customers' data focus also other analytical methods, mostly data-driven and focused on the front-end CRM applications. Most of these methods are based on standardized structured data and relational schemas, where the data position determines what the computer should do. It is mostly about the classification or association rules such as if - then: *If the column contains the line y x value of n , then ...* This process also requires a tremendous amount of effort for sorting and cleaning unstructured information into matrices. Therefore

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- 6 GRIFFIN, A., HAUSER, J. R.: *The voice of the customer*. In Marketing science, 1993, Vol. 2, No. 1, p. 1-27.
 - 7 EVANGELOPOULOS, N., VISINESCU, L.: *Text-mining the voice of the people*. In Communications of the ACM, 2012, Vol. 55, No. 2, p. 62-69.
 - 8 PENG, W. et al.: *Mining the "Voice of the Customer" for Business Prioritization*. In ACM Transactions on Intelligent Systems and Technology (TIST), 2012, Vol. 3, No. 2, p. 38.
 - 9 HUANG, J. et al.: *Exploring social influence via posterior effect of word-of-mouth recommendations*. Paper presented at Proceedings of the fifth ACM international conference on Web search and data mining. ACM, 2012. p. 573-582.
 - 10 WU, W., ZHENG, R.: *The Impact of Word-of-Mouth on Book Sales: Review, Blog or Tweet?* Paper presented at 14th Annual International Conference on Electronic Commerce. New York, NY, USA, 2012, ACM, p. 74-75.
 - 11 CHEVALIER, J. A., MAYZLIN, D.: *The effect of word of mouth on sales: Online book reviews*. In Journal of marketing research, 2006, Vol. 43, No. 3, p. 345-354.
 - 12 HU, N., PAVLOU, P., ZHANG, J.: *Can Online Reviews Reveal a Product's True Quality?: Empirical Findings and Analytical Modelling of Online Word-of-Mouth Communication*. Paper presented at 7th ACM Conference on Electronic Commerce. New York, NY, USA, ACM, p. 324-330.
 - 13 GAURI, D. K., BHATNAGAR, A., RAO, R.: *Role of word of mouth in online store loyalty*. In Communications of the ACM, 2008, Vol. 51, No. 3, p. 89-91.

is for the processing of continuous exponential growth of unstructured data completely inappropriate. Relational data models cease to respond to questions requiring unstructured data or indiscreet answers as *What is the content of this file and what it's sentiment?*, thus they are not able to show what is actually happening right now, and what the customers in the area of internet are talking about. Data on web are dynamic in nature as they change rapidly due to continuous updating and addition of latest information. Sentiment analysis of such data represents a surprisingly inexpensive alternative to marketing surveys.

Probably the most common method in social marketing today is the social networks monitoring. In general, measuring the return on investment should not satisfied just with the type of impression numbers, the number of fans on the network, but this data should be read in the wider context – to analyse the given text and its moods and relationships, and thereby examine customer loyalty, behaviour and satisfaction. Although social analyses are not advanced technology, have well identified use cases that explain its value for marketing research.¹⁴ conducted a research for WoM propagation in social networks, but the aim is to show how to influence different nodes in network, not to mine the context. Despite the popularity of social networks like Facebook, there is not a lot of works dealing with the sentiment.¹⁵ Veeck and Hoger¹⁶ conducted a study with the steps for marketing research project analysing of social media for undergraduate students.

Some analytics suppliers added to their solution tools for social analytics as text mining tools. Also, open-source intelligence seeks to use the content analysis for a better understanding of public opinion and sentiment. There are vendors offering SaaS API for the analysis of extracts of content in the cloud, which, together with the vast amount of information available on the Internet is accelerating the development

14 HAN, X., NIU, L.: *Word of mouth propagation in online social networks*. In Journal of Networks, 2012, Vol. 7, No. 10, p. 1670-1676.

15 BERMINGHAM, A. et al.: Combining social network analysis and sentiment analysis to explore the potential for online radicalisation. In: *Social Network Analysis and Mining*. ASONAM'09. International Conference on Advances in. IEEE, 2009. p. 231-236.

16 VEECK, A., HOGER, V.: *Tools for Monitoring Social Media: A Marketing Research Project*. In Marketing Education Review, Spring 2014, Vol. 24, No. 1, p. 37-72.

and adoption in the field. For simple monitoring suppliers is needed to move to deeper analytics and specialized applications to be competitive.¹⁷ Banking in the Czech Republic was experiencing in last years a boom in terms of newcomers in the market,¹⁸ when new smaller institutions overtake clients of the established bigger banks. Attractions of newcomers are low fees, interest rates, simple and fast services. Big banks try to face the newcomers with new technologies and reducing taxes. Analysis of WoM can be crucial to stay competitive in the financial market. The potential is in identification what clients attracts, how the trends in banking look like, what is necessary to improve in services and also in what is necessary to help the clients and also how to communicate with them in the space of social networks.

1 Formulation of the problem

The main aspect on which we focused in our analysis performed on banking Facebook data from April 2013 to March 2014 consisted in discovering, whether is possible to make deeper analyses and get useful results of the banking Word-of-Mouth data with the Autonomy software. Results can be useful for market research in Czech banks like monitoring of the competition, users behaviour on sites, as well as its own activity on Facebook and activity of its customers.

2 Methodology

For our analysis we used the technology Autonomy IDOL offering an infrastructure for managing and processing the big volume of unstructured data and succeeding automated analysis. The data are stored in its own proprietary structure optimized for fast processing and advanced data retrieval. There are no tables as it is known from relational databases, just full database of documents (Content) - separate components storing data in a format IDX or XML. IDOL understands contextually to all business data content independently of the format,

17 HEUDECKER, N.: *Hype Cycle for Big Data*. Gartner Inc. Published: 31 July 2013. ID:G00252431.

18 CNB. *Seznam měnových finančních institucí v České republice*. 2014. [online]. Available at: <http://www.cnb.cz/miranda2/export/sites/www.cnb.cz/cs/statistika/menova_bankovni_stat/seznamy_mbs/seznam_mfi/CZ_MFI_CZ_verze.xls> [6.10.2014].

storage and also, unlike other solutions, where text mining operates primarily on the basis of linguistics and natural language processing methods, in IDOL statistical operations dominate largely independent of language. The core is identification of patterns, which are naturally occurring in text, based on their use and frequency under the conditions that correspond to a particular concept. The technology builds its probabilistic maps of various terms located within the data file. On the basis of this map processes similarities between the terms contained in other data files and returns a relevant results to user seeking the specific term without the need for any keywords or meta-tags. Above the digital content can be triggered various operations and functions as categorization, taxonomy generating, profiling etc. In our experiment we used clustering, sentiment analysis methods and advanced search.

Clustering is an unsupervised technique of Machine Learning used in conditions where there is no predetermined class the output will be associated with, but inputted instances can be divided into natural groups, so-called clusters. These groups are not a priori concepts based on personal intuition and understanding of people from the business, but on analogy principle: in unfamiliar situations use a solution that worked in a similar situation.¹⁹ To clustering of unstructured data are entering whole documents of content, where data are stored in predefined structure, in case of IDOL tagged in the fields in IDX or XML format to be easily accessed. Documents are divided into individual clusters representing a conceptual space with the knowledge base containing a set of items with common characteristics. The basic assumption is the hypothesis that relevant documents tend to be more similar to each other than those irrelevant, thus can help improve the effectiveness of search, as will limit the search only to a relevant set of data. Short description of clusters or label helps to determine what to look for in a particular cluster. From clusters we further formed sub-clusters, which narrowed the set of data. The main advantage of clustering is that it efficiently handles large

19 BERKA, P.: *Dobývání znalostí z databází*. Praha : Academia, 2003.

amounts of data and creates a data-driven segments. Different algorithms are used in clustering described in different researches.^{20, 21, 22, 23, 24} Sentiment analysis, also known as opinion mining, is an emerging area, process of tracking and extracting the knowledge of public about some product or problem by application of knowledge discovery from text using the natural language processing techniques, computational linguistics and data mining to retrieve objective and subjective information from others. Opinion mining deals with people's sentiment, emotions, feelings, attitudes and appraisal. Kinds of sentiment can be generally numerous depends on the origin of the processed text, and use different algorithms.²⁵ In our analysis we used the method of opinion classification and worked with the polarity of sentiment, which classify, whether each document expresses a positive or negative opinion about certain object.²⁶ In the analysis we worked also with the neutral sentiment, which has weight equal to zero, and bipolar sentiment, which has negative and positive sentiment simultaneously. Bipolar classification but can be poorly expressed on any scale, in our case it has its score in both negative and positive case, but the result and accuracy was derived from the data sample. IDOL contains dictionary for sentiment analysis for particular languages, where pre-defined words, their polarity and weights are saved, or we can define sentiment for uncontained words. The sentiment weight is count as the total score of sentiment divided by sum of negative and positive counts. The result of the algorithm is a label with the type of sentiment and its score. After the counting sentiment above the contribution, the dictionary lists the polarity of the sentiment and its weight of each word and evaluates the contribution in total as

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- 20 FELDMAN, R., SANGER, J.: *The text mining handbook: advanced approaches in analyzing unstructured data*. Cambridge University Press, 2007.
- 21 BERKA, P.: *Dobývání znalostí z databází*. Praha : Academia, 2003.
- 22 WITTEN, I. H., FRANK, E., MARK, A. H.: *Data Mining: Practical machine learning tools and techniques*. 2011.
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- 25 LIU, B.: *Web data mining. Exploring hyperlinks, contents, and usage data*, Corr. 2. print. Data-centric systems and applications. Springer, Berlin. 2008.
- 26 KAUR, H.: *Opinion Mining Task and Techniques: A Survey*. In International Journal of Advanced Research in Computer Science, 2013, Vol. 4, No. 3., p. 283

positive or negative and gives the topic determining the polarity of the contribution.

The data sample was downloaded by Autonomy's social media connectors from Facebook and contained all the public contributions on pages of Czech banking institutions for 1 year period from April 2013 to March 2014, summary 28 289 documents contain contributions mainly from customers from Czech Republic. The contributions are composed of 22 629 comments, 4 542 feeds, 1 061 photos and 746 posts from an average of 200 users per month.

To get useful information from data on Facebook is not a trivial problem, we got to finding pieces of information from the content of the posts. In this situation raised more questions: Will this information useful?, What information should be to be useful?, etc. Aim was to avoid imagining use cases. We came out of research conducted in 2010 by Harvard Business Review investigating different aspects of relationships – society vs. social networks.²⁷ Survey discusses issue about the social networks in companies. It focuses on more aspects; we were interested in section dealing with the primary benefits why companies use social networks and how they work with them. It shows which reasons of the use of networks outweigh for efficient companies. Primary benefits of effective business users are:

- Increased awareness of the organization, products or services and brand among target customers.
- More favourable perception of organization and its products.
- Ability to monitor what is being said about the organization.²⁸

If we consider our financial institution effective business users of social networks, then conclusions of our analysis should answer at least how the company is doing in these three areas mentioned above. Based on analytical outputs should be run processes that lead to more satisfied and loyal customers.

The *awareness* we analysed by comparison of the evolution of the number of posts on the companies' pages in individual months and identification of the number of unique contributors posting in individual months. As

27 The New Conversation: Taking Social Media from Talk to Action. 24 pages. In *Harvard Business Review*. 2010. 10815-PDF-ENG. [online]. Available at: <http://www.sas.com/resources/whitepaper/wp_23348.pdf> [6.10.2014].

28 Ibidem

the data sample is a huge number of posts from Facebook, we do not know *what was said* there, we used clustering as a suitable tool to get to know what is hiding in the data set, which is not known in advance.

To clarify the meaning of clusters, we divided posts into 3 groups:

- all contributions regardless the sentiment,
- contributions associated with the negative sentiment,
- contributions associated with the positive sentiment.

The *perception of the organization* was analysed by evaluation of the sentiment of contributions over time and their comparison. In the data is possible to read the information about the number of “likes” under the each contribution, thus is possible to measure the number of contributions, which got particular number of likes by month and their comparison over time.

The whole process consisted always of two steps: First, counting contributions from specific perspective – sentiment, contributor, page, topic, etc. through the time or sentiment – second, analysing the context of the content. We proceeded from the top down – from larger units we made sub-clusters, above over which we created statistics, and above over which we have been looking for additional context.

3 Results

From the total number of posts per month we observed that in October 2013, significantly increased the number of contributions and further decreased again. This increase was due to resolution of some complaints frequently associated with internet banking. We can deduce that people are using social networks quite actively. Also, in the data was often noted that in the opinion of the users, banks do not solve people’s problems through a branch or by phone. People react to others’ complaints quite actively and it is necessary to pay attention to the most appropriate way to respond to those complaints.

Using JavaScript library, the search word suggestions and taking into account the results of the clustering, we created a bundling map which contains links between topics, which often occur together and evaluate a larger set of data than just posts that contain two specific concepts. It is observable that the names of the banks are often found together. Which bank is doing better in the ratings is seen in bubble Chart 1.

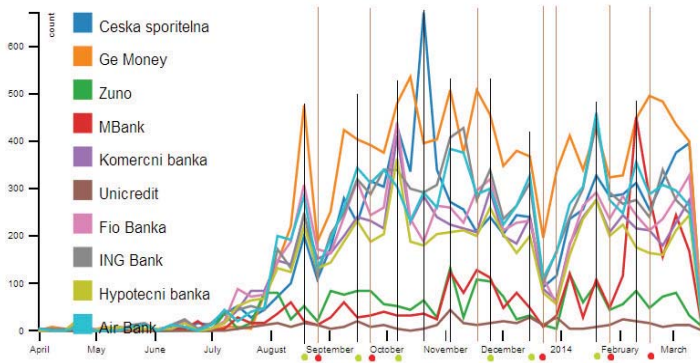


Chart 3: The number of banks' contributions per month.

Source: Own processing

The green dots in the Chart 3 mean significant increase of number of posts of all banks; the red significant decrease. The black lines mean increase, the brown decrease.

From the identification of common peaks is seen when all banks posted more contributions than before and when can be observed significant decrease. It is observable that the decrease is always coming after the high growth. It can be interpreted that at a certain time banks are beginning to promote some product, have an event or together with users actively solve a problem. When the problem is resolved, the action already taken place and the product is not worth to promote, thus number of posts are greatly decreasing - the bank "calmed down".

From the clustering and sentiment analysis we founded, at the end of October the number of posts of *Ceska sporitelna* significantly increased. According to the clustering, the reason was the launch of the campaign, when *Ceska sporitelna* gave a coffeemaker to each new bill, which caused a lot of positive and negative comments from customers. Also *Ceska*

sporitelna was active in launching of other programs such increasing financial literacy among children or information of the customers about past events such as returning the exhibition to the *Ceska Sporitelna* gallery. In the beginning of October *Komerčni Banka* tuned *MojeBanka* application without the publicly very unpopular application *JAVA* and opened new branch office in Prague district *Smichov*.

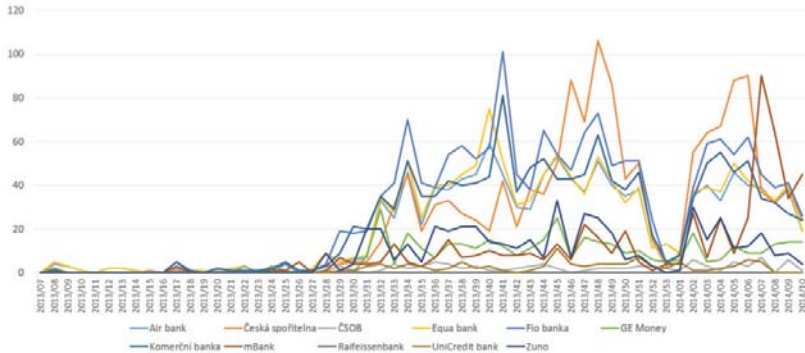


Chart 4: The number of contributions containing the name of bank per week

Source: Own processing

The Chart 4 compares the number of contributions in the sum by weeks, which contain one of the monitored banking names. Interesting is the silence at the end of the year. Apparently no one wanted to “spoil” Christmas and New Year’s Eve by writing about banks.

Why increased the number of posts mentioning *Fio banka* at the end of September? Based on the cluster to the exact period, we found action called *Fio banka* card with *JAWA* around the world took place - phrase “*Fio banka*” often occurred in the contributions.

Why increased contributions of *Ceska Sporitelna* after the 40th week? Its *IBod* loyalty program was launched and was heavily promoted. *Ibod* presentation started October 5, 2013. In the first 6 weeks *Ibod* appeared in contributions at about eight times. It was reported largely positive.

The high increase in contributions of *mBank* at the beginning of the year is due to the emergence of new internet banking and its presentation. Interesting are low values of *CSOB* bank. It’s not among the authors of

contributions, thus it also was not among the banks that were monitored. Measured values are obtained only through mentions of *CSOB* from other pages of banks. In contrast, the *Unicredit* bank has created by itself 587 posts (7th most active), but the curve is only slightly higher than *CSOB*. *Unicredit* is not mentioned often in the content of posts, thus generally people did not talk about it much.

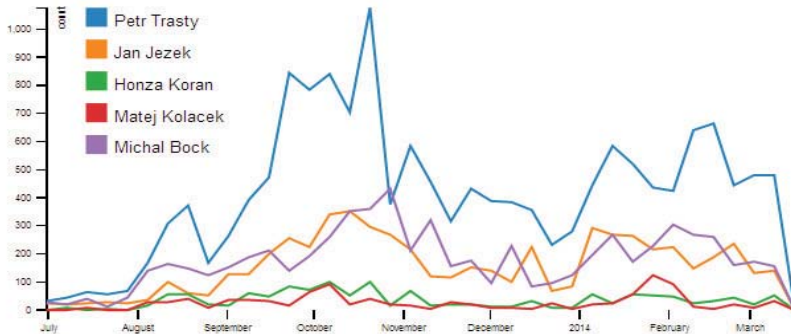


Chart 5: Number of contributions of the most active people per month

Source: Own processing

From the sum of the individual contributions of users were identified the most active. From the Chart 5 it can be seen, what month there is a considerable increase in posts for each user. Through the analysis of people's likes of other pages (interests) we found these people are also active in other areas of interest, such as politics, telecommunications and IT. Thus, these people are quite active on social networks and can have high authority among others.

4 Discussion

Although the survey *The New Conversation: Taking Social Media from Talk to Action*²⁹ leads to the conclusion that companies working with social networks effectively are among others also more involved in order to improve customer perception of the company, it should be noted

29 *The New Conversation: Taking Social Media from Talk to Action*. 24 pages. In *Harvard Business Review*. 2010. 10815-PDF-ENG. [online]. Available at: <http://www.sas.com/resources/whitepaper/wp_23348.pdf> [6.10.2014].

that any effort in this direction have certain limitations that cannot be ignored. Despite all the excitement that is associated with the creation and extension of the use of social media in business practice, we must realize that in banking it is only one of the channels through which the company comes into contact with customers. The very existence of this new channel does not mean that traditional channels recede into the background or that their importance/suitability is cancelled. People continue to visit the bank counter or call to banking advisors. But, we claim, unlike other points of contact, Facebook is open to the public, unique two-way communication channel, revolutionary in sense of immediacy of the contact and banks' proximity to their final consumers. The content can see much more other customers or potential customers, thus it can regulate customer's perspective on bank more than other channels. Unlike the advertisement it gives the opportunity to be publicly directly embarrassed in front of the customers or to be helpful as we saw in case of problems with internet banking. As a one of multiple communication channels that are involved in shaping the image of the society, we conclude, Facebook has significant influence to create a general view of customers to the bank and it can regulate it in either direction, even it is difficult to determine whether improvement of bank's reputation has been achieved through its activities on the Facebook or real services the bank offers. Data from the Facebook may reflect the effect of the bank for its customers both through social networks and other channels. Between the channels and bank's reputation is relation M:1.

The results of a survey conducted by PwC³⁰ between the social networks users suggest that most consumers in retail hear on the purchase option under favourable conditions (49 %). A considerable percentage of consumers are also interested in offering new products (28 %) or the recommendations of friends or experts (26 %). From our context analysis we can say that in the case of banking there is a little bit different consumers' behaviour on Facebook. They are most solving their problems with the services, e.g. internet banking, discussing the charges for accounts and cards maintaining, comparing banks between themselves or consulting success of the campaigns. When defining the profile of the staff who will manage the company's social network, and preparation of training (resp. course materials), it is advisable to keep

30 PwC. *Demystifying the online shopper*. 2013. [online]. Available at: <http://www.pwc.com/en_GX/gx/retail-consumer/retail-consumer-publications/global-multi-channel-consumer-survey/assets/10_myths_multichannel.pdf> [6.10.2014].

in mind that a large number of people use social networks as a technical support.

Recommendation is to keep banks contribute, to behave actively and proactively, thus the user will have the impression that “yes, the bank has some problems, but trying to successfully solve it” and not vice versa as has been observed in many cases. Also, it is advisable to constantly promote products. Bank, for example, add some advertisement of a product, someone has some positive / negative comment on it and that is everything. They should constantly promote, repeat propagation or use different way of promotion. From the results of the interest of people became another recommendation to create a cooperation between the banks and the companies which people like on Facebook most, e.g. for each new account established at the bank “xy” give a voucher/discount on product in the store “yz”.

Acknowledgement: This paper was prepared thanks to the IGA grant VSE IGS F4/18/2014.

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MANAGING A BRAND PORTFOLIO FORMATION OF INNOVATIVE COMPANIES

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Polozhentseva – Olga Alexandrovna Kryzhanovskaya*

Abstract

The paper presents the results of scientific analysis of innovative marketing techniques, explains the composition of functions, shaping the value of brand innovation, gives directions for increasing the value of the brand portfolio of innovative companies. There is development of innovative marketing strategy of activities for research requests to the target audience and the assessment of conformity of brands based on the structural analysis of the mutual positioning of brands to highlight innovative brands. The algorithm for creating a system of adoption and implementation of management solutions to optimize the brand portfolio of innovative companies, a feature of which is the integrated use of economic-mathematical models with matrix methods of strategic analysis, thus justifying the portfolio strategy of innovation, which includes innovative brand development process.

Keywords:

Brand. Innovation. Strategy. Positioning. Brand portfolio.

Introduction

In a transitional economy, for many organizations is difficult to develop steadily and achieve success in its activities: high competition in the marketplace, emerging technologies that accelerate the pace of innovation, as a result of prejudice reduction of the life cycle of products, etc. The use of innovative branding techniques that Russian companies can apply effectively in the conditions of transformation economy and access to global markets becomes relevant. Transformation processes produce the effective innovative technologies, among which we can highlight the concept of marketing, including brand management.

The increased attention to problems of brand management, formation of effective innovation strategy brand portfolio due to the popularity of the brand is essential to the stability of the enterprises on the market. Recently, more and more companies are interested in the principles and methods for the management of a portfolio of brands. This is because in today's economy are rare cases in which the company offers to the market

a single product under the sole brand. Need to enter new markets, attract new groups of consumers, the development of innovative products require the creation of innovative new brands. In Russia, a professional approach to branding and strategic planning of integrated marketing communications only began to emerge in the last 7-10 years, so examples create strong portfolios of brands in the Russian market is small enough, but the business area develops dynamically.

The relevance of the innovation strategy for the management of the portfolio of brands is obvious. Business strategy sets direction in terms of markets and products, provides the resources to create competitive advantage. The strategy of separate brand determines its identity and positioning, affecting not only the distribution of roles in the portfolio, but also a business strategy.

The urgency of the problem of management of forming brand portfolio of innovative companies linked to its novelty for regional Russian companies which in a competitive environment do not have sufficient experience of the formation of marketing strategy in the context of the management of forming and positioning of the brand portfolio of innovative organization. The increased attention to this issue is due to the fact that the popularity of the brand becomes essential to the stability of the company in the market.

Theoretical and practical aspects of branding and building a portfolio of brands represented in the works of foreign and domestic scientists. There are many works of leading western economists which are devoted to the creation and promotion of successful brands: D. Aaker, T. Ambler, D. D'Alessandro, R. Blackwell, J.N. Kapferer, K.Keller, P. Kotler, J.-J. Lambin, P. Miniard, T. Nilson, M. Porter, A. Ries, D. Trout, L. Chernatoni, J. Evans etc.¹

1 AMBLER, T., RUSR, R., CARPENTER, G., KUMAR, V., SRIVASTAVA, R.: *Measuring marketing productivity: Current knowledge and future directions*. In Journal of Marketing, 2004, Vol. 16, No. 6, p. 76.; FORD, K.: *Brands laid bare: Using market research for evidence-based brand management*. Chichester, UK : John Wiley and Sons, 2005. p. 124; KELLER, K.: *Conceptualizing, measuring, and managing customer-based brand equity*. In Journal of Marketing, 1993, Vol. 57, No. 1, p. 21.; LAMBIN, J.: *Strategic Marketing: a European Approach*. McGraw-Hill Book Company, 1993. p. 324; FORD, K.: *Brands laid bare: Using market research for evidence-based brand management*. Chichester, UK : John Wiley and Sons, 2005. 135 p.; TOWN, P.: *The Simple Strategy for successful investing in only 15 minutes a week*.

At the present stage of development of the Russian economy, the branding is one of the innovative marketing directions successful development of companies. Today in the economic literature reveals varying definitions of “brand portfolio”, which do not always relate to one another. The demarcation of the terms “brand portfolio”, “economic portfolio”, “product portfolio” are presented in table 1.

Table 1: The demarcation of the terms “brand portfolio”, “economic portfolio”, “product portfolio”

Author, source	Definition
Kotler P. International Marketing	The main instrument of strategic planning is analysis of the economic portfolio company. Talks about the assessment of the status of the portfolio, that is, about the assessment of the situation of all the company’s productions. Under “production” could be referring to the Office of the company, product range, and even one simple or branded goods. ²
Aaker D. Measuring brand equity across products and markets	Brand portfolio is all brands and subbrands that are attached to a market-oriented proposals, including joint product brands with other firms. The identification of all these brands and sub-brands at times is an original task. ³
Aaker D. Managing Brand Equity	A critical element of management of a portfolio of brands is to clearly define the scope and role of each brand, which it will play in every important for the company context. Brands should also be considered as a team of working together players, each with a role to play to enhance and support business strategies. Brand portfolio must be flexible and dynamic to respond to dynamic markets. ⁴
Kapferer J.N. The New Strategic Brand Management: Creating and Sustaining Brand	The company’s brand portfolio indicates its desire to better meet market needs not only through differentiated goods, but also through various brands and, consequently, different characteristics. Organization of the brand portfolio reflects the selected by company type of market segmentation. ⁵
Bronnikova T.S., Chernyavskiy A.G. Marketing	Plan for the development of the commercial portfolio is developed on the basis of the assessment of attractiveness of each commodity produced by the firm in a particular market. The main rate is planned at this stage - this is the amount of sales for each product. Commercial portfolio is the sum of those products. ⁶

London : Random House Business Books, 2006. p. 204.

- 2 KOTLER, P, KELLER, K.: *Marketing Management*. Prentice Hall, 2011, p. 434.
- 3 AAKER, D.: *Managing Brand Equity*. New York : Free Press, 1991, p. 227.
- 4 AAKER, D.: *Measuring brand equity across products and markets*. In California Management Review, 1996, Vol. 38, No. 3, p. 114.
- 5 KAPFERER, J.: *The New Strategic Brand Management: Creating and Sustaining Brand*. Equity Long Term. Kogan, 2008, p. 263.
- 6 MACDONALD, E., SHARP, B.: *Brand awareness effects on consumer decision making for a common, repeat purchase product: a replication*. In Journal of Business Research, 2000, Vol. 48, p. 8.

Golubkov E.P. Basics of marketing	Under the “portfolio” refers to the totality of the products, manufactured by the company. Product portfolio should be balanced and include products at different stages of the life cycle that ensures the continuity of the supply activities of the organization, permanent profit, reduces the risk of non-receipt of the expected magnitude of profits from the sale of products, which are in the early stages of the product life cycle. ⁷
Murashkin N.V., Tyukina O.N. etc. Marketing	Volumes of manufactured products and works of industrial nature (services) is called the content management portfolio. ⁸

Sources: KOTLER, P, KELLER, K. L.: International Marketing. Prentice Hall, 2011. p. 456 - 461.
 AAKER, D.A.: Managing Brand Equity. New York : Free Press, 1991. p. 118 - 122.
 AAKER, D.A.: Measuring brand equity across products and markets. In California Management Review, 1996, Vol. 38, No. 3, p. 112-120.
 KAPFERER, J. N.: The New Strategic Brand Management: Creating and Sustaining Brand. Equity Long Term. Kogan, 2008. p. 246 - 249.

Analysis of studies of foreign and Russian authors showed that the theoretical and methodical aspects of branding deserve a significant role, however, is improving the management of forming and positioning the company’s brand portfolio to be insufficiently elaborated in many aspects: most brands are considered part of a communication or commercial policy of enterprise, and the portfolio of brands represents a collection of brands without taking into account the effect of their interaction.

The main materials of the research served as the results of basic and applied research in the field of implementation of the strategy for the management of the brand portfolio of innovative Russian enterprise, as well as laws and regulations, official statistics, articles in specialized magazines and journals, the analytical materials presented in the global network Internet, information posted on official websites innovation companies.

The methodical apparatus of research based on the use of economic analysis, control theory, economic-mathematical modelling technical principle of the ascent from the abstract to the concrete, methods of comparative and statistical analysis. In this work there are market

7 BAKER, K., BAKER, S.: *How to Promote, Publicize, and Advertise Your Growing Business*. N. Y. : John Wiley & Sons, Inc., 1992, p. 367.

8 TORSTEN, H.: *Competitive Branding: Winning in the Market Place with Value-added Brands*. John Wiley and Sons, Ltd., 1998, p. 128.

research methods such as focus groups, expert survey, audit of retail trade, consumer surveys, analysis of brand portfolio.

1 Identifying values and the formation of brand portfolio

Currently, the brand carries orientation of a consumer on life style and dictates the development trends of society through such provisions as status, image, innovation. Brand portfolio, accumulating consumer perception allows you to get the maximum benefits from the interaction of brands and create a positive image of the company.

Speaking of category “the company’s brand portfolio” we mean the interaction system of enterprise brands, when joint action considerably surpasses the effect of each individual brand, thus creating a synergistic effect.⁹ The value of the brand portfolio, we believe, is based not only on three economic functions (communication, trust, and risk reduction), but redistribution of roles between brands based on the principle of conservatism, diversification, liquidity and synergy (chart. 1).

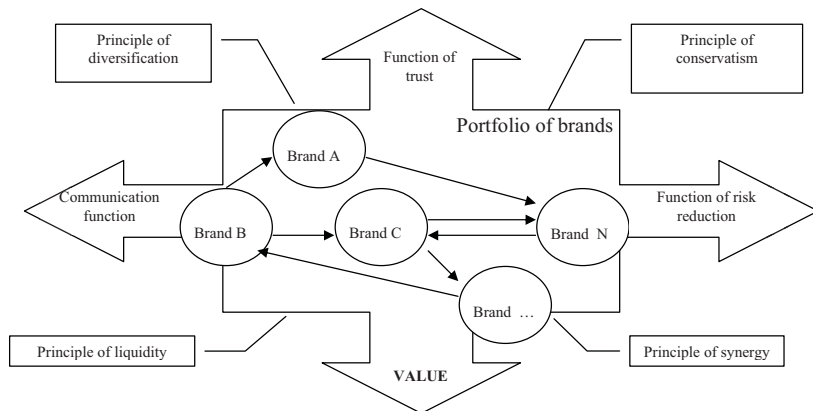


Chart 1: The value of a portfolio of brands

Source: Own processing

9 VERTAKOVA, Y., ERSHOVA, I., PLOTNIKOV, V.: *Educational system influence on knowledge economy formation*. In *World Applied Sciences Journal*, 2013, Vol. 27, No. 5, p. 680.

It was determined that the strategy of brand portfolio, determines the structure, range, and the role of brands in the portfolio. The objectives are to create synergy, driving force and clarity within the portfolio, as well as popular, differential and strong brands.

Brands in portfolio - as their own (the principle of conservatism) and related portfolio management through alliances-should be seen as a set of interrelated brands (the principle of liquidity), each of which has a specific role, aimed at enhancing the capacity (the principle of diversification) and support business strategies (principle of synergy).

The art of managing a portfolio of brands of the company is to skilfully lead the capabilities of each brand to a unified strategy and achieve the effect.

Brand management in innovative industries should take into account not only current but also future brand range. Brands are the most productive, when are part of a long-term plan. The result of effective formation and promotion of brand portfolio of innovative companies should be getting multiple sources of synergy. In particular, the use of brand names in different contexts must enhance their visibility, create and strengthen the association and lead to increased efficiency of the company. Conversely, the brand portfolio should avoid negative synergies. The difference between simply brand can blur the brand image of the organization.

Development and management of a portfolio of brands of innovative company should be based on the following management decisions:

- adding, elimination of brands or sub-brands for setting priorities;
- extending the brand to a different product category;
- brand extension up or down in price scale;
- using of the corporate brand in an offer;
- establishment of the alliance brands;
- definition or association with the innovative product category;
- the creation or selection differentiator: features, components or technology, service or program, that will provide brand;
- search brand activator; brand sponsor: product, innovation, stimulus.¹⁰

10 VERTAKOVA, Y., PLOTNIKOV, V.: *Russian and foreign experience of interaction between government*. In World Applied Sciences Journal, 2013, Vol. 28, No. 3, p. 412.

Brand portfolio of the innovative company includes all brands are managed by the organization, as well as external brands, whose link with internal brands is actively regulated, for example, brands, sponsors, symbols associated with celebrities, countries and regions. In certain situations, the portfolio can be strengthened by adding innovative brands. Role in commodity supply and portfolio roles, establish a set of different features that can potentially perform each brand.

Strategy of brand portfolio of innovative company focused in the future and should develop brand platforms and innovative brands that will support strategic sales promotion in new markets. Innovations of the portfolio include the allocation of resources for the entire portfolio to support business strategy. The funding of all existing brands of organization is inefficient, because it infringe upon innovative brands, and brands, which are important in supporting portfolio. Identification of the brand with a portfolio of roles is an important step to take optimal managerial decisions on the allocation of funds within the portfolio.

2 Directions of increasing values of the brand portfolio of innovative company

To define the strategy of brand portfolio architecture, consider three General groups of factors: business analysis, user analysis, portfolio analysis. To analyse and evaluate the relationship, in our view, it is appropriate to follow the scheme of mutual positioning of brands (Brand Relationship Mapping). This method helps to identify potential opportunities to increase overall brand value (chart 2).

Analysis of the interaction involves the identification of relations and linkages between brands in the portfolio. Need to find a gap in the relationship between brands and see whether it can be removed to increase the value of the portfolio. You must analyse the conformity of brands needs of the target audience and identify factors influencing the growth of the company's business. If brands "compete" with each other, then you must decide either to unite them, or to destruct one of them.

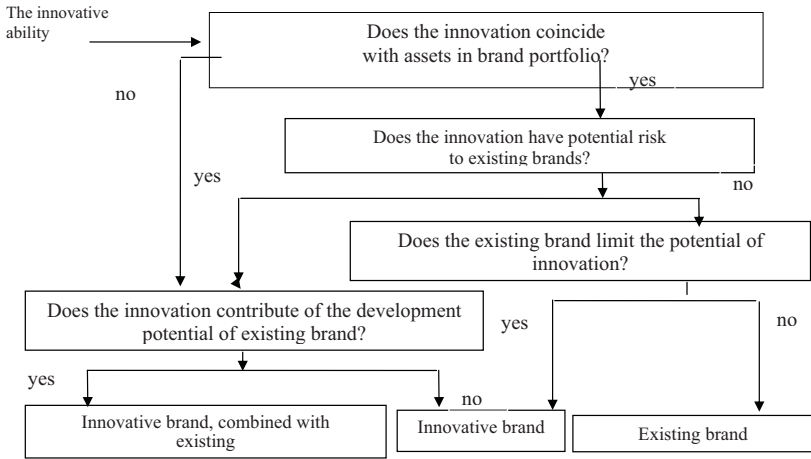


Chart 2: Schematic mutual positioning of brands

Source: Own processing

Analysing the relationship of brands in the portfolio, we have identified areas to increase its cost. To do this, you must map the innovative capacity of three independent terms: probability of interaction in a common space; the adequacy of resources for the realization of the opportunity; sufficient size and rate of growth of the market. The company will have an innovative brand with appreciated value with regard to the implementation of the innovative features that meet the following criteria: innovation meets the existing assets in the portfolio of brands, innovation does not contain potential risk to existing brands or will contribute to the development of the capacity of an existing brand, the existing brand does not limit the potential of innovation.

If the three conditions are not met, it may be necessary to introduce new integrated strategic solutions. Initially, during the development of the brand, they can lead to significantly higher costs, but then will create a full period more profitable portfolio. These innovative strategies are:

- “Pooling and trading” aimed at strengthening relations between independent brands in the portfolio. The objective of the strategy “pooling” is to make various and many brands in the portfolio work together to meet the needs of consumers. Strategy “trading” is used for joint sales of brands (more precisely, the mutual influence of brands on sale). This approach helps to create a joint proposal and the value to which a separate brand may not be;

- Partnership strategy: intended for coverage of the markets on which brands separately would have no meaningful success;
- Consolidation strategy is applicable when the development of the brand does not meet the strategic objectives of the company, allows to obtain substantial benefits in portfolio optimization;
- The merger of brands is a complex and expensive process, so experienced market participants use this method sparingly;
- Strategy acquisition of brands - most of the acquisitions of brands leads to violation of systematization in the portfolio. We believe that it is necessary to make a deal to develop a strategy for relations between the brands in the portfolio. In this case, the strategy of acquiring brands would successfully fill “vacancies” in the general structure and increase the value of the company’s brand portfolio;
- Creating innovative brand.

For the Russian market, in our view, this is the most promising way to optimize the company’s brand portfolio, because the cost of creating and branding in Russia is much lower than for markets in Europe and the USA. In this case, the development and launch of innovative brand will combine traditional approaches to strategic brand management principles of building architecture of portfolio of innovative company. Thus, we have identified areas to increase the importance of brands in the portfolio of strategies to generate and promote brand portfolio.

3 Algorithm of the company’s brand portfolio optimization and rationale of portfolio’s strategy and organization, including the development of innovative brand

Methodical recommendations on the company’s brand portfolio optimization have been developed on the basis of testing experience that is embedded on the innovative enterprise of food industry LLC “KBFC”. To optimize the portfolio of brands offered in the first phase to evaluate market opportunities for companies using matrix methods of strategic management. We reviewed the situation of the company relative to key competitors, as well as the strategic position of each brand within the company (chart 3,4).

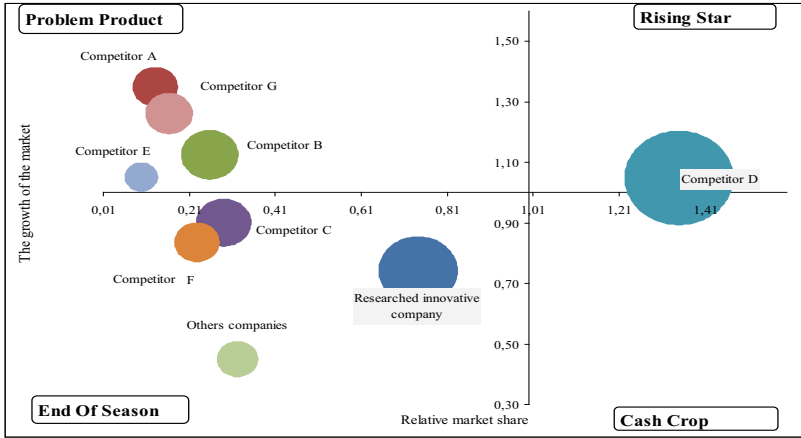


Chart 3: Strategic position LLC "KBFC"

Source: Own processing

LLC "KBFC" has the brands in the lower and middle price segments and that is possible does not give a company grow and expand market share.

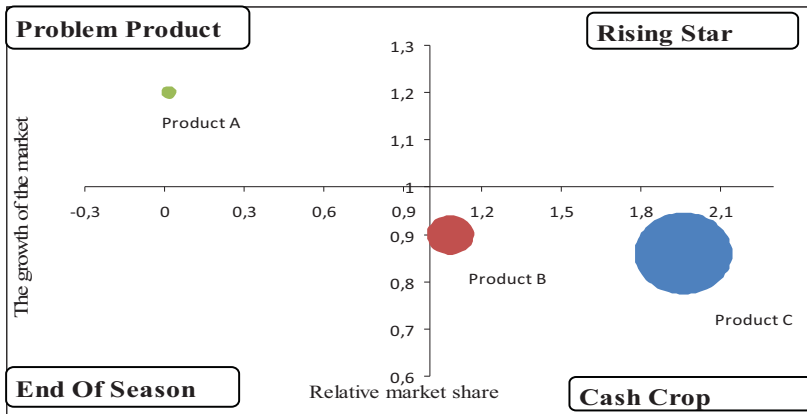


Chart 4: The strategic position of the brand in LLC "KBFC"

Source: Own processing

We conducted market research with a unique survey for the studies of consumer preferences by the study products. On processed questionnaires identified consumer preferences product innovation company LLC "KBFC".

To identify the main factors influencing the purchase of brand “Dobavkin”, we have used non-parametric equivalent correlation-rank Spearman correlations. To interpret the factors influencing appealing products we conducted factor analysis. As a result was identified group of factors 1, which includes the taste and consistency of quality characteristics of the product, while group of factors 2 (price, brand awareness, packaging) are characterized by initial visual perception of the goods. The study identified two factors, “ingredients” and “smell”, not related to any of the groups. The studies have identified the benefits of group 2 with a marketing focus. The fact that the consumer, buying a new product, does not know its properties and is guided by the visual effects or famous trade mark obliges the company to conduct active marketing policy aimed at attracting consumers. Packaging and brand name must specify a positive emotional impression with the purchase product, but if the submission is not supported by the real taste, the consumer develops a negative perception of the trade mark.

Reinforcing the work of structural units of the company in the identified directions (to improve the quality of products and improving the marketing mix, in particular sales promotion and sales promotion) will increase the competitiveness of innovative enterprise products. The results of the study didn't revealed strong brands in the existing portfolio. It talks that acting portfolio strategy is not effective.

In the portfolio there are niche's void in the price segment. To build an effective portfolio was asked to make a series of changes, as well as the vertical expansion of the portfolio by creating innovative brand that would take the position of “star” in the strategic development of LLC “KBFC”. We have developed innovative brand called AL-Gusto. Due to changes in the structure of the portfolio management concept a new portfolio of brands LLC “KBFC” developed, to reallocate funds within the portfolio, show the brands and product categories that must be excluded for further favourable development.

Thus, the company formed an innovative portfolio of brands, in which the roles of brands and sub-brands, taking into account the concept of “Branded House” that will help innovative companies take to the better level of brand management. Due to the new portfolio strategy enterprise can protect their position in the market and to compete with large companies.

4 Results

Implementation of the strategy for the management of a portfolio of brands and smart advertising company will increase not only the volume of sales of products innovation company “KBFC”, but also to form a favourable overall brand image of the company.

As a result of the research, we received the following results:

- the concept of “portfolio of brands of companies” was clarified;
- informative characterization of the principles of innovation company’s portfolio of brands management is presented, and their composition was justified;
- identified areas of increasing the company’s brand portfolio values on the basis of the factors affecting the growth of the business, the marketing strategy of activities for research requests to the target audience and the assessment of conformity of brands, as well as the effective implementation of structural analysis of mutual positioning of brands to highlight new or combine existing when portfolio is forming;
- developed methodical recommendations for establishment of the system for adopting and implementing management decisions in the sphere of the company’s innovative brand portfolio optimization based on comprehensive utilization of economic-mathematical models, together with matrix methods of strategic analysis in support of portfolio strategy of the organization, taking into account the new brand;
- developed characteristic of the current strategy for the management of a portfolio of brands, which is based on the concept of “Branded House” that assists organization in conditions of transformation economy grow and evolve in a competitive environment for the market.

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MARKETING FUNCTIONS TO ENSURE BETTER INVESTMENT ATTRACTIVENESS OF A TERRITORY

Ylia Vertakova – Natalia Trusova

Abstract

The paper presents an original point of view on the issues related with the formation of investment attractiveness of a region on the basis of marketing functions. It discloses the role of territory marketing giving solid grounds to its substantiation and investigates marketing tools that are able to attract investment into the region. A correlation between marketing expenditures from regional budgets and the amount of attracted internal and foreign investments is studied. The paper offers some methodological recommendations that can be used to build up an efficient marketing strategy aimed at the formation of investment attractiveness of a region. It proves that such strategy should be largely directed at the attraction of foreign investments.

Key words:

Foreign investments. Investment attractiveness. Marketing. Marketing strategy.

1 Territory marketing as investment attractiveness booster

The importance of this investigation has been determined by the need to find efficient administrative and economic-organizing tools that can be used to increase the investment attractiveness of a territory. In this connection consideration is given to those marketing provisions that will ensure competitive power and investment attractiveness of a region. In territory marketing a very important role belongs to the formation of such an image of a region that will be attractive and appealing to its population, national and international investors and the Government. It should be noted that marketing of territories is rather new investigation area in Russian economic theory. A growing interest towards territory marketing is largely determined by shifting the focus of social and economic reforms to the level of subjects.

Marketing issues related with attracting investments were studied by such scholars as D. Aaker, I. Arzhanovsky, D. Vizgalov, A. Gaponenko, P. Goovaerts, F. Kotler, A. Lavrov, A. Pankrukhin and others. Different periods of regional economy development were marked by serious contributions into the creation of the scientific basis of regulating investment attractiveness of a region and were made by I. Grishina, L.

Gitman, K. Gusev, I. Lukaszewicz, Y. Polozhentseva, V. Popov, T. Pikketi, V. Plotnikov, I. Roizman, L. Salimov, M. Haise.

Several concepts of territory marketing deal with marketing analysis of regional potential and its competitive abilities (F. Kotler, A. Pankrukhin). Others are directed to the promotion of a region and formation of its good image (I. Arzhanovsky, D. Vizgalov). Let us represent main concepts of territory marketing in the form of a table (Table 1) with highlighting their advantages and disadvantages.

Table 1: Approaches to the marketing of a territory

Concept and its author	Advantages	Disadvantages
F. Kotler, N. Lee	Creation of the conditions needed to help economic entities to take decisions about investing into the projects that will facilitate social and economic development of the region. A possibility to monitor actions and adjust plans. ¹	Has to be implemented only on basic marketing principles that sometimes are hard to realize practically.
Kotler, D. Haider, I. Reine, T. Metaxas	Solidity of the approach based on the analysis of the experience obtained for European territories. A unique system of strategic market planning. ²	Hardly adaptive to the Russian practice.
A. Pankrukhin	Clearly-cut and well-structured approach that is related with the analysis of the competitive ability of the region and its positioning. Consideration of the interests of the territory and its internal subjects, as well as those of the external subjects that may lie in the focus of the territory's interests. ³	A bias only to the position of a region. Consideration is given only to the economic factors of the development
V. Arzhenovskiy	Runs in parallel with planning the strategy of enterprises	A focus only on the promotion of the region.
D. Vizgalov	Well-built logic of the approach that ensures easy implementation of this territory marketing model. Maximal consideration of the actual situation in Russian territories. ⁴	A focus only on the promotion of the region.

1 KOTLER, F., REIN, I., HAIDER, D., METAXAS, T.: *Marketing places. Attracting investments, businesses, residents and tourists in the city, commune, regions and countries in Europe*. St. Petersburg, 2005, p. 112.

2 Ibidem

3 PANKRUKHIN, A.: *Marketing of the areas*. M. : RAGS, 2002, p. 84.

4 VIZGALOV, D.: *Marketing of the city*. M. : Institute for Urban Economics, 2008, p. 67.

V. Butov, V. Ignatov, N. Ketova	Study of market, demand and prices of regional products at the mesolevel. Support of entrepreneurial activity in the region.	A focus only on the investigation of regional internal market
A. Gaponenko	A system of measures to attract new economic agents into the region. A focus on regional development challenges.	Insufficient orientation to internal investors.

Sources: VIZGALOV, D.: *Marketing of the city*. M : Institute for Urban Economics, 2008, p. 64.

KOTLER, F, REIN, I, HAIDER, D., METAXAS, T.: *Marketing places. Attracting investments, businesses, residents and tourists in the city, commune, regions and countries in Europe*. St. Petersburg, 2005, p. 112.

PANKRUKHIN, A.: *Marketing of the areas*. M : RAGS, 2002., p. 84.

In spite of a comprehensive character of extensive national and international studies in this area, the issues of using marketing mechanisms to improve investment attractiveness of a region still have to be investigated more thoroughly in modern scientific theory.

1.1 Main points in territory marketing

Here the territory marketing is understood as an activity aimed at the search of new methods and ways to regulate productive and economic development of a region by means of main marketing tools applied to use investment potential and available resources of the territory in the most efficient manner and thus make this territory extremely attractive for investors.⁵

At the same time considering the current Governmental policy of innovative development of national economy, regional marketing can also be defined as a system of innovative and investment ideas that are focused on the demands of marketing target groups. The marketing of the infrastructure is mostly connected with the innovative development of a region and namely with the development potential of a territory including the appearance of new industries and development of already existing ones; market and industrial infrastructure; population living standards; investment moving forces and trends and the maturity of professional education.⁶ Marketing target groups are federal authorities,

5 SEGGIE, S., CAVUSGIL, E., PHELAN, S.: *Measurement of return on marketing investment: A conceptual framework and the future of marketing metrics*. In Industrial Marketing Management, 2014, Vol. 36, No. 6, p. 478.

6 GOOVAERTS, P., BIESBROECK, H., TILT, T.: *Measuring the effect and efficiency of city Marketing*. In Procedia Economics and Finance, 2014, Vol. 12, p. 191.

major industries and manufacturers, middle and small businesses inside and outside the territory under consideration, national and foreign investors.

1.2 Methods of assessing investment attractiveness of a region

Regional marketing has a certain influence upon the growth of investment attractiveness of a region. When taking a decision about investing into a region, investors assess the integral investment attractiveness rating of the region. The higher the level of its social and economic development is and the more favourable is its investment environment, the more extensive are investment activities.⁷

Quite a number of regional investment attractiveness assessment methods of regions have appeared in Russia during the last decade. They are used in line with international techniques developed by the leading rating agencies like “Business Environment Risk Index (BERI)”, “Moody’s”, “Standart&Poor” as well as by expert periodicals (The Economist and others). All western methods are primarily aimed at the assessment of the investment potential of a country as a whole, considering relatively small areas of western states (compared with the Russian Federation). Within the framework of the existing approach to the assessment of investment attractiveness of regions several methods should be marked out. They can be used to make a diagnostics of those factors and conditions that have an influence upon the development of regions (Table 2).

Table 2: Methods and techniques used to assess investment attractiveness of a region

Method	Content	Developer
Economic and mathematical methods	Correlation and variance analysis, optimization methods and mathematical simulation	I. Roizman, A. Shakhnazarova
Factor analysis methods	Compilation of enlarged groups characterized by matching indicators called factors. Making a rating of regions. ⁸	K. Guseva; Business Environment Risk Index «BERI»

7 TRUSOVA, N.: *Prediction of investment in the region*. In Socio-economic phenomena and processes, 2013, Vol. 12, p. 123.

8 GUSEVA, K.: *Regulation of investment activity in depressive regions*. In Economist, 1997, Vol. 5, p. 39.

Peer review methods	At first industries are assessed in a factor-by-factor manner. Then each factor gets its justified comparison basis (mean values are found). Subjective nature of setting standard criteria indicators. Rating of regions. ⁹	N. Klimova; the Department of Economy of the Bank of Austria; rating agency «Expert RA»; expert periodical «The Economist»
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Sources: GUSEVA, K.: Regulation of investment activity in depressive regions. In *Economist*, 1997, Vol. 5. p.38.

KLIMOV, N.: Comparative analysis of the investment attractiveness and investment activity of Russian regions. In *Investments in Russia*, 2003, Vol. 8, p. 9.

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Rating agency “Moody’s”. Available at: <<http://www.moody's.com>>.

The economistgroup. Available at: <www.economistgroup.com>.

2 A correlation between marketing expenditures and investment rates

In the marketing of territories a very important role belongs to the creation of a good image of the region and formation of its attractiveness for investors and the Government, which is necessary not only for the development of regional business, but also for bringing external capital in. Investment attractiveness can be improved by means of different marketing actions like forums, exhibitions, trade fairs, business visits and promotion activities that are financed from the regional budget.

In addition to the tools used to boost internal investments, a very important role in the economy is played by foreign investments that, on one hand, permit to strengthen the investment potential, and on the other hand to realize this potential provided that a good investment environment has been created in the region. The position of a region can be strengthened only if investment environment improves and foreign investors acquire better status. Among marketing activities aimed at the attraction of foreign investments the following ones should be mentioned here: advertising of the region in mass-media, its representation at international exhibitions, organization of investors’ conferences and publication of information about promising projects. Let us study the correlation between the marketing expenditures from the regional

9 KLIMOVA, N.: *Comparative analysis of the investment attractiveness and investment activity of Russian regions*. In *Investments in Russia*, 2003, Vol. 8, p. 9.

budget and the amount of internal and foreign investments taking Kursk Region as an example (Table 3).

Table 3: A system of indicators showing the relationship between marketing expenditures and investment attractiveness rating in Kursk Region (mln rbls)

Year	Expenditures from regional budget, total	Marketing expenditures	Investments into fixed capital	Index of the volume of investments into fixed capital (in per cent to the previous year)	Attracted investments into fixed capital	Foreign investments into economy
2012	46043.6	101.53	62.85	101.1	40.48	2579.11
2011	44058.1	108.16	58.24	114.1	44.03	1829.15
2010	35297.7	69.33	46.09	111.9	35.44	589.80
2009	31718.2	65.20	41.18	84.9	33.06	82.80
2008	29330.3	62.90	46.75	117.2	35.72	59.60
2007	21729.9	36.51	33.52	118.2	24.67	805.48
2006	16398.8	30.59	23.24	116.4	14.64	643.68

Source: Federal State Statistics Service. Available at: <www.gks.ru >.

2.1 Model “marketing expenditures – attracted investments”

Let us study the dependence of Y – the amount of expenditures from the regional budget allocated for marketing (mln rbls) from X – the amount of attracted investments into fixed capital (mln rbls).

Applying the methods of correlation-regression analysis we’ll get regression equation:

$$Y = 11.17 + 0.32X \quad (1)$$

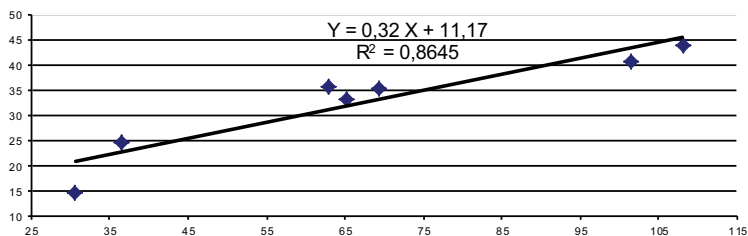


Chart 1: Regression line

Source: Own processing

; $R^2=0.93^2=0.864$;

The relationship between the indicator Y and factor X is strong. It proves that regional budget marketing expenditures have a strong influence on the amount of investments attracted to the regional fixed capital.

2.2 Model “marketing expenditures – foreign investments”

Let us study the dependence of Y – the amount of expenditures from the regional budget allocated for marketing (mln rbls) from Q – the amount of foreign investments into regional economy (mln rbls).

Applying the methods of correlation-regression analysis we’ll get regression equation:

$Y = 21.77Q - 533.57$ (2)

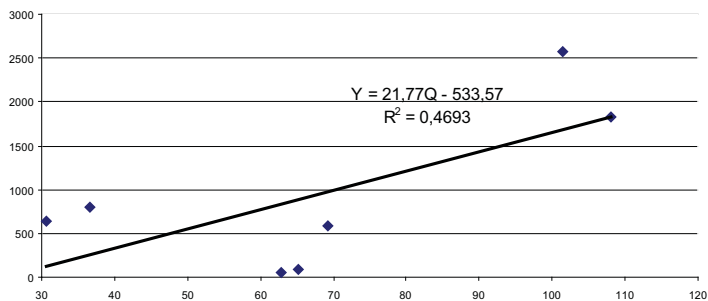


Chart 2: Regression line

Source: Own processing

; $R^2= 0.685^2 = 0.469$;

The relationship between the indicator Y and the factor Q has moderate character.

Based on these calculations it is possible to conclude that marketing provisions of investment activities in a region are essentially directed to the attraction of internal investments into the region and are less meant to strengthen the region's positions in the global economic system and to attract foreign investors. Hence, the degree of the functional efficiency of an investment integrated system is related with the correct choice of the strategy used to stimulate internal investment resources and facilitate the attraction of external investments, and that should ensure robust development of a territory.

3 Marketing strategy encouraging the improvement of investment attractiveness of a region

The authors of the present paper have developed a marketing strategy that should improve investment attractiveness of a territory, including the involvement of foreign investors. The strategy has the following stages:

1. Identification of strategic goals of the territory.
2. Planning marketing strategy for the territory.
3. Positioning of the territory (formation of its image).
4. Analytical studies of social and economic factors essential for the creation of favourable investment environment in the territory.
5. Analytical study "Competitive advantages of the territory and its investment positioning".
6. Analytical study "Comparative analysis of investment attractiveness of the territory".
7. Applied study "Benchmarking rating of investment attractiveness and investment activity of the territory".
8. Development of investment environment improvement program and its implementation.¹⁰

Based on program-targeted approach let us identify fundamental implementation objectives of the investment environment improvement program:

10 TRUSOVA, N.: *Prediction of investment in the region*. In Socio-economic phenomena and processes, 2013, Vol. 12, p. 124.

- maximal involvement of investment capital;
- combination of market and government regulation principles to control investment processes;
- direct governmental investments into the infrastructure and social sphere;
- encouragement of foreign private investments.

The main role in the marketing of a territory belongs to strategic planning and positioning of the territory. The planning of marketing strategy for a territory includes:

- maintaining its infrastructure in the condition sufficient to satisfy the demands of its population, businesses and investors;
- development of novel attraction factors and their introduction in order to bring in new investments;
- informing potential investors about specific features of the territory and its advantages by means of a communication program and aggressive imaging;
- winning the support of the population, leaders and influential institutions to attract new investors;
- creation of an efficient system of governmental support of new businesses and innovative economic entities;
- minimization of investment and business risks;
- formation of regional innovative structures including a R&D system integrated with local institutions of professional training.

The positioning of a territory in the social and economic space should be determined by the following provisions:

- regional investment legislation is one of the best in Russia;
- working with investors is a top priority for all authorities;
- the geographic location has strategic advantages;
- political situation in the region is stable;
- its financial infrastructure is well-developed;
- there is a system of governmental support of investment projects at all their implementation stages starting from signing the Letter of Intent and finishing with the project commissioning;
- intensive use of tax preferences and introduction of new tax concessions to attract and support investing activities;
- concentration of modern well-educated productive forces;
- availability of investment proposals in all economic spheres.

These objectives can be met only on the basis of the system approach applied in the process when regional economies are transiting to an innovative socially-biased model. Their progress has to be facilitated by such factors as the production of new concepts, technologies, social innovations with their pro-active introduction into production processes, modernization and infrastructure development.¹¹ The regional investment environment improving program should result in the development of the system of marketing support of investment activities in a territory, and that should promote the integral character of regional development and improve its balance.¹²

Conclusions

The authors have suggested a stage-by-stage marketing strategy that is aimed at the improvement of investment attractiveness of a territory and comprises a system of long-term objectives together with the most efficient ways of their achievement on the basis of main methodological approaches, analytical and applied studies.

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12 VERTAKOVA, Y., ERSHOVA, I., PLOTNIKOV, V.: *Educational system influence on knowledge economy formation*. In *World Applied Sciences Journal*, 2013, p. 680.

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MARKETING INNOVATIONS AND MARKETING COMMUNICATIONS IN TERMS OF BALANCED MARKET

Zbigniew Widera

Abstract

Evolution of marketing and its associated marketing innovation and communication tend to increase the chance of concluding effectively exchange by bidders goods. Changes in techniques, tools, methods of engaging executives and staff, and most importantly in the way of treating the purchasers, force reflection whether there is a balance between bidders satisfaction and dignity and respect for the values recognized by their customers. Placed on innovation, which is no doubt a source of progress, shall be in accordance with the applicable national legal and ethical standards protecting the public interest. With respect to the environment in which the current replacement parties are occurring.

Keywords:

Marketing innovation. Innovation in communications. Balanced marketing 3.0.

Introduction

Development of marketing and following marketing and communication innovations tend to increase the chance of concluding effective exchange by bidders of goods and services, as a result, to increase the company's profit. Effecting changes in techniques, tools used, methods of engaging executives and staff, and most importantly in the way of treating the purchasers, impose an attempt to describe the balance between bidders satisfaction and dignity of their clients, also with respect to the area at which the transaction is made. Introduced innovations should contribute to the development of civilization. Cause the action in accordance with the applicable legal system and ethical standards protecting the public interest. The public interest requires a continuous analysis of all effects which cause innovation.

The nature and importance of innovation

The development of civilization is based, inter alia on innovation, efficiency in management, marketing process optimization and ultimately successful sales transactions. Thereof the tools obtained this

way contribute to the global use of access to information. Consequently, to the participation of one person in the local, national and global markets. Active participation so far as it will be caused by innovations in marketing and innovation resulting from the marketing communication. This process, accompanied by widespread education of the young generation, whose objectives or effects in milder terms, is to prepare the students or the student for the role of future employees of companies whose core business is the production of technology products, including innovative products. Thus, the pupil or the student learns future roles becoming, after some time on the side of the market participant of the market on the side of those offering products or services, and being as well present on the other side of the exchange, on the side of customers who undergo the impact of marketing strategies. Innovations in the literature of the subject are widely regarded (in the broad sense) and narrow (in the strict sense). In broad terms, innovation is any innovation, but in the strict sense - not everything that is new is an innovation. Innovations considered broadly have a very wide range, apply to any changes, both technical, organizational and economic, which take place in the enterprise. These changes may be multidirectional, but generally should lead to progress. As defined M.E. Porter, innovations are "both technological improvements and better methods, as ways to do a given thing; it may reveal changes in product, process, new approaches to marketing, new forms of distribution and new management concepts." In the strict sense innovations are merely technical innovations and do not include organizational or social innovations. Proponent of this approach is Ch. Freeman, according to whom an innovation is called "the first commercial introduction of (the use) a new product, process, system or device." According to the methodology of the OECD (Organization for Economic Cooperation and Development) innovations of enterprises are able to grade and include all kinds of news, I e. products and processes, new both on a global scale (the so-called. absolute innovations), as well as on the scale of the country or the local market, also new products and processes for the company, but already implemented in other companies, industries or countries (the so-called copying innovations).¹

Technological development, which can be proved when looking at the generation of young consumers, in a way not yet known makes life

1 DZIEŃDZIORA, J., SMOLAREK, M.: Innovation strategies of small enterprises. In ŁATUSZYŃSKA M., NERMEND K. (eds.): *Modern enterprises problems*. Gorzów Wielkopolski : The State Vocational University in Gorzów Wielkopolski, 2009, p. 55-69.

product-like, transactional with necessary, wide use of communication tools. On a scale hitherto unknown rising generation is tied to technological gadgets that beyond the great benefit of their means of access to the global access to information and knowledge makes them slaves of equipment they use. On the one hand, giving unlimited access to education and creating opportunities for global existence, on the other, exposing young people to have indiscriminate effects of abuse and pathology affecting these people and institutions that manipulate them. There is a lack of effective legal regulations and the resulting effective sanctions meted for all pathological behaviours. Monitoring capabilities of negative processes that involve technological innovation are limited and focused on the concept of defence variously processed. Educational institutions themselves have not kept pace with the development of young people.

They do not make attractive offers for them on a large scale still stuck in archaic educational programs. Teachers generally do not enter into partnerships with the student, and often lack the competence, which greatly depreciates the desired model of relations based on the “master - apprentice” model. The Master is not a “master”, not a fluent speaker of modern technology, he is not innovative enough. In addition to the real world there is a virtual world that begins with activation of the phone and ends after long hours at the computer. Appointed by corporations virtual world, is the result of innovation and the effect of an effective marketing. And if so, its negative consequences burden its creators. To balance this trend, marketing theorists seek solutions in which the negative and positive effects are balanced. They try to convince manufacturers and service providers to the social approach to sales and its effects.

Companies feeling the escalation of their operations revive and implement measures to mitigate their effects. One of these are actions being the part of corporate social responsibility. They organize social activities. They create foundations and funds. Not infrequently, however, sending messages to encourage consumers to buy goods of their products with the percentage of the price allocated for charity purposes, which in its essence becomes the least ethical action. Sceptics suggest that the lack of clear evidence of a correlation between the purchasing decisions made by consumers and company’s activities in the area of social responsibility. However, the results of many studies deny that. According to a report by consulting firm McKinsey “Addressing Consumer Concern About Climate Change” already in 2008, 21% of consumers surveyed clearly expressed

a desire to pay larger amounts for products ethical and environmentally friendly, what more - actually sought such products and bought them.² It is worth remembering that at this time the CSR was a phenomenon developing.

CSR (Corporate Social Responsibility) is a business management concept, aiming to balance the activities aimed at obtaining financial gain and at the same time satisfying the requirements of the broad social and environmental interests in the area of operation of the company. Corporate Social Responsibility meets the combined challenges of the economy and social development. CSR is supported by the actions materializing the development of the economy based on knowledge, such understanding of the value of the company, in which the company's most important asset is people, their creativity and competence. The ability to use non-financial capital, an effective presence in the social space does not interfere with obtaining permanent place in the market. On the contrary it strengthens and develops. Respect for the customer is the best way of life and the effect of balanced marketing.

The increased interest in building a socially responsible business model is due to the:

1. The concept of balanced development, emphasizing the need to take account of the business, in addition to the economic dimension, the social and environmental factors in order to meet the needs of not only the present but also for future generations;
2. development of civil society, demanding the increasing importance of human rights, gender equality, the right of labour relations, care for the health and safety of workers, consumer protection, or limiting the impact of economic activity on the environment;
3. The business self-regulation in the direction of increasing the transparency of economic activity and its consequences, including a reduction in corruption and unethical behaviour in business and the use of so-called good practice in relationships with parties;
4. the ongoing globalization process, which caused that the company has become an important actor of international economic and political relations, and voluntary initiatives on CSR is seen as evidence of compliance with good business practices.

According to the ISO 26000 social responsibility is the commitment of an organization to enable social and environmental aspects in the decision

2 Harvard Business Review Poland, 2010, No. 87.

making process and to take responsibility for the influence of their decisions and activities on society and the environment.³

Marketing innovation, according to the official definition used by the Central Statistical Office of the Republic of Poland, as the concept used in statistical surveys of official statistics is:

1. Implementation of a new concept or a marketing strategy which differs significantly from the marketing methods used so far in the company. This includes significant changes to the project / product design, packaging, product distribution, product promotion and price formation.
2. It does not include seasonal changes, regular and other routine changes in marketing methods.
3. New marketing methods for the distribution of products rely mainly on the introduction of new sales channels.
4. New marketing methods to promote products rely on the use of new concepts to promote products and services company.
5. Innovations in terms of pricing rely on the use of new pricing strategies for the sale of products or services of the company on the market.⁴

Marketing innovations include innovations made in all or individual elements of the marketing mix chain. Marketing communication is defined as a system of information (symbolic content) between the company (the sender) and its environment (customers and other stakeholder groups) for the specified channel and means of communication. Characteristics of marketing communication are:⁵

1. specific objectives related to the shaping of communication needs and stimulating demand among buyers;
2. specific communication tools - these are mainly instruments to promote forming composition of the promotional mix (advertising,

3 ADAMCZYK, B., DWORZYCKI, J. (eds.): *Spółeczna Odpowiedzialność Przedsiębiorstw (CSR)*. [online]. Available at: <<http://www.mg.gov.pl/node/10892>> [15.10.2014].

4 OECD I EUROSTAT: *Podręcznik Oslo. Zasady gromadzenia i interpretacji danych dotyczących innowacji. Pomiar działalności naukowej i technicznej*. Wydanie trzecie. Warszawa : Zakład Wydawnictw Statystycznych, 2008. [online]. Available at: <<http://www.uwm.edu.pl/ciitt/wp-content/uploads/2013/10/Podrecznik-OSLO-MANUAL1.pdf>> [15.10.2014].

5 WIKTOR, J.: *Promocja. System komunikacji przedsiębiorstwa z rynkiem*. Warszawa : Wydawnictwo Naukowe PWN, 2006. p. 10-18.

- personal promotion, sales promotion, public relations and direct marketing);
3. one-side or two-side direction of information transfer;
 4. multi-level communication (intrapersonal communication, interpersonal group, mass and institutional);
 5. the economic nature of the media;
 6. communication must be subject to careful planning and evaluation of the effectiveness of budget expenditure.

The marketing communication companies use it next promotion tools, other elements of the offer, ie. Product, pricing and distribution. It is through their communication aspects form a coherent image of the product, brand or company.⁶ Analysing innovation in marketing communications, different cross-sections can be used, for example, evaluation of innovation (ie. news and changes) used in traditional techniques and communication tools and assessment forms and communication tools using hiper-media environment (i.e. Information technologies).⁷ The essence of innovation comes down to the aspect of novelty with respect to existing methods and instruments.

Marketing innovations and innovations in marketing communications, whose essence was mentioned above, should be part of a pro-growth philosophy of the company. One of the foundations of their presence in the market can be an action based on innovative marketing theories. Executing, in this context, the idea of sustainable marketing. Recognizing, for example, assumptions marketing 3.0 values and thinking about marketing 4.0, proposed by Philip Kotler, in which the client is an entity of exceptional importance for the company proposing to him your product or service.⁸ In the opinion of the author of Marketing 2.0, followed by subsequent theories mentioned above, is based on building emotional relationship, which is crucial. Examples are strongly oriented brand on consumer emotions that develop excellent example : Nike or Starbucks. Marketing 2.0 is in line with the creator of the theory, the added value for the company, gives it much more strength than the marketing stage of intensive development. In turn going to 3.0 marketing - marketing value, where the company is associated with the client, with its system

6 PILARCZYK, B.: *Innowacje w komunikacji marketingowej*. In *Zeszyty Naukowe*, 2011, No. 9, p. 275-276.

7 ŚLIWIŃSKA, K., PACUT, M.: *Narzędzia i techniki komunikacji marketingowej XXI wieku*. Warszawa : Oficyna WoltersKluwer Business, 2011, p. 16-17.

8 KOTLER, P.: *Marketing 3,0. MT*. Warszawa : Biznes, 2010.

of values, with a strong empowering him and during the exchange process leading to it. In practice, the focus on sustainable development, sooner or later is forced by business partners, developing basing on its principles. Ph. Kotler suggests another innovative way of development of marketing - Marketing 4.0.- its power will be cooperation The company will, according to the author, co-create your business with stakeholders. To be successful, companies will have to operate in a tight-knit team with your Stakeholders and base their actions on long-term relationships.⁹

Marketing innovations and innovations in marketing communication contribute to the development of techniques and instruments leading to increasing sales effectiveness. Accompanied by technological development, particularly evident in the instruments of communication. Seller is closer to its client, relationship between parties to the transaction tighten, it becomes interactive. Bidder not only meets the needs of the recipient but more easily verifies the relevance of its offer evaluated by the customer. In the optimal scenario, consistent with the latest trends in marketing, these relationships lead to co-create the product by subsequent recipient. Such implemented marketing balances the interests of the seller with the client well-being, finding in an acquired product features, consistent with its system of values, their own experiences and widely understood expectations. After all, the client determines the success of the seller.

Conclusion

Developing the innovation strategy, the company should take into consideration the conditions of the environment in which it operates and internal conditions. It is therefore necessary to take into account results for: analysis of the current position of the company, the purpose of the enterprise, the choice of innovation strategy or implementation of innovation strategies.¹⁰ It is necessary to reflect on the methods that the company intends to use to reach the customer. Balance if it is worth or cost effective in the long term to use the aggressive methods of promotion and advertising. In a broader spectrum, it is necessary to notice hazard caused by the development of technology. Keep in mind that a large part

9 BŁOŃSKA-SZUBSTARSKA, K.: *Marketing 4.0 - wywiad z Philipem Kotlerem*. [online]. Available at: <http://www.crnavigator.com/art44/marketing_40_wywiad_z_philipem_kotlerem.html> [13.10.2014].

10 DZIENDZIORA, J., SMOLAREK, M.: *Op. Cit.* p. 55-69.

of the innovation is developed for the purposes of defence and security sector and is financed by public funds. Only then will they get to the generic market in which the recipients are the citizens. That alone must focus our attention on the problem whether the innovations involve dangers, particularly in the increasingly noticeable limiting freedom of citizens by permanently used methods of surveillance. Development does not always mean compliance with applicable legal system and ethical standards.

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Digital Innovations

Marketing has always been deeply dependent on data. By embracing digital analytics, organizations will discover, define and refine new and emerging customer needs and aspirations, and create truly unique, exciting experiences. Mobile networks and smartphones are radically changing the way we interact with the world. These mobile devices not only play an important role in our collective consumption of information, they also generate a growing proportion of new information. By combining the power of analytics with the ubiquity of mobile phones, organizations have the opportunity to serve up rich data on location, within the proper context, based on user preferences and behaviors. Contributions should address particular aspects of mobile marketing, processing and use of data for marketing purposes. Abstracts that do not focus on this aspect will be accepted only if chairpersons of the section will agree that they are potentially very interesting contributions in the area of digital marketing.

COMPARING QUALITY OF PHOTOGRAPHIC WORKS PROTECTED BY STEGANOGRAPHY

Robert Halenár

Abstract

Possibilities of steganography in the protection of photographic works of authorship (not only) in the online environment are not yet fully explored. The principle of steganography, however, is well known. Photographic works of authors are in digital form mostly disseminated and presented through standards of raster graphics, and to store other data such as the photograph itself is used the last bit of each pixel, so called LSB - last significant bit. The LSB bit can also be used to encode (or encrypt) the information about the author, which provides opportunities for copyright protection of photographic works in the online environment. This article explores the possibility of using the additional bits of digital representations and their impact on the overall quality of the final picture.

Key words:

Quality. Photography. Steganography. Protection.

1 Copyright protection of photographic works

Photo therefore qualities' own intellectual creation of the author and is considered a photographic work. Author of such photographic work comes with a photo copyrights which consist of personality and equity components. Copyright to the photograph has formed its creation and to prove copyright to the photograph there is no need registration, as they arise by operation of law. Although the creation of copyright to the photo automatically and does not need their registration, it brings with it disadvantages as well, because without registering not clearly and easily demonstrable, who has the photo which copyright. This condition is favouring plagiarists. Photo credit therefore to prove their rights to the photograph must use all means legal and technical, to his authorship of the picture was clear and demonstrable. One of the basic things you should do every author photo, is to realize their basic right to a royalty check your name or a pseudonym. Marking the photo can be done by inserting the author's name directly on the photo or photo below, while the menu can be supplied character © (copyright) and date of creation of the work. Indication of authorship can also put under the photo, or next to it.

To indicate the name of the author photo in electronic form, there are several technical methods, which should act as a preventative proof of authorship:¹

1. Keep the original photos with precise and original EXIF (Exchangeable image file format – information set, which are attached at each image that the camera will shoot). EXIF can carry information about:
 - the author,
 - date and time of design or date of the last modification of the picture,
 - data on the camera and lens (brand, exact model),
 - exposure data (exposure time and aperture values but also other camera settings).

These are the basic information that a file can contain metadata. The advantage is that inside EXIF in some programs, you can write the name or other information about authorship. Some programs can even lock this information. The disadvantage, however, is that many programs allow you to change information in the EXIF, even those that are locked. Basically every software and digital lock is attacked by hackers.

2. Buy a more expensive (around hundreds of euros) called Authorization software connects to every photo a unique code and registers photos in the database.
3. To images that we want to potentially sell them or prove something, we can bet watermark. Watermark (semi-transparent or translucent character that allows picture view and evaluate the content and quality, but given that overlaps the picture, does not allow to use it for commercial purposes or otherwise unlawfully use), however, can be removed in a variety of software. The more complex and clearer watermark is, the harder it is to remove it.

All of these methods have a number of disadvantages. They are generally known or readily removable protecting authorship marks, or are relatively expensive. Photographers who shoot on film have a simpler demonstration of authorship in that they have more negatives, which should demonstrate that the person, who owns negative, is also the author of the photographs. In the case of digital photography is proving

1 BABIAKOVÁ, K.: *Practical advice on how to protect copyright*. [online]. Available at: <<http://www.ephoto.sk/photopointy/photopointy-cz/vysocina/prakticke-rady-ako-chranit-autorske-prava/>> [20.3.2014].

more complex origin, all the more if the photo is stored on a publicly accessible digital repository or the Internet.

If the photos are placed online, can be sure the author by anything protection of his rights. Scripts “right-click” can circumvent direct source view, drop down images can be circumvented in the same way, the watermark can be removed (sometimes with difficulty). Even if the photo is inserted into the Flash object, it can easily create a screenshot.² In this case the author must find an alternative method of protection. A suitable alternative is the location information directly to the user’s profile photo (not the notorious metadata).

2 Encrypting author information

Data directly into the photo can post information (cipher) which is not directly visible but can help in proving copyright. On the location of ciphers used directly pixels that display picture. It is therefore a process which is similar to a watermark, but it is not directly visible (even in many cases indistinguishable to the human eye).

The principle consists in the code - simple password consisting of several characters (first name, last name, or other identifier), which is translated using the ASCII table numbers in decimal, which are converted into binary form, see Fig.1

2 KIRNIN, J.: *How to Protect Your Digital Photos from Being Copied*. [online]. Available at: <<http://webdesign.about.com/od/graphics/a/aa102406.htm>> [20.3.2014].

Figure 1: ASCII Table

Dec	Hx	Oct	Char	Dec	Hx	Oct	Html	Chr	Dec	Hx	Oct	Html	Chr	Dec	Hx	Oct	Html	Chr
0	0	000	NUL (null)	32	20	040	 	Space	64	40	100	@	@	96	60	140	`	`
1	1	001	SOH (start of heading)	33	21	041	!	!	65	41	101	A	A	97	61	141	a	a
2	2	002	STX (start of text)	34	22	042	"	"	66	42	102	B	B	98	62	142	b	b
3	3	003	ETX (end of text)	35	23	043	#	#	67	43	103	C	C	99	63	143	c	c
4	4	004	EOF (end of transmission)	36	24	044	$	&	68	44	104	D	D	100	64	144	d	d
5	5	005	ENQ (enquiry)	37	25	045	%	%	69	45	105	E	E	101	65	145	e	e
6	6	006	ACK (acknowledge)	38	26	046	&	&	70	46	106	F	F	102	66	146	f	f
7	7	007	BEL (bell)	39	27	047	'	'	71	47	107	G	G	103	67	147	g	g
8	8	010	BS (backspace)	40	28	050	((72	48	110	H	H	104	68	150	h	h
9	9	011	TAB (horizontal tab)	41	29	051))	73	49	111	I	I	105	69	151	i	i
10	A	012	LF (NL line feed, new line)	42	2A	052	*	*	74	4A	112	J	J	106	6A	152	j	j
11	B	013	VT (vertical tab)	43	2B	053	+	+	75	4B	113	K	K	107	6B	153	k	k
12	C	014	FF (NP form feed, new page)	44	2C	054	,	,	76	4C	114	L	L	108	6C	154	l	l
13	D	015	CR (carriage return)	45	2D	055	-	-	77	4D	115	M	M	109	6D	155	m	m
14	E	016	SO (shift out)	46	2E	056	.	.	78	4E	116	N	N	110	6E	156	n	n
15	F	017	SI (shift in)	47	2F	057	/	/	79	4F	117	O	O	111	6F	157	o	o
16	10	020	DLE (data link escape)	48	30	060	0	0	80	50	120	P	P	112	70	160	p	p
17	11	021	DC1 (device control 1)	49	31	061	1	1	81	51	121	Q	Q	113	71	161	q	q
18	12	022	DC2 (device control 2)	50	32	062	2	2	82	52	122	R	R	114	72	162	r	r
19	13	023	DC3 (device control 3)	51	33	063	3	3	83	53	123	S	S	115	73	163	s	s
20	14	024	DC4 (device control 4)	52	34	064	4	4	84	54	124	T	T	116	74	164	t	t
21	15	025	NAK (negative acknowledge)	53	35	065	5	5	85	55	125	U	U	117	75	165	u	u
22	16	026	SYN (synchronous idle)	54	36	066	6	6	86	56	126	V	V	118	76	166	v	v
23	17	027	ETB (end of trans. block)	55	37	067	7	7	87	57	127	W	W	119	77	167	w	w
24	18	030	CAN (cancel)	56	38	070	8	8	88	58	130	X	X	120	78	170	x	x
25	19	031	EM (end of medium)	57	39	071	9	9	89	59	131	Y	Y	121	79	171	y	y
26	1A	032	SUB (substitute)	58	3A	072	:	:	90	5A	132	Z	Z	122	7A	172	z	z
27	1B	033	ESC (escape)	59	3B	073	;	:	91	5B	133	[[123	7B	173	{	{
28	1C	034	FS (file separator)	60	3C	074	<	<	92	5C	134	\	\	124	7C	174	|	
29	1D	035	GS (group separator)	61	3D	075	=	=	93	5D	135]]	125	7D	175	}	}
30	1E	036	RS (record separator)	62	3E	076	>	>	94	5E	136	^	^	126	7E	176	~	~
31	1F	037	US (unit separator)	63	3F	077	?	?	95	5F	137	_	_	127	7F	177		DEL

Source: www.LookupTables.com

Source: <http://www.asciitable.com/> [16.10.2014].

Let us Identifier “ALABAMAZZ” that uses ASCII translate table as shown in Figure 2 (to automate the translation was used MATLAB).

Figure 2: Decimal character codes identifier according to the ASCII table

```
>> double('ALABAMAZZ')

ans =

    65     76     65     66     65     77     65     90     90
```

Each character is expressed as a numerical representation. Then convert the decimal numbers into binary form as shown in Figure 3.

Figure 3: Decimal character codes identifier according to the ASCII table

```
>> str=double('ALABAMAZZ');
>> dec2bin(str)

ans =

1000001
1001100
1000001
1000010
1000001
1001101
1000001
1011010
1011010
```

Via program routines in Matlab environment we can insert this information several ways. In this case we use LSB (least significant bit) to represent one bit described in Fig. 3.

3 Application of steganography and its impact on change of quality photography

To place steganography infiltration in raster graphics using the last bit of each pixel of the image so called LSB - Last Significant Bit. LSB is used, because of its effect on the quality of the lowest change, in many cases, insignificant. When we use standard design quality True Colour (24 bit graphics), for each pixel is available 24 bits. Therefore for example in the RGB colour model for each colour component there is 8 bit value, which is 256 shades. Overall there is available for each pixel 256 cubed possibilities, which is about 16.7 million colours. If we use LSB so it will remain available for each pixel 128 cubed, which is about 2.1 million colours. For human sight is quality change unnoticeable.

Picture 1 is a sample Photography, for which has been applied steganography infiltration. The left side of Photography is the original (no steganography infiltration), right side with. The human eye cannot recognize the change of quality in standard display devices, even in a more detailed view in Picture 2 and 3.



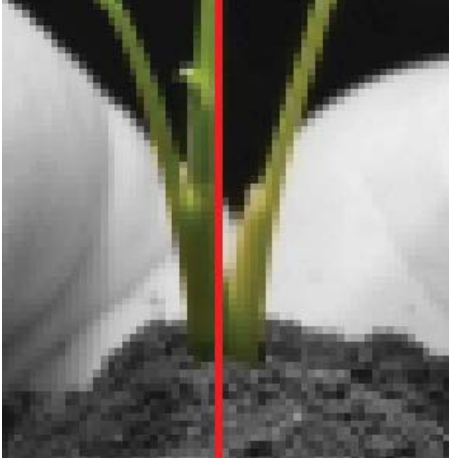
Picture 1: Sample photo with the application of binary steganography infiltration

Source: <http://www.garagebiz.ru/view/glavnaya_prichina_neudach_startapov_-_prezhdevremennoe_masshtabirovanie/startapi> [16.10.2014].



Picture 2: Sample photo with the application of binary steganography infiltration - zoom 2x

Source: <http://www.garagebiz.ru/view/glavnaya_prichina_neudach_startapov_-_prezhdevremennoe_masshtabirovanie/startapi> [16.10.2014].



Picture 3: Sample photo with the application of binary steganography infiltration - zoom 4x

Source: <http://www.garagebiz.ru/view/glavnaya_prichina_neudach_startapov_-_prezhdevremennoe_masshtabirovanie/startapi> [16.10.2014].

However, if the infiltration is extended to other bits in order from the last, the gradual change in the quality began noticed. On Picture 4 there is a steganography infiltration applied to the last two bits, overall there is available for each pixel 64 cubed options, which is about 262,144 colours.



Picture 4: Sample photo with the application of binary steganography infiltration in 2 LSB bits

Source: <http://www.garagebiz.ru/view/glavnaya_prichina_neudach_startapov_-_prezhdevremennoe_masshtabirovanie/startapi> [16.10.2014].



Picture 5: Sample photo with the application of binary steganography infiltration in 3 LSB bits

Source: <http://www.garagebiz.ru/view/glavnaya_prichina_neudach_startapov_-_prezhdevremennoe_masshtabirovanie/startapi> [16.10.2014].

In Picture 5 is a steganography infiltration applied to the last three bits, overall is therefore available for each pixel 32 cubed possibilities, which is about 32,768 colours. In Picture 6 there is a steganography infiltration applied to the last four bits globally is thus available for each pixel only 16 cubed possibilities, which is about 4,096 colours. Quality change is clearly seen in shades of grey in the field of the hands.



Picture 6: Sample photo with the application of binary steganography infiltration in 4 LSB bits

Source: <http://www.garagebiz.ru/view/glavnaya_prichina_neudach_startapov_-_prezhdevremennoe_masshtabirovanie/startapi> [16.10.2014].



Picture 7: Comparison steganography infiltration at different bit depths from the left from 1 to 4 bits

Source: <http://www.garagebiz.ru/view/glavnaya_prichina_neudach_startapov_-_prezhdevremennoe_masshtabirovanie/startapi> [16.10.2014].

Conclusion

Into the photography there was inserted identifier “ALABAMAZZ” which does not visible way change its quality and is normally unrecognizable to the human eye to a depth of 3 bits, but it is measurable and subsequently repairable. For the bit depth of 4 bits there was noticeable degraded level of quality in the field of the hands, which is relatively large area smooth shading. In the Photography that shows the soil is also this action hardly identifiable with the naked eye. It can be assumed that the maximum used bit depth is derived from the subject application with regard to the number of displayed colours and the relative size of the shaded areas.

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MARKETING COMMUNICATION WITH GENERATION Y – ADVERTISING, GAMES AND SOCIAL NETWORKING

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Abstract

The large numbers of television advertisements result in the aversion towards this type of messaging and this is already true for on-line advertising. It is especially noticeable for the Net Generation which spends more and more time in the virtual world. Thus, companies must reach for the innovative forms of marketing communication. In-game advertisements seem to be a good form since they are not as invasive as traditional ones, and they offer ever more possibilities for brand presentation. There are also new forms of games emerging, the development of social networking services has allowed for greater popularization of a new category - social games

Key words:

Advergaming. Generation Y. In-game ad. Social games. Marketing innovation.

1 Innovation in marketing

Innovations are, at present, an important part of activities of various organizations. Some of them embrace innovations faster, some slower. According to B. Hall, the factors that decide about the pace of introducing innovations are the following:

- the type of decision, from the point of view of the parties involved in deciding about the use of a new technology: individual decisions, collective decisions, central decisions,
- the type of communication channels used to transfer the information about innovation
- the nature of the social systems in which individuals who adapt the new technologies are settled, their standards and values as well as the stage of the development of the multilateral relations,
- the range of influence of the so called “change agents”¹

In case of marketing innovations the pace of adopting is significant since changes, especially in marketing communication, happen dynamically.

1 HALL, B.: Innovation and Diffusion. In FAGERBERG, J., MOWERY, D., NELSON, R. R. (eds.): *The Oxford Handbook of Innovation*. Oxford : Oxford University Press, 2005, p. 459-468.

The concept of marketing innovation has been taken into consideration no earlier than in the third edition of Oslo Manual (published by OECD). In the previous ones there were only mentioned three categories: innovation within products, innovations within processes and organizational innovations. However, it was noticed that creating and implementing marketing innovations is an important aspect for many enterprises because of influence of those innovations on companies' results.

Marketing innovation is understood as the implementation of a new marketing method that is connected with significant changes that may occur within four areas: innovation within products, innovations within prices, innovation within distribution and innovations within promotion. New marketing methods within product promotion are related with the use of new concepts for promoting products and services. Seasonal, regular and routine changes within marketing tools are not considered as marketing innovations. They would be recognized as innovations if they were methods that the company had never used before. The main objective of marketing innovations is the better fulfilment of customers' needs, opening of the new markets or new product positioning on market in order to increase the sale. Innovations are created also in order to enhance the company's effectiveness through gaining the market competitive advantage or resisting the competitive position the use of modern tools for market communication is especially important, because the market influences on company perception as the modern one.²

The contemporary consumers are becoming more and more demanding, impatient and sceptical about the traditional advertising forms. They expect an advertising message that is individualized and interactive without intruding on their privacy.

Nowadays, it appears both obvious and necessary for companies to keep up with their customers and transfer their products' life cycle to the one place where their clients transfer most of their lives – the Internet – as part of their marketing strategy. Functioning as a medium of marketing communication, the Internet possesses such features as no other medium has ever possessed before. It is strongly interactive and allows

2 KOSZEMBAR, W. M.: Modern marketing communications tools within internet. In: MAJTAN, S.: *Aktuálne problémy podnikovej sféry*. Bratislava : Vydavateľstvo EKONÓM, 2012, p. 640-645.

for real-time communication, archiving of information and fast data transfer. Moreover, it also constitutes a patient and capacious medium which provides the sense of anonymity. Many companies do not seize the marketing opportunities given by internet. Development of internet creates the possibility for engaging the customer in dialog and involving him/her in company's actions.

Important innovations take place in the area of marketing communication, they result mainly from the evolutionary transformations of the whole communication-informative sphere in which modern people function, as well as from the changes in the network generation characteristic. Within the social communication theory, it was mass communication, realized in the wide scale and with reference to the vast audience of mass receivers that, until recently, was given the highest position. For decades, mass communication has been drawing the attention of sociologists, media experts and representatives of other sciences as it was the mass media that were playing a great role in shaping social transformations and consumers' preferences. Nowadays, the informative or persuasive value of mass media is decreasing and thus, their power as marketing communication medium is also weakening. The traditional advertising messages are not very effective as for the Generation Y. The importance of other, more personalized and interactive media used as advertising tools, is growing. The analysis of the behaviour of the young generation shows that the good means for advertising brands and products are the social media and computer games environment. Games, which require user's great involvement, draw attention better than the traditional advertising messages, they raise emotions and this facilitates the absorption of advertising messages.

2 Generation Y and games

The Generation Y, also called the Millennials, the Net Generation or the 2.0 Generation are people born after 1980, for Poland it is considered that after 1985. The profile of this generation includes several most important characteristics³:

- Cooperation – the Net Generation actively participates in discussion groups, plays massively multiplayer online games, shares files and videos e.g. on Facebook and other portals, shares information.

3 TAPSCOTT, D.: *Cyfrowa dorosłość. Jak pokolenie sieci zmienia nasz świat.* Warszawa : Wydawnictwo Akademickie i Profesjonalne, 2010, p. 162-170.

- Fast pace – this generation has been growing up in the digital era so they expect speed - in computer games, fast response to e-mails or fast reaction to posts.
- Innovation – the Net Generation has been raised in the culture of invention, they want the latest and the best available products.
- Interactivity – they do not want to be passive receivers but to co-create which may mean bigger interest in the games that provide more opportunity for level configuration or for purchasing additional game accessories. Limits of interactivity are of technological nature.⁴
- Entertainment – entertainment and fun are the important parts of the Net Generation's life. They get bored quickly and so they look for more and more new gadgets. The Internet provides them with entertainment and they want to use it also at work.

These characteristics make the traditional adverts addressed to this generation via the traditional media to be of little effectiveness. One needs to look for media that are attractive for them. And games are one of such medium. Today, computer games are the form of leisure not only for the youngest. The number of game users at any age increases with each year. The younger players become the older ones without giving up this type of entertainment. In the meantime, the new generations of people interested in computer competition add up. Also, in terms of sex, one cannot speak about the decisive domination of one group. Console games are played mainly by men while virtual flash games are played more often by women. Such vast range of users presents companies with the opportunity to tailor the promoted products to the characteristics of the certain players (other topics may be interesting to a sport games player, other to a strategic game user, other to someone playing automotive games), this makes computer games a good advertising area.

For example, in the *Need for Speed* game series, addressed mainly to men, the most frequently advertised product categories were cars, tuning and car accessories. They constituted almost 60 % of all in-game static advertisements. The majority of them were billboards – 68 % of all advertisements.⁵

4 JENKINS, H.: *Kultura konwergencji. Zderzenie starych i nowych mediów*. Warszawa : Wydawnictwo Akademickie i Profesjonalne, 2006, p. 9.

5 MAGO, Z., MIKULÁŠ, P.: The Use of Computer Games for Promotional Purposes, In *Journalism and Mass Communication*. 2013, Vol. 3, No. 1, p. 48-57.

The characteristics of players in Poland are presented below. The research conducted in 2014 by Interaktywny Instytut Badań Rynkowych among the group of 3383 people.⁶

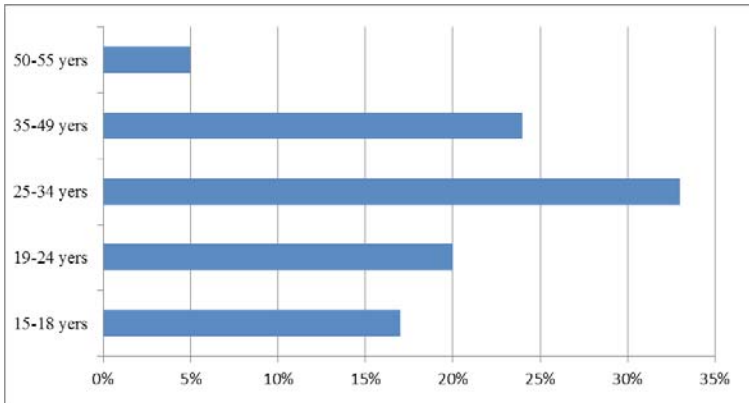


Figure 1: Age gamers in Poland

Source: Own processing, based on POLISH GAMERS research 2014 <<http://www.gryonline.pl/S013.asp?ID=85075>>

The two biggest players groups are the people aged 25 – 34 (33 %), players between 15-24 years old consist 37 %. More than half of the players are men – 57 %, women are 45 %.

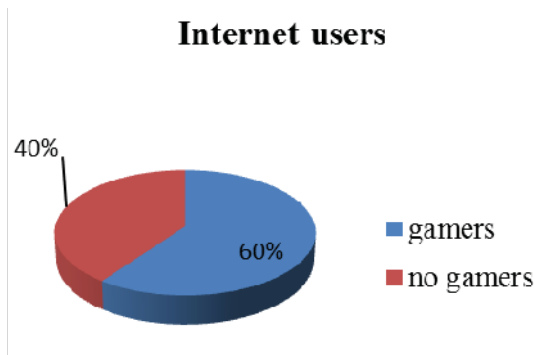


Figure 2: Internet Users

Source: Own processing, based on POLISH GAMERS research 2014. [online]. Available at: <<http://www.gryonline.pl/S013.asp?ID=85075>>

⁶ POLISH GAMERS research 2014. [online]. Available at: <<http://www.gryonline.pl/S013.asp?ID=85075>> [28.10.2014].

Gender gamers

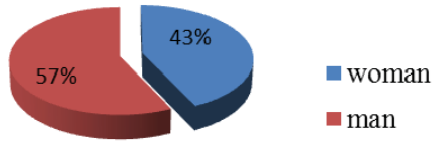


Figure 3: Gender gamers

Source: Own processing, based on POLISH GAMERS research 2014. [online]. Available at: <<http://www.gryonline.pl/S013.asp?ID=85075>>

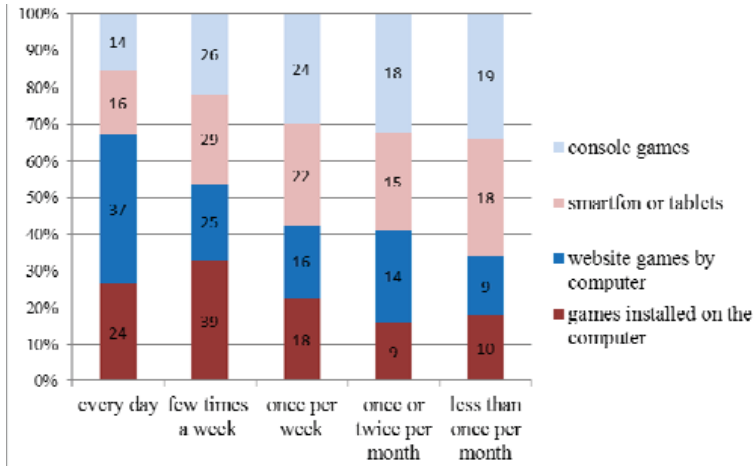


Figure 4: Frequency of playing

Source: Own, based on POLISH GAMERS research 2014. [online]. Available at: <<http://www.gryonline.pl/S013.asp?ID=85075>>

Polish internet users least likely to play games on consoles – 19 % less than once per month. Are the most popular browser games – 37 % of Internet users playing daily. Often also play games installed on computer – 39 % few times a week. In recent times a growing interest in games for mobile devices - smartphones or tablets.

3 Forms of marketing in games

Having decided on advertising in games, we can use many possibilities such as: advergaming, product placement in games and in-game advertising.

The first of the mentioned forms – **advergaming** – are the games created in order. There are quite popular ways for familiarizing with the brand and for creating the relation with a customer. Games are usually placed within social portals, but also they are offered as the mobile phone games.

The main advantages of advergaming are such as:

- associating games with entertainment (not with advertisement), positive associations with the brand,
- considerable focus of a player, what increases the memorization of the commercial message,
- effortless of contact data collecting from the players (for example if there are some rewards offered for the best game results),
- relatively long contact with the commercial content (in comparison with the other forms of internet advertisement – from 5 to 35 min),
- good medium for viral marketing. The players do share with their results, recommend a game to others and they become a carrier of whisper marketing,⁷
- wide access of internauts to the game – everyone with access to computer may play,
- hardly invasive form, what is especially important when there is an accumulation of aggressive online adverts (such as banners that irritate the internauts).

Games may be placed on websites, but also there are produced advergaming for consoles or for individual computer installation. There are some estimation that games will be more often used for the marketing communication, especially with the social medias, such as Facebook. Advergaming may be supported with the internet campaign. J. Jankowski argues that such campaigns may generate the first group of players who will recommend the game to others. Games may create the image for much longer time than a conventional advertising campaign.

7 Gry w marketingu – praktyczny przewodnik, dodatek specjalny „Media i Marketing Polska”, grudzień 2010, p. 12.

Good games exist in the Net and even after 2-3 years are able to attract new players.⁸

Another form is **product placement in computer games**. The product plays its role in a game plot and is a result of what happens in game. For example a main character may wear a watch of a particular brand, pour the oil of particular producer into car or drink beverages of promoted brands. Moreover, the players states that placing of real brands increases the credibility of a game and is a non-invasive form of advertisement.



Picture 1: McDonald's in game CityVille

Source: <<http://nowymarketing.pl/a/681,in-game-ads-czyli-reklama-w-grach/3>>

The basic advantages given by advergaming for advertisers are such as:

- enriching product bulletins – placing games in bulletins promoting brands or marketing campaigns. It increases the time of staying on bulletin website and grows the opportunities for recommendation to acquaintances,
- organizing contests based on games – possible on company websites as well as within social networking services. The base for providing the contest are the score tables of best players or best scores,
- promotion activity within social networking services, where games are used for the increase the number of fans,

8 JANKOWSKI, J.: *Interview*. [online]. Available at: <<http://hatalaska.com/2010/01/25/2010-rok-to-bedzie-dopiero-otwarcie-o-advergamingu-z-jackiem-jankowskim/>> [18.9.2014].

- support for campaign provided in other media – some of the games are based on a commercial or a character created in other media.

The subsequent form of advertisement in games is **product placement**. It is connected with placing brands or products usually in complex games. Products occur in a game plot in a relatively natural way. Placing adverts within the virtual reality may be a kind of long-term cooperation. Advert in a game is like the outdoor advertisement. For example they may be like horizontal or vertical billboards placed in the virtual world and matched to the specificity of a game. It also may be a video advert placed on screens within a game. In free games there also occur pre-roll adverts, displayed during game loading.

Furthermore, innovation potential of this form seems to be great as the market of advergaming is still developing and offering new opportunities. The growing interest of social media, especially of Facebook, encourages to place there more games. It gives the new possibilities for disseminating the information about a brand through games. The development of social media facilitates the exchange of information between users of the global network, while encouraging participation in various forms of activity. The development of Web 2.0 has caused changes in the behaviour of Internet users.

The results of the growing popularity of the social networking services are that this type of entertainment has become very quickly the most popular type of social games. Today, social games are considered as joint gaming with friends in social networking services such as Facebook. The Generation Y spends the most time in the social media, accompanied by their real friends with whom they also meet in the real world, as well as by friends met in the virtual reality. However, social gaming should not be limited to Facebook only. It involves also MMO, browser games, board games or LAN parties. Social gaming refers to all games where social interaction occurs.

Advertising in the social gaming is based on rewarding the users with virtual goods for performing certain actions. A player enters the interaction with the advertising message of a certain brand and is rewarded with a virtual currency for that. Social game advertising occurs in the form of product placement or special advertising layer which is initiated by players from the game level. The presence in social games, due to its reach, is very expensive.



Picture 2: Advertising Renault in game Sims 3

Source: <<http://www.renault.pl/swiat-renault/nowosci-wydarzenia/aktualnosci/renault-the-sims-3/>>

One of the first examples of using advertisements in social games in Poland was the Warka beer campaign in the Mafia Wars game (2011/2012). The brewery used Poland-Italy friendly football match and promoted the virtual meeting of the same teams in the Internet. The advertising layer allowed to choose the team, post information about the action on Facebook and be redirected to the client's webpage (myreprezentanci.pl) and cast a vote for the chosen team. Each click (redirection to the webpage) impacted the virtual game result which was presented, among others, on the LED large outdoor screen in the centre of Warsaw.

Conclusions

Games are a good advertising tool due to their attractiveness for the players. Such characteristics of the young generation as interactivity and entertainment focus, determine the fact that the in-game advertising reaches this generation better than the mass advertising. As revealed by numerous analyses, product placement in games is perceived the most positively. Young people think that product placement increases game realism and is not as invasive as static advertising. The forms of in-game

advertisements evolve together with the development of social games. Games for mobile devices also seem to be a great future opportunity. The rate of smartphone owners in Poland grows rapidly. At the beginning of 2012 we had 25 % of smartphone users, in January 2013 it was already 33 % and in 2014 as much as 44%. It is estimated that in 2015 it will amount up to 60 %. In 2013 46 % of the smartphone owners used mobile applications. This is by 31 % more than in the previous year.⁹ The development of mobile games may become the future of this type of entertainment and a good advertising medium.

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Smartfonizacja w Polsce 2014. [online]. Available at: <<http://jestem.mobi/2014/02/smartfonizacja-w-polsce-2014-najwazniejsze-liczby-infografika>> [29.10.2014].

9 *Smartfonizacja w polsce 2014*. [online]. Available at: <<http://jestem.mobi/2014/02/smartfonizacja-w-polsce-2014-najwazniejsze-liczby-infografika/>> [29.10.2014].

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THE OPTIONS OF THE ANALYSIS OF THE TRACES OF MARKETING IN THE BANKING SERVICES

Václav Kupec – Naděžda Petruš

Abstract

The current impacts of the economic cycle fundamentally form the economic behaviour of the market participants. This also relates to the banking sector, where the traditional business models stop to be competitive. The aim of this study is therefore to contribute to the improvement of the management of the business offers provided by individual banks and the other aim is the finding of innovative possibilities how to analyse the marketing trace of the selected clients. Methodically, this text concerns verifying of the possibilities what marketing data is possible to obtain from the information systems of the financial institutions, respectively, it concerns the possibilities and the relevance of the use of these data for modelling the demand. From the obtained results, there are consequently obvious wide options for the corresponding analyses of the marketing traces of the selected customers. Regarding the obtained data, it is very important to process it in a way that it becomes a valuable pieces of knowledge for the financial companies and also becomes knowledge which can be implemented in the supply of the consumers. The products and services prepared in this way then enable an adequate realisation of the clients' needs which can in case of combining with other marketing strategies become an important competitive advantage not only for the banking institutions.

Key words:

Analysis. Banking. Marketing. Trace. Research.

Introduction

The marketing sustainability of the current clients is according to Zamazalová even five times cheaper than acquiring new customers.¹ The same situation also occurs in the financial sector, where also take place strong competitive and economic pressures, in addition. In the competition for customers existing between the traditional "brick- and-mortar" based banks actually involve so-called new "electronic-" banks. Those banks are also preferred by the customers of the C generation, which is characteristic by an interconnection of things by monitoring of opinions of the others by creativity and by the ability to be connected

1 ZAMAZALOVÁ, M.: *Marketing obchodní firmy*. Praha : Grada Publishing, 2009, p. 214.

to the mobile phone applications anywhere and anytime.² The banking institutions try hard to satisfy the needs of all the customers which determine the clients' satisfaction and long-term loyalty. The market conditions set in this way are a crucial impulse for the financial institutions in obtaining the most detailed information about consumers in a way that their wishes could be completely fulfilled (Tomek calls the mentioned marketing strategies as "Mass Customization"³). However, it is necessary to support the offer by a detailed analysis of the customers' data.⁴ And these data are acquired and processed by traditional research methods, for example, according to the methods used by the collective of experts around Kozel, Mynářová and Svobodová⁵, or by the method of an innovative analysis of the selected activities of individual consumers. Whereas, this particular text is focused on the second option which is the analysis of the clients' marketing trace.

1 The literary sources

The theory obtained from literature which can be considered a part input and can be used for the initiation of the research in this branch of study can be considered the theory related to the transfer of the marketing information with regard to the fact that in the following passages of the text there occurs blending of the terms of the so called 'knowledge chain' (data - information - knowledge) which is mentioned by Truneček.⁶ Actually, data is according to the team of authors consisting of Han, Kamber and Pei determined by the carriers of information.⁷ By defining what the information actually is deal Birchler and Butler who present an elementary thesis that economics is all about information.⁸ On the

- 2 ŠMÍDOVÁ, V.: *Nepodceňujte nový segment Generace C*. Praha : PHD, 2014. [online]. Available at: <<http://www.mediaguru.cz/2013/04/nepodcenujte-novy-segment-generace-c/#.VFQFj7hbIU>> [30.10.2014].
- 3 TOMEK, G.: Marketing & komunikace. In *Marketingová komunikace a vývoj paradigmat*. Praha : ČMS, 2014, p. 17.
- 4 KUPEC, V., KRETER, A.: *Measurement of Marketing Data Attributes*. In *Communication Today*, 2013, Vol. 4, No. 1, 107-116.
- 5 KOZEL, R., MYNÁŘOVÁ, L., SVOBODOVÁ, H.: *Moderní metody a techniky marketingového výzkumu*. Praha : Grada Publishing, 2011, p. 173.
- 6 TRUNEČEK, J.: *Management znalostí*. Praha : C. H. Beck, 2004, p. 12.
- 7 HAN, J., KAMBER, M., PEI, J.: *Data Mining. Concepts and Techniques*. Waltham : Morgan Kaufmann Publishers, 2012, p. 5.
- 8 BIRCHLER, U., BÜTLER, M.: *Information Economics*. Oxon : Routledge, 2007, p. 1.

contrary, there are several kinds of knowledge⁹ which determining Botha as a part of the system thinking.¹⁰ There can be derived a conclusion that data is a carrier of information which by the corresponding processing change into knowledge.

For the purpose of this study there are examined mainly the marketing data. Its theoretical analysis is extended by the opinions of Strydom who gives particular importance to data due to its use by the marketing managers, who are enabled by the use of data to make appropriate decisions.¹¹ The collective of experts around Synek then highlights the important fact that thanks to the marketing information the company has proper information available about their clients.¹² This topic can be also narrowed by the theories of Rowley considering the fact that the clash of the supply of and demand for the marketing information has many properties that are based on the nature of the marketable products. In addition, these properties are also related to the role of information in the social, in the cultural and in the business environments.¹³ And especially, this fact is crucial for further analysis.

With regard to matters mentioned above, it is also necessary to determine the economic concept of the whole issue. It is also appropriate to determine the concept this creates by the collective of experts around Polouček who mentions regarding to the information theory in the banking sector that the functioning of markets is in a fundamental way dependent on information.¹⁴ The monitoring of the markets determined by its individual participants can be performed by the use of various marketing tools. Fotr and Souček include among those primary marketing tools mainly the marketing research, which actually deals with the analysis of the marketing information,¹⁵ including the information about the selected banking clients of all ages. Boone and Kurtz have a similar

9 LEHRER, K.: *Theory of Knowledge*. Oxford : Westview, 2000, p. 4.

10 BOTHA, A. P.: *Knowledge – Living and working with it*. Cape Town : Juta, 2007, p. 3.

11 STRYDOM, J.: *Introduction to Marketing*. Cape Town : Juta, 2004, p. 82.

12 SYNEK, M. et al.: *Manažerská ekonomika*. Praha : Grada Publishing, 2009, p. 191.

13 ROWLEY, J.: *Information Marketing*. Hants : Ashgate Publishing, 2006, p. 32.

14 POLOUČEK, S. et al.: *Peníze, banky, finanční trhy*. Praha : C. H. Beck, 2009, p. 29.

15 FOTR, I., SOUČEK, I.: *Podnikatelský záměr a investiční rozhodování*. Praha : Grada Publishing, 2005, p. 35.

point of view on the issue researched as well as,¹⁶ Strydom¹⁷ or Doyle who specifically mentions the marketing data in connection with the application of the marketing research.¹⁸

However, if it is possible to disregard this classical approach of working with information, the major economic issues can be solved by the database analysis of the trace marketing of the clients. Even according to Krajíček, companies have huge amounts of the personal information which can be processed in the marketing from and from which you can extract useful stimuli.¹⁹ *“For the best databases it is necessary to regard the databases which are developed gradually and are provided by the clients themselves (possibly unknowingly and with their consent). The quality of the databases obtained by various rapid surveys is always lower even if there are used various methods which try to eliminate a subjective attitude of the people questioned.”*²⁰ Due to the reasons mentioned is the methodical part is going to deal with the proposal of the objective database data analysis.

2 Material and Methodology

The financial institutions, apart from the other strategic activities, intensively monitor the consumer behaviour of the selected clients. According to the gathered results there are prepared the financial products and services based on the concept of the Mass Customization mentioned above. To analyse the correlation of the clients' demand and the banks' supply it is possible to use the clients' data. Each of the processes of individual clients is in fact recorded in the databases of the information systems of banks which under these circumstances become the marketing information systems (MIS). A sufficient analysis of this data then enables the companies to identify the consumer profile of the client and customise for him or her and offer according to his or

16 BOONE, L. E., KURTZ, D. L.: *Contemporary Marketing*. Stamford : Cengage Learning, 2011, p. 244.

17 STRYDOM, J.: *Introduction to Marketing*. Cape Town : Juta, 2004, p. 81.

18 DOYLE, S.: *Understanding information & Communication Technology*. Cheltenham : Stanley Thornes, 2000, p. 11.

19 KRAJÍČEK, J.: *Marketing v peněžnictví*. Brno : Masarykova univerzita v Brně, 2005, p. 17.

20 Ibidem, p. 28.

her personal behaviour. The examined matter of the presented thesis is therefore the behaviour of clients.

Currently, the banking institutions have sufficient amount of information, but are often unable to use it effectively. This statement is confirmed to a certain extent by Anderson when he says: "*In today's global- business and economic environment, anyone has access to a huge amount of statistical information.*"²¹ Furthermore, as it is practically proved by the research done by the Association of Small and Medium-Sized Enterprises and Crafts of the Czech Republic focused on investments in IT and work with data in companies, in most societies, there is the average annual increase in the volume of data received approximately by 30 %. Although these companies have a growing amount of information about its consumers available, only a quarter of them uses the information for further processing and market communication.²²

The challenge for the complex processing of the issue is therefore a real verification of the integrity of the information about individual clients and the verification if the records in the IT databases are sufficient, especially for a practical creation of the image of consumer behaviour of the specific consumers. It is obvious that banks really use the selected information about their customers, but the connection of the information with the marketing strategies is often not very practical, economical and effective, and does not serve neither to a subsequent focusing of the communication campaigns or to the innovations of the offered products/services. In the current economic situation of banks, however, the segmentation of clients which includes already mentioned C generation represented mainly by college students is a very crucial part of the business management.

Methodically, the text is going to therefore deal with verifying what marketing data is possible to obtain from the information systems of the banks and the possibilities of how it is able to use this data for modelling of the clients' demands. In such an analysis there should be found the analytical limits of the marketing trace of the banking clients. The access to selected client databases will be done with strict respect to

21 ANDERSON, D. R. et al.: *Statistics for business and economics*. Mason : Thomson Higher Education, 2009, p. 3.

22 AMSP ČR: *Investice do IT a práce s daty ve firmách*. Praha : QCM, 2014. [online]. Available at: <<http://www.amsp.cz/24-pruzkum-amsp-cr-investice-do-it-a-prace-s-daty-ve-firmach>> [5.11.2014].

the requirements for the compliance of the bank secrecy in accordance with the relevant legislative limitation. The obtained results should be of such quality that on the basis of their further processing it is possible to make the business strategies of the appropriate bank more effective. The information flow in this case goes in both directions, from the customers to the bank, as the demand and also from banks to customers as the offer.

The aim of this contribution is to find the ways how to analyse the marketing trace of the selected clients in the financial sector for the purpose of strategic management of the business offer of the banks and it also analyses the communication with the bank's clients. In this situation there mainly occurs the verification of the sufficiency of the internal data which the banks have in the use of modelling the customer offers. The plan mentioned should also provide a comparison of the current approaches to searching for relevant information about the client's' behaviour and assume the relation to the traditional tools such as marketing research or data mining. The proposal would result in finding of the optimal approaches in combination of the ideal strategies and there should be used the perspective of "brick-and-mortar" and "electronic-based" banking institutions not only in relation to the selected segments.

3 Results

The primary result is a confirmation of the theories that during the mutual business relation there occurs an exchange of a significant amount of economic data between the clients and the banks. Whereas the flow of information from the financial institutions to the selected customers is mainly related to the specific data that adjust the business relations (this area is not further discussed due to the fact that it is not the subject on which the thesis is focused), information going from the client to the bank can be called the real marketing data which have a dual character. And this includes the personal data, which define the characteristics of the selected client and the financial data are also included, they determine the consumer behaviour. The possibilities of the analysis of the both marketing traces are mentioned below.

The marketing trace with individual attributes of the personal data carries mainly the information about the clients themselves. From the agreement of the initial business relationship between the bank and the client there occurs in the legal documents the recording of data, which are the client's name, his or her age and his or her residence. At the same

time, the clients are asked about their marital status, level of education or current job. This information is then loaded into the information systems (IS), where the data algorithms automatically process in relation to the real time so that they are always up-to-date. The options of the analysis of this marketing trace then represent mainly the exact choice of the customers for strategic direct marketing activities with the help of the software applications.

In contrast to the permanent data that are statically changed only in relation to the real time, the possibilities of the analysis of the marketing traces of the financial data are more important to the banks' business strategies. The client with each bank operation leaves in the information systems of the banking institutions a real trace, an electronic record with very valuable information about his or her consumer behaviour. These operations need not to be realized by the client (for example, an incoming payment on the account). Due to these items, it is possible to determine the solvency of the client, without any marketing promotion. The consumer behaviour can be observed in particular on the outgoing items, and the resultant segmentation of the client can be subtracted according to the account balances.

Anyway, the foreshadowed cases of the marketing analysis in this text can be used mainly for the primary monitoring and for the subsequent trading with selected segments of customers according to the theories about Mass Customization. In addition to the mentioned division of the options of personal and financial analysis, it is also necessary to draw attention to another important marketing attribute that is important to solve. This attribute is the time. Temporal aspect, specifically the banking transactions reflected in the perspective of time, is a crucial indicator of the marketing behaviour of the selected clients. The longer the relationship is based on the "bank-client" base, the greater are the possibilities of historical analysis and at the same time the loyalty of the clients can be precisely determined.

Other findings include the fact that significant segments for banking institutions are also the university students. And it is primarily with regard to their future personal, professional and financial potential. The analysis of the marketing traces of these customers is therefore a particularly important achievement for the financial institutions. In recent years, there are in the OECD countries changes in the amount and form of tuition fees at universities. The changes are caused in particular

by the expansion of the number of students, what is associated with the problems of financing the education from public budgets (in 2011 studied 209,935 students in the Czech Republic and in 2013 the number reached 377,987 students²³). This contribution in detail focuses on full-time students, too.

The financial flows for the costs of education vary according to the field of study or according to the individual characteristics of universities. In the Czech Republic, there are currently being discussed the possibilities that the costs of education could be partly paid by the money from the public funding and partly from private financial sources. There are also proposals for the implementation of tuition fees for the state universities. The payment of loans for tuition fees which could be provided to students would be influenced by their income which means that the graduates would pay the money back after reaching a certain level of income. If the students did not reach the required income by their required age, the payment of the loan would be on the state.²⁴ The summarized costs of the students for education study and for the related expenses are composed of individual banking operations valuable for the marketing analysis.

The detailed knowledge of the numbers mentioned above can confirm the relevance of the strategic concerns of the financial institutions when taking care of the customer segment of students. The study addresses only with the quantitative analysis of traces of the marketing of this potential target group. Another concern which is worthy of systematic analysis can be a qualitative monitoring of the electronic traces. This is mainly based on the social and on the consumer preferences on social networks. Regarding to the fact that the interpretation of the so-called "soft data" from social networks is different from the analysis of "hard data" from the consumer accounts, there can be expected increased costs for such projects. The future will subsequently verify the possible effectiveness of the projects.

23 *Statistické výstupy a analýzy, terciální vzdělávání*. Praha : MŠMT, 2014. [online]. Available at: <<http://www.msmt.cz/vzdelavani/skolstvi-v-cr/statistika-skolstvi/terciarni-vzdelavani>> [1.11.2014].

24 KOUČKÝ, J., KOVAŘOVIC, J.: *Školné na vysokých školách v zemích OECD*. 2014. [online]. Available at: <<http://vsmonitor.wordpress.com/?s=%C5%A0koln%C3%A9+na+vysok%C3%BDch+%C5%A1kol%C3%A1ch+v+zem%C3%A1Dch+OECD>> [30.10.2014].

According to the provided results, there are actually obvious wide possibilities of the analyses of the marketing traces of selected clients. The obtained data, as the carriers of information should really be processed in a way that they become valuable knowledge for the financial institutions and are implemented into the offer for consumers. It is practically realisable via the selected statistical methods, such as observing the consumer trends, monitoring of the time series or modelling with use of the regression approaches according to the concept of Kupec.²⁵ For such activities, it is also needed to have a sufficient interconnection of the information technologies. And this can include the database bases (DWH), marketing systems (MIS) and some software for clients (CRM).

4 Discussion about the topic

The present results must be compared to the information in the chosen literary sources as to the current professional references. The options of the analysis of the marketing traces of the banks' clients which consist of the personal of the financial data analysis of the target customers can be supported by the primary theories of the collective of authors Birchler and Bütler. These authors verify the basic links between the economic entities with information theories.²⁶ Unfortunately, according to other theories by the collective around Anderson, the management is unable to use the marketing data effectively.²⁷ On the basis of the model suggested the data processing these discrepancies cannot be merely removed, but in the processes between a bank and its client it can specify the aspects of mutual trading.

For the traditional analysis of economic information can be of course used the tools and techniques of the marketing research mainly the concept of Churchill and Iacobucci.²⁸ The application of the analyses of the marketing traces mentioned above has also important positive qualities which cannot be provided by the traditional marketing

25 KUPEC, V.: *Marketingový výzkum ve vybraných procesech řízení banky*. Trnava : FMK UCM v Trnave, 2014, p. 98.

26 BIRCHLER, U., BÜTLER, M.: *Information Economics*. Oxon : Routledge, 2007, p. 1.

27 ANDERSON, D. R. et al.: *Statistics for business and economics*. Mason : Thomson Higher Education, 2009, p. 3.

28 CHURCHILL, G. A., IACOBUCCI, D.: *Marketing Research: Methodological Foundations*. Mason : South-Western Centage Learning, 2010, p. 5.

research methods. This is essentially a positive impact on the aspects of time, on the accuracy and on the costs. The analysis of data from the own databases is definitely more accessible (according to online processing requirements), more specific (informs you precisely about the selected client) and more economical (analysing of the available data) rather than an external realisation of the marketing research. Such a concept of analysis of the client data then has a positive impact on the economy of companies.

The subsequent positive qualities of the analysis of the records of financial revenues, which are the revenues of individual clients, can be verified mainly by the ideas of Krajíček, who also prefers the analyses of the current data from bank databases.²⁹ Compared to other subjective information, these data are objective and therefore more suitable for a further strategic planning. Such a direct evaluation of information also confirms Kusá and Bellová when they describe it as a part of the banking business.³⁰ The relevance of the indicated business orientation of the financial institutions according to the analysis of marketing traces which have the selected consumers can be supported by the theories of Mayer, who regards for successful companies in particular those which are able to include trend analysis in the economic planning.³¹

The exact data which are transformed in a special way to the business information after the marketing analyses become the bank's knowledge about their clients. This process is in accordance with the theory about the knowledge chain mentioned by Truneček.³² According to Matůš, such quality information transfers can also have a positive influence on the corporate strategy.³³ The banking institutions can also work with dynamic information about the selected market, which is not possible in the case of static information supplied by traditional marketing research. It is obvious that the historical data are not for the banking institutions as

29 KRAJÍČEK, J.: *Marketing v peněžnictví*. Brno : Masarykova univerzita v Brně, 2005, p. 28.

30 KUSÁ, A., BELLOVÁ, S.: *Current Issues And Problems Of Marketing Communications Of Banks Regarding Young People*. In *Communication Today*, Vol. 3, No. 1, 2012, p. 107.

31 MAYER, F.: *Marketing, Future Scenario Planning Karlsberg Brewery*. Santa Cruz : Grin, 2003, p. 14.

32 TRUNEČEK, J.: *Management znalostí*. Praha : C. H. Beck, 2004, p. 12.

33 MATŮŠ, J.: *Vybrané problémy současného marketingu*. Trnava : FMK UCM v Trnave, 2007, p. 25.

valuable as the information which are gathered, analysed and evaluated in a real time. And for this is possible to use the analysis of the marketing traces of clients.

Conclusion

On the basis of the literary research focused on the professional theories are in this contribution presented the theoretical discussion about the options of the analysis of the marketing traces of the banking clients. Among the findings presented in this text can be included the innovative approaches for working with the marketing data available for the banking companies. As it is stated here, the financial institutions have a sufficient amount of data about the behaviour of their clients, according to which it is possible to model the offer for customers online, accurately and efficiently. The use of the information about the consumer history also provides to the banking companies a competitive advantage for being more successful than the other competitors. It is a perfect symbiosis of the options of the “brick -and -mortar” and the “electronic-based” banks when the traditional banks can use their records of individual consumers and deal with them according to the new approaches of the online banks. The offer prepared in this way will enable a proper satisfaction of customers’ needs according to the theories about Mass Customization, which can become an important competitive advantage in combination with other marketing strategies and it can be an advantage not only for financial institutions.

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IMPROVING POSITIONS IN SEARCH ENGINES AS THE CENTRE OF CONSUMER-ORIENTED MARKETING CAMPAIGNS

Andrej Miklošík

Abstract

Over the past few years, communication intensity towards potential customers has continually increased. Customers are more and more resistant towards these active communication forms and thus, companies need to look for alternative methods of reaching their customers. Here, search engine marketing shows up being a very efficient alternative. Moreover, the important effects of search as a platform for connecting offline and online communication activities were proven. Positioning amongst top results in search engine results page for specific key words is crucial for not losing people who were approach by a communication message. In this article, the author analysis possible scenarios and outlines the role of search in the purchasing decision-making process. As a result, a search-centric framework for marketing communication is constructed that shall be reflected in modern and effective communication campaigns.

Key words:

Consumer behavior. Decision-making process. Digital economy. Fulltext search. Marketing communication. Search engine marketing.

Introduction

Over the past few years, a change in rising importance of positioning in search engines can be observed. Placing on top of search results was always an advantage and companies have invested in to search engine optimization (SEO) and pay per click (PPC) campaigns to appear in these results. According to recent trends and changes in consumer behaviour, however, this top placement became even more important. In this article we aim at providing evidence on the increased importance of positioning in search engine results page (SERP) by creating a unified marketing communication framework centred on search. This search-centric approach to marketing communication reflects the importance of search engine marketing (SEM) in the communication mix and communication campaign strategy.

1 Changes in consumer behaviour

Consumers are intensively exposed to communication campaigns of companies and organizations. They can be apparent or can appear in a hidden form. Nevertheless, as the effect of this situation, consumers are looking for the way how to decrease this communication intensity. People are switching between TV channels to avoid looking at advertisements, ignore billboards or banners on web sites. As the result of this, companies are looking for other ways of contacting the potential customers. As Mendelová¹ notes, creativity of managers is decisive when trying to address potential customers. Here, marketing and marketing communication tools such as events, Public Relations (PR) or collaborative marketing come to action. Search engine optimization represents a very effective tool in this situation as well. It has many advantages over other forms of advertising including:

- SEO is the form of marketing communication that masks its commercial character completely; none of the other tools is able to do it such efficiently. PR was considered having this position for a long time, however, consumers have started to distinguish between standard and PR activities in their various forms (paid articles, moderated discussions etc.).
- SEO has long-term effects: Activities of SEO have delay in time, however, once their effects are demonstrated, they tend to last for a longer period. For example, in case a web page reaches a first position in SERP, even after stopping being active in SEO activities, the inertia effect will cause only slow decline in positions, which can take a long time.
- SEO has a very advantageous cost to benefit ratio: Costs of SEO are dependent on the intensity of competition on the respective market, number of optimized key words and the aims and their ambitiousness.

Because of the changing preferences of consumer regarding the exposure to advertising, the first attribute of SEO is highly valued. Common consumer is not aware that there are references/links in search results that are striving to improve their positions, while others do not perform any special optimization activities. In organic results, only the algorithm

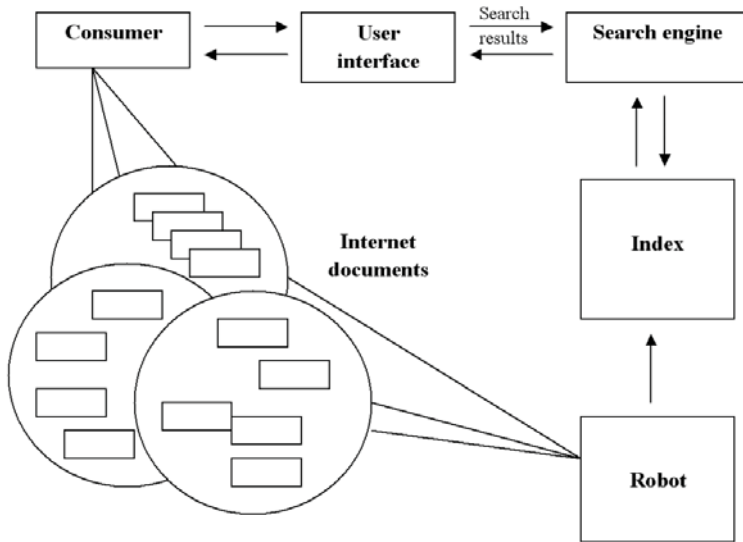
1 MENDELOVÁ, D.: Innovations and innovation performance on the Slovak media market. In *Otvorený inovačný proces : podpora šírenia vedomostí a vytvárania hodnôt v podnikateľských subjektoch*. Trnava : FMK UCM v Trnave, 2014, p. 199-206.

of the search engine decides which references are being displayed. If they are satisfying the user and he is able to find the requested information, he will probably remain loyal to the search engine. If it should change, the search engine algorithm would have to improve to retain its customers. Another change in consumer behaviour is connected with their activity regarding collecting information regarding their future purchases. Here, consumers are searching for information actively online using available information sources. A study from FleishmanHillard revealed that 89 % of consumers surveyed use Internet search engines to make purchasing decisions, punctuating the need for a strong search engine optimization (SEO) strategy. Another finding was that group-buying sites are gaining popularity, with two-thirds of consumers claiming awareness of services like Groupon and LivingSocial – with 60 % of those respondents belonging to such sites. Finally, when choosing healthcare products and services, 75 % said they rely on online information². There is a number of relevant resources and many of them can be reached and found through fulltext search. Thus, people are actively searching to look for recommendations from other users, information from test facilities or official information from the vendor. Finding relevant information is much easier than several years ago. Number of official and social-related information increased rapidly, algorithms of search engines are continually optimizing and the access of people to search has simplified with the expansion of intelligent mobile devices, such as smartphones and tablets. Now, people can search virtually at any place with the connection to the Internet. According to recent data³, 60 % of consumers use mobile exclusively to make purchasing decision. This even stresses the need for optimizing access to websites on mobile devices via search and optimizing content of websites for mobile devices as well. Even in retail stores, some consumers research the information regarding the product online before buying it; some of them even postpone the buying decision or order the product online. These changes need to be reflected in communication strategy of companies to reach their audience and communicate

2 FLEISHMANHILLARD. *2012 Digital Influence Index Shows Internet as Leading Influence in Consumer Purchasing Choices*. [online]. Available at: <<http://fleishmanhillard.com/2012/01/31/2012-digital-influence-index-shows-internet-as-leading-influence-in-consumer-purchasing-choices/>> [31.7.2014].

3 LEE, J.: *60% of Consumers Use Mobile Exclusively to Make Purchase Decisions [Study]*. [online]. Available at: <<http://searchenginewatch.com/sew/study/2348076/60-of-consumers-use-mobile-exclusively-to-make-purchase-decisions-study>> [5.6.2014].

efficiently. As Horváthová and Mikušová state, in this situation, internal people, not only managers and creatives at the agency, should be aware of these changes⁴. According to Zaušková et al.⁵, communication projects shall be systematically managed to achieve benefits, including learning lessons from previous campaigns and efforts. Zgodka⁶ identifies the six elementary components in the consumer – search engine relationship. They are displayed at the Picture 1.



Picture 1: Search – consumer relationship components

Source: ZGODKA, M.: *Influence of search engines on customer decision process*. In Federated Conference on Computer Science and Information Systems. Warsaw, 2011, p. 341-344.

Several studies have proven that search is the tool or instrument that is very important for marketing campaigns. The recent study from

- 4 HORVÁTHOVÁ, P., MIKUŠOVÁ, M.: *Use of Talent Management by Organizations in One of The Tegions of Czech Republic*. In Actual Problems of Economics, 2012, Vol. 136, No. 10, p. 526-535.
- 5 ZAUŠKOVÁ, A. et al.: *Kreatívny projektový manažment*. Trnava : FMK UCM v Trnave, 2014, p. 192.
- 6 ZGODKA, M.: *Influence of search engines on customer decision process*. In Federated Conference on Computer Science and Information Systems. Warsaw, 2011, p. 341-344.

Google⁷ has shown that search is the tool that helps to connect various devices together. For example, people start a job on tablet and finish it on notebook or PC. When moving across the devices, they search online to find the resources they were using before. A study from Hernández, Jiménez and Martín⁸ has identified that search engine positioning facilitate entry to practically inaccessible markets. Thus, potential consumers can be reached that would be very hardly targeted by other forms of marketing communication. Furthermore, Berman and Katona⁹ have confirmed that a positive relationship exists between a good SERP positioning and consumers' expectations regarding the quality of website and the company. Therefore, working on improving SERP positions has a secondary effect for companies that is manifested in a positive association of the company and/or its brand with higher quality. Chien¹⁰ notes that information search behaviour is not only a crucial part of consumer decision process, but the key factor influencing consumer decision. A research study from Panda¹¹ explores the advantages and use of SEM as a User-led Knowledge Discovery Process (UKDP) for online retailers. This study helps in finding out what factors influence CTRs and how the effectiveness of SEM can be enhanced for online retailers.

There are several studies that confirm the relationship between the good position in SERP and click through rate. Usually, it is assumed that the higher the position, the greater CTR and conversion as well. The findings of Agarwal, Hosanagar and Smith¹² show that while click-through rate

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- 7 GOOGLE. *The New Multicreen World: Understanding Cross-platform Consumer Behavior*. [online]. Available at: <http://think.withgoogle.com/databoard/media/pdfs/the-new-multi-screen-world-study_research-studies.pdf> [10.1.2015].
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 - 12 AGARWAL, A., HOSANAGAR, K., SMITH, M. D.: *Location, Location, Location: An Analysis of Profitability of Position in Online Advertising Markets*. In *Journal of Marketing Research (JMR)*, 2011, Vol. 48, No. 6, p. 1057-1073.

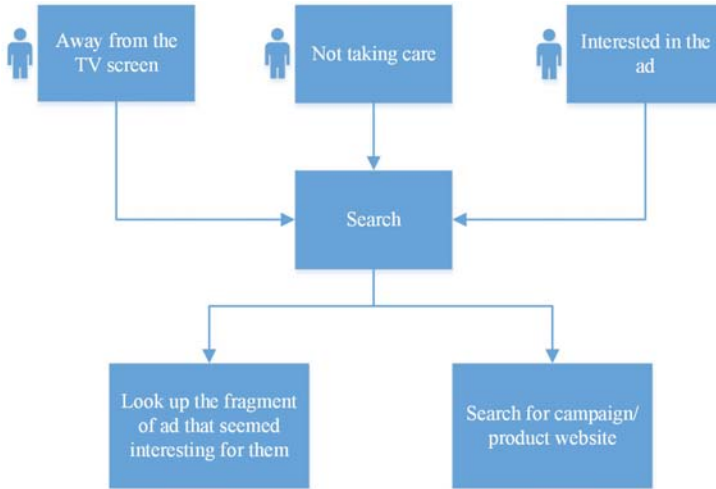
decreases with position, conversion rate increases with position and is even higher for more specific keywords. The net effect is that, contrary to the conventional wisdom in the industry, the topmost position is not necessarily the revenue or profit-maximizing position. This knowledge is crucial when planning PPC campaigns and can save a lot of money for striving to be first in the listing. In SEO it is valuable as well, as in some cases, the company may decide to retain the positions in TOP3 instead trying to be first, nevertheless what the costs are. According to Zhongming, Gautam and Sheng¹³, search engines have become a convenient tool for people to find information and shop on the Web, and paid or sponsored search has been the primary business model for search engines. Using search results from three major commercial search engines (Google, Microsoft Live Search, and Yahoo!) for 244 different digital camera models and 245 different LCD TV models, the study presents empirically supported and direct evidence that companies with overall unsatisfactory customer ratings do find their way more easily into the paid results than into the organic results; however the unsatisfactory companies do not overwhelm in the paid results by significantly outnumbering satisfactory ones; and compared with organic results, paid results tend to offer lower average prices and the lowest prices. To a certain extent these results justify the usefulness and the popularity of the business model of sponsored search.

2 Search-centric framework for marketing communication

Regardless of the selected SEM tool or their combination, companies shall reflect these trends and exploit the benefits of SEM by its integration into their marketing communication strategy. We have developed the following scenarios to demonstrate the role and importance of search in marketing communication. The first scenario shows the importance of search in offline to online transition. A vendor introduces a communication campaign that includes, among others, TV spots. Many potential customers are looking at the ad in TV. Some of them are away of the TV screen and just catch part of the advertisement. Second recipient groups sits in front of the TV but does not concentrate on the advertisement. The third user group is watching the advertisement carefully and they are addressed by its contents. Each of these groups, if

13 ZHONGMING, M., GAUTAM, P., SHENG, O. R. L.: *Examining Organic and Sponsored Search Results : A Vendor Reliability Perspective*. In Journal of Computer Information Systems, 2010, Vol. 50, No. 4, p. 30-38.

taking immediate action, prefers online search as the tool for gathering more relevant information. The first two user groups will usually perform an indirect search – a search that enables them to find more or research more regarding the topic. The third user group will most probably try to find the product and/or campaign website, because they found the product interesting. These processes are depicted at Picture 2.



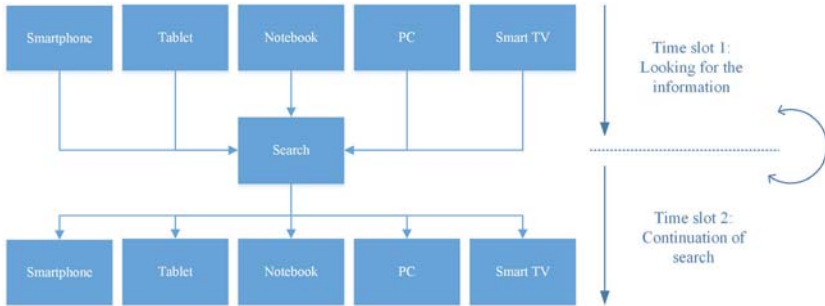
Picture 2: Offline to online transition: TV advertisement effects

Source: Own processing

As this use case shows, search is a necessary and required means that can interconnect the offline TV (or radio) campaign with the online world. The online conversion can be a means leading to the goal of the advertiser, instead of being final destination. The purchasing transaction can be performed offline, or in some cases, online as well.

The second scenario reveals the importance of search in the digital/online environment. Users often switch from one device to another when moving towards their final purchasing decision. In this decision-making processes, they collect information using smartphones, tablets, notebooks, home or work computers and other devices. In most cases, users do not use any centralized service that would help them to summarize the information regarding their planned purchase (despite the existence of such solutions, e.g. synchronized bookmarks in browser when signed in, online bookmarking services or online collaboration

tools). Instead of this, consumers use fulltext search to find the place where they left off. This scenario is depicted at Picture 3.



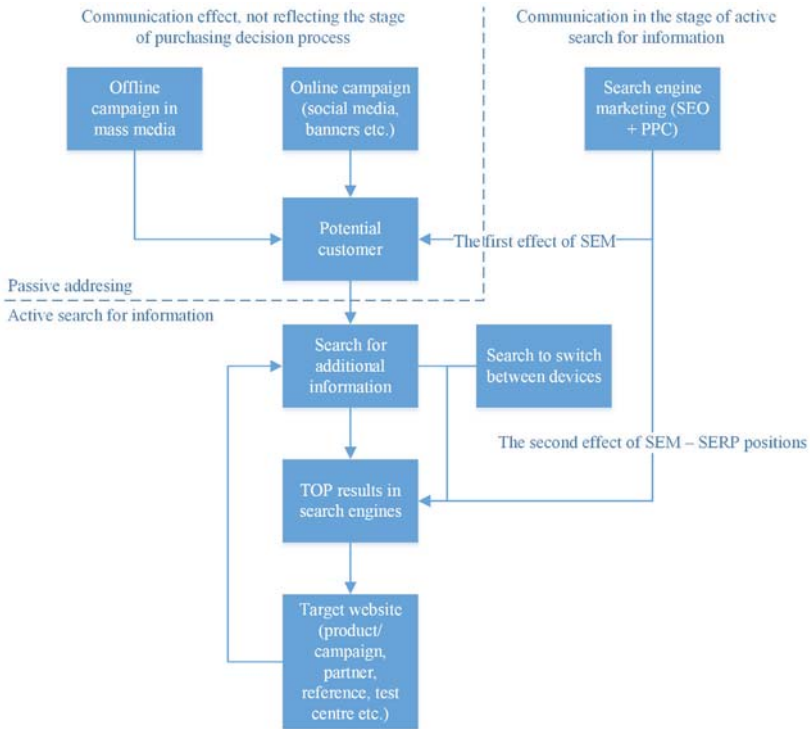
Picture 3: Online to online transition: From one media to another

Source: Own processing

Having a website that is functional and optimized for a positive user experience is a must in both scenarios. In the second scenario, user could not research the information, if they were not online. In the first scenario, there is a possibility of not having a website and still reaching some customers, however, the communication effect would be very limited in this case, because many consumers would be lost in branch following the search.

Based on these scenarios and research results presented, we constructed a model of a search-centric marketing communication. This model is based on the assumption that the existence of a quality website product or company while ensuring the first positions in the search results are the core components of effective communication campaign. TOP3 position in SERP enables potential customers finding the information regarding the product/campaign, return to this information on a second device over a time and expand the information base, created in the case of the future purchase. Visualization of this model is depicted at Figure 4. By implementing this approach, companies can multiply the effects of ATL communication and even stimulate the online presence and potential online sales with the tradition mass media, as TV or radio. With this approach, an integrated communication campaign can be carried out, maximizing the effect of first addressing the consumer through TV or radio. As can be seen from the visualization, search engines have a doubled effect in this scheme. Once they are in role of passive addressing, when the consumer sees ads by browsing the internet and looking for

relative content; in the second case they are actively exploited by the consumer when looking for additional information in the purchasing decision-making process.



Picture 4: Search-centric framework for marketing communication

Source: Own processing

Conclusion

Companies and media professionals working in the digital age need to reflect the changes in consumer behaviour. People are intensifying active search for information regarding future purchases and majority of this search occurs online. As we have proven, even by offline ATL campaigns it is necessary to respect the power of search and include search engine marketing into the marketing communication strategy. With SEM in media plan, user will be able to find the information once he is addresses by the TV or radio spot, look for additional information when positioning

in the phase of active search for information and even switch between various digital devices to successfully finish the decision making process and potentially – purchase the product online if applicable.

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VISUAL COMMUNICATION OF UNIVERSITIES: PROFESSIONAL VERSUS AMATEUR

Jakub Ptačin

Abstract

You can attract potential students at your university in several ways. The success of its students, through great PR or great teachers and of course by great teaching programs. But every part of this is wrapped up in something visual. Something that affects us. Affects our decisions in conscious and subconscious ways. Universities are in this fight for the attention of potential students and partners at the same position as any other brand or product and its visual communication. They should not communicate any less more professional by their visuals as any of the most famous brands, that attracts young people's attention.

Key words:

Corporate identity. Online. Offline. Universities. Visual communication.

Introduction

The higher education marketplace is becoming increasingly competitive and students have more choice than ever before. They are re-evaluating university education in terms of an investment and will therefore be much more demanding in their expectations. Our lives are filled with visual information. Some visuals are obvious - such as a CocaCola magazine advertisement, where the visual dominates our senses. Other visuals are so common, that we take them for granted - the octagonal shape and red background of a stop sign, for example, where the shape communicates importance and the red colour communicates danger. Indeed, even printed text can be considered visual: we visually process the shapes of letters collectively to understand a textual message. The emergence of new technologies has made visual information more accessible than some traditional media such as newspapers and radio. Internet content is highly visual. The development of complex software such as Photoshop and InDesign has created whole new range of possibilities. Some universities use their students and teachers to develop their visual identity, some hire professionals to do the job.

1 World's best universities and their visual communication

With increasing amount of new universities, private schools and the demographic changes (less students and bigger expenses to attract enough students to open new classes) targeted and planned visual communication started to grow, as an integrated part of university's corporate identity and marketing communication. This type of visual communication is characteristic (besides the right plan) by professional outputs, long-term conceptual plan, control of its effectiveness and with all this keeping in mind the current social situation and design trends. Everything is guided by the professional design manual and by the rules set up in the communicational and visual guidelines. Some universities have their visual communication defined very clearly. Examples are mainly in USA and England, where the best universities are (according to the latest rankings is up to 46 of the top 100 universities are from USA¹). They also give high priority to their visual communication and visual identity and therefore also attract the best students.

University in Hull describes his visual guidelines as follows:

The guidelines provide specifications for our logotype, colours, typefaces, charts and diagrams, our approach to imagery and our tone of voice. It demonstrates how these basic design elements work together to create our unique visual style, and how they are used to create consistent and distinctive layouts. (1)

SOAD University of London set the strength of its brand as a priority in 2009. At the start of the whole process was research phase.

Three major pieces of quantitative and qualitative research were commissioned into the profile and perceptions of SOAS during 2010-11 which also sought views of the School's name and association with the University of London.

This research was carried out with a range of internal and external audiences in the UK and internationally (staff, students, alumni, funders, donors, UK general public, overseas agents, media, employers of our students). Over 1,000 people shared their views about our reputation and identity. Extensive audits were also undertaken of SOAS' web presence and printed materials and comparisons made with our competitors. When we

1 *World's top 100 universities 2014*. [online]. Available at: <<http://www.theguardian.com/news/datablog/2014/mar/06/worlds-top-100-universities-2014-reputations-ranked-times-higher-education>> [22.9.2014].

looked into how our logo was being used we found out that in 2010/11 alone SOAS spent more than £225,000 on the design and print of materials commissioned by a wide variety of different departments and using 20 different external suppliers. This inevitably meant that our materials all had a different look and feel and were not giving a consistent impression of SOAS as a leading 1994 Group research intensive university (2)

The change of their identity was worth more than 110,000 pounds and it consisted of two stages - a research stage and a design and production stage.

Although Canada has no representative in the top 100 universities, University of Alberta is taking their visual identity seriously.

A well-defined identity system enables the University of Alberta to present a consistent and professional visual message to its internal and external audiences. This consistency is key to reinforcing the identity and reputation, allowing us to attract, engage, and retain support from its constituents. The University of Alberta recognizes the need for creative flexibility within faculties, departments, and units on campus to meet specific stakeholders' needs. With that in mind, this website outlines many ways to incorporate the university's visual identity system into all forms of university communications, while still allowing for individual expression.²(3)

The most important parts of their visual identities are following parts: Logo, Promise, Colours, Typography, Stationery, Photography, Promotional materials & Merchandise, Office Identifiers, Social Media Avatars, Web style guide and Communications Tools.

2 Slovak universities and their visual communication

History of visual communication and visual identities of universities in Slovakia is short. We can split their visual communication into two segments: basic (or subconscious) and later on some of them added targeted and planned visual communication as an integrated part of their marketing communication and corporate identity.

By basic visual communication we mean logotype (often the historical one), signage on buildings but also every form or printed document used at University. This communication is unplanned, non-conceptual and uncontrolled.

2 *Visual Identity Guidelines*. [online]. Available at: <<http://www.toolkit.ualberta.ca/VisualIdentityGuidelines.aspx>> [12.8.2014].

High level of visual communication and the right set of basic processes is not a small investment. When we keep in mind the fact, that Slovak universities invest in marketing approximately just 5000 €, is professional visual communication nearly impossible (based on our research 58 % of faculties in Slovakia spend just 5000 € on their marketing and 25 % of them 10 000 € maximum).³

We randomly selected 10 faculties from our previous research about benchmarking⁴ and checked, if there is an easy way, to find their design and communicational manuals and if they have ones. These faculties were selected, because they are the most common second choice for students applying for FMK UCM in Trnava - they attract the same type of high school students.

Faculty of Management, Comenius University in Bratislava

- no design manual or manual for communication available

Faculty of Mass Media Communication, University of Ss. Cyril and Methodius in Trnava

- design manual easily available on university's webpage. No manual for communication or PR

Faculty of Management, University of Prešov in Prešov

- no design manual or manual for communication available

Faculty of Electrical Engineering, University of Žilina

- no design manual or manual for communication available

Faculty of Education, Constantine the Philosopher University in Nitra

- no design manual or manual for communication available

Faculty of MassMedia, Paneuropean University in Bratislava

- no design manual or manual for communication available

Faculty of Materials Science and Technology in Trnava, Slovak University of Technology in Bratislava

3 ČÁBYOVÁ, L., PTAČIN, J.: *Benchmarking Comparison of Marketing Communication of Universities in Slovakia*. In *Communication Today*, 2014, Vol. 5, No. 1, p. 67.

4 *Ibidem*, p. 54-69.

- just the information about the new manual for the whole university, no manual for communication available

Film and Television Faculty, Academy of Performing Arts Bratislava

- no design manual or manual for communication available

Faculty of Commerce of the University of Economics in Bratislava

- no design manual or manual for communication available

Faculty of Education, The Catholic University in Ružomberok

- no design manual or manual for communication available

Besides the fact, that most of these universities do not even have their design and communication manuals, they are also not easily available for anyone on their web pages. Therefore are all the visuals connected with the university or faculty inconsistent and they are not working together on building professional visual communication of the university. This can create mixed feelings in their potential student's or partner's minds and destroy any communication or PR activity, that are positioning university or faculty as a highly professional institution.

We would like to continue in this research and compare expectation of high school students based on visual communication of universities, they are interested in. After they will choose their university a finish their first year we will compare their expectations and the reality.

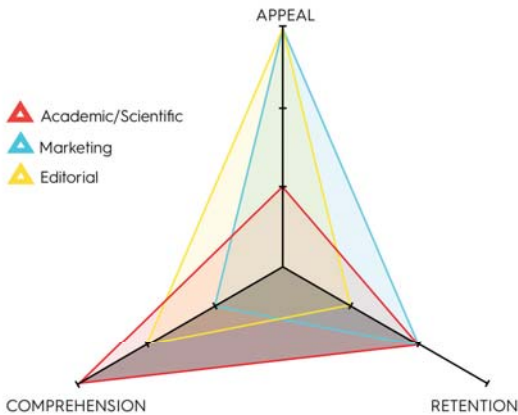
3 Professional versus amateur

Visual content comes in many forms, each of which helps serve a specific purpose. It is important to first consider your message and your objectives. Once these are established, you should select the best format to tell your story to the world.

Visual content is effective because it provides three advantages in communicating with your audience:

- **Appeal:** Visual content uses design to present information in a format that is stimulating, attractive and engaging. This makes it easier to synthesize and piques interest immediately. In short, visual content grabs your audience's attention.

- **Comprehension:** The brain's visual processing system is faster and more efficient than other communication systems, which means we are able to interpret visual information almost instantly and with minimal effort. Visual content is easier to understand, making it more enjoyable to engage with.
- **Retention:** The visual processing system also works with our long-term memory, connecting the images we see to information already stored in the brain. This makes visual content more memorable than other mediums.



Picture 1: Effective visual content

Source: Effective visual content. [online] Available at: <<http://www.columnfivemedia.com>> [20.11.2014]

These are some of the most important factors distinguishing professional visual communication from the amateur one based on our analysis of visual communication of universities in western countries and universities in Slovakia.

- Complexity;
- Consistency;
- Sustainability;
- Control.

Visual communication should be complex and should stand on your basic visual & communication guidelines. It not just about your logo but also about communicational patterns and manuals for your PR. Visual content makes your message stick, while giving you an opportunity

to creatively connect with students through great design. It should be consistent but do not have to be uniform. If you want to keep your visuals consistent, you have to have a control person at your school responsible for all the visual outcomes. This could be really hard for universities in Slovakia keeping in mind the fact, that usually they have just one person responsible for all they marketing activities and at most of Slovak universities is this job just a part-time job. They do not have money and resources to keep specialist for visual communication.

Conclusion

There is a huge difference between visual communication of universities and faculties in Slovakia and in western countries. The biggest problem is, that universities and faculties are not realizing the value, that can good, planned, professional and consistent visual communication bring to their institutions. They would attract better students, therefore have better alumnus and attract bigger partners for the university or faculty. We assume that this will all dramatically change with the liberation of school systems in whole European Union. There is also a bigger chance that potential students from abroad could be attracted by professional visual communication and after that convinced to study in Slovakia (this could also be one of the solutions of the problem with demographics changes in Slovakia and also improve income of the University).

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3.2.3 IN THE 2.0 ERA (Innovation, digitalization, education)

Jaroslav Světlík

Abstract

Conference paper documents on number of examples the fundamental changes which have occurred in the last few years, in particular thanks to the technological and other innovations in the society and specifically in the field of media studies (study stream of marketing communications) 3.2.3. The old paradigms have not been valid anymore and have been replaced by new ones. The concept of marketing is changing, as well as the position of individual media and their behaviour. Not only advertising media have changed marketing communication, but above all ad formats, strategy and the overall concept have changed. Significant changes occur with the advent of new online media. Internet and digitalisation, however, also have some shortcomings and brings a number of problems, in particular in the development and behaviour of young generation. In conclusion, the author presents some topics on which the faculties offering the marketing communication study program of 3.2.3 should search for answer. If they want keep up with Joneses they should accept those changes and on their basis develop themselves progressively further on.

Key words:

Digitalization. Innovations. Internet frauds. Metrics. Media studies. Marketing communication. New media. Online advertising.

Introduction

Born March 12, 1989. Most of the people, especially the younger ones, are absolutely not familiar with it. It happened 25 years ago and most of them had not been in the world. Without this newborn our lives could not most of us even imagine. Perhaps some members of Generation Y and elder would remember this year in terms of social and political unrest and resistance, which resulted in major social and political changes. Only few people know that this date is a landmark day, which affected not only ours, but life for all inhabitants of this planet from a somewhat different reasons. On March 12, 2014 passed exactly 25 years from the date on which the Internet was born.¹

1 CHANG, J.: *The ins and outs of marketing in the digital age*. [online]. Available at: <<http://www.highbeam.com/doc/1G1-366866619.html>> [16.10.2014].

Social and political changes made in 1989 were only one of the conditions of turbulent changes that followed. In addition to social and political changes unprecedented technological development has been started. Internet quickly found its “place on the sun” and in connection with other technological innovations, especially in communications technology, began an incredible way to change our world. Last 25 years just confirmed the validity of Moore’s Law. Moore, one of the founders of Intel, already in 1965 defined “his” law (or rule), claiming that “the number of transistors that can be placed on an integrated circuit, while maintaining the same price doubles over the next 18 months”. This rule quite accurately expressed the exponential growth not only in number of transistors, but due to the acceleration of technological innovation the economic development in the whole society. Today we would probably transistors replace with performance or efficiency. But the meaning would, however, remain the same. With an incredible number of innovations, technologies especially in the field of communication develop exponentially.

This year we can also celebrate another significant “anniversary”. The first forms of web advertising, appeared 20 years ago, in 2004. It was a banner advertising, which worked in its early years on the same principles as print of outdoor advertising. Therefore it did not bring any major innovative changes. The effectiveness of this form of advertising was based on site traffic and “hits”. It was quite interesting that “admens” and “marketers”, who are and must be very creative people with positive approach to innovations, were in the early days of the Internet advertising slightly conservative and skeptical and did not trust this new media too much. “Trial and mistake” strategy was more or less typical for the beginning of internet advertising. This strategy used to be implemented in traditional way, e.g. by taking over old formats from traditional media, especially the already mentioned out-door and print, which initially approved a lack of innovative thinking. As a result, this new medium had to face the initial conservatism and distrust of advertisers. Nobody in the early days of Internet advertising could predict that within two decades the Internet has become virtually the most powerful advertising medium and that explosion of innovations would bring fundamental changes in the functioning of advertising and marketing communications at the beginning of the millennium.

Nobody in the early days of internet advertising predicted that within two decades internet has become virtually the most powerful advertising

medium. Fundamental changes in the functioning of advertising and marketing communications came up at the turn of the millennium. Inter alia advent of technology SEO (2005) was most responsible for it. In 2007 the company Google bought DoubleClick advertising platform (which was actually established in 1995) and due to other major innovations were started shakeup in advertising. Especially because the platform allowed to place more than one banner on the website and created the conditions for click (CTR) and impressions recording. Innovation continued again this time due to Google's AdWords. Technological innovation, the arrival of new advertising platforms, the advent and development of social media as a Facebook, Twitter, YouTube etc., led to an incredible increase of advertising in digital media and to a profound change in form, content, strategy and tactics of advertising. Advertisers faced new chance to do their job cheaper, more accurately and thus more effectively to reach their potential or actual customers. Communication and media agencies took advantage to gain a competitive advantage, which, however, quickly turned into a necessity.

1 Changes in the marketing concept

Profound changes in the marketing environment (technology, globalization, hyper competition, economic recession, political changes, cultural differences) have led to changes in the understanding of the concept of marketing and marketing communications, hence advertising. The new concept is based on the fact that marketing must primarily be a reflection of a very wide social and economic ties and environment, which requires a comprehensive and integrated approach to customer, markets, partners, while respecting social responsibility. In this concept of so called holistic marketing simply said "everything is connected to everything". The old marketing paradigms and "truth" are not fully valid anymore. For example, in connection with the marketing mix we talked about four (or more) P's. For full expression of nowadays reality and also the use of the marketing mix for defining the marketing strategy with the original understanding of marketing "P's" are not enough. Some authors extend traditional P's by 4 C's and 4S. Formulation the new marketing mix of four C is based not on the perspective of the company, but fully on a customer perspective. It represents consumer solution (solution to a customer problem – corresponds actually with the product), cost (costs incurred by the consumer 's price), convenience (availability of solutions - mainly corresponds with the distribution) and communication

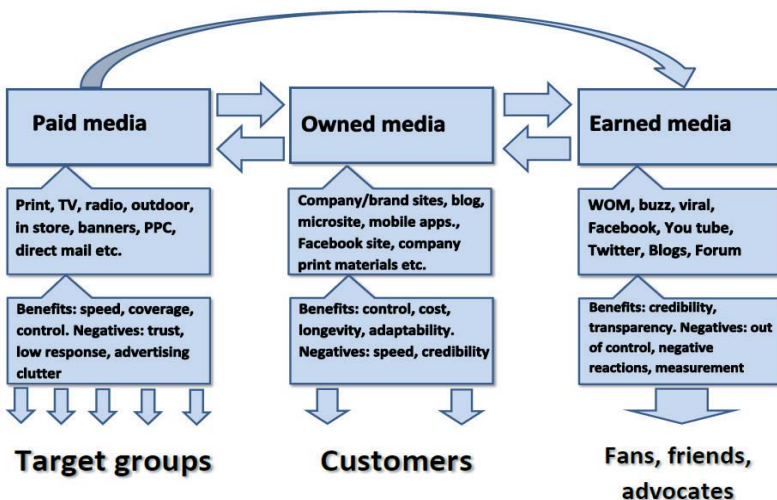
(not in the sense of traditional one way and top down promotion, but communication between the customer, who already refuses advertising message, wants to be “plugged in the game” and it is him who wants to actively communicate with the company). Four S, first defined by Efthymios Constantinidis and has been called webmarketing mix and represents one of the alternatives to the previous, traditional marketing mix and creates a framework for marketing activities undertaken within the digital marketing (It must be said that most of all it brings innovative approach primarily in marketing communications). Four S means scope (scope means strategy which links Internet activities of the company with its overall marketing strategy), site (website), synergy in terms of linking the Internet activities with activities inside and outside the company, and system (in terms of administration and operation of the whole system of Internet communication). Judy Cody Chang also defines 4 P digital marketing in the form of 4 E. Instead of talking about the product she speaks about experience with the purchase, by testing, the use of the brand, rather than promotion (promotion) she speaks of engagement. Communication is not one-way, as was in the case of traditional media. Two - way communication is not just about the effectiveness of the communication itself but also about building a relationship based on healthy dialogue between different market players in order to get advocates of brand. Placement is replaced by the last but one E which means everywhere e.g. possibility to purchase particular brand wherever there is online access (and in developed countries almost everywhere). Shopping is a constant activity symbolized by 24/7 digits that can make a purchase at home, at work, at the conference, during a lecture at school and sometimes even in our store. Price is replaced by equation value. This equation includes not only the price but also other factors which influence consumer decision to buy. It could be shopping convenience, speed, social affiliation, and other factors reducing the importance of price sensitivity.²

2 Media and advertising

Similarly revolutionary changed and understanding of the media. Exactly fifty years ago (another anniversary) guru of media theory and founder of Toronto school Herbert Marshall McLuhan split media into so called “hot and cool” media. From the viewpoint of advertising was mainly

2 Ibidem

broken down according to the intensity of participation and involvement. With the advent of the internet and social media people started talking about traditional and new media respectively, but offline and online media seems to be more accurate (internet used to be new medium 25 years ago). About five years ago began marketers from Nokia to innovate concept of Internet access in terms of advertising exposure (pity for the Finnish company that failed to innovate also their major product line (mobile phones), especially in view of the above first C.). Defined model, according to which the entire Internet advertising space divided into the area of paid, owned and earned media. It must be said that the concept of earned media), but in the context of more traditional media and publicity, find out in 1988 Jonathan Alter and Howard Fineman. In the above mentioned model has been subsequently filled with the Internet media. Media play in communication different roles, provide different benefits and offer different opportunities. This innovative approach in understanding the role of the media in the advertising effect is currently extended to the traditional off line media, which in the context of a holistic approach in IMC has its own logic. Figure 1 describes the breakdown on paid media, owned and deserved in terms of content, benefits, risks and their targeting.



Picture 1: Paid, owned and earned media

Have even traditional media some future? This is one of the fundamental issues relating to the media not only as such but also their meaning

and mission as the main source of advertising message. Most media, marketing and advertising experts are of the opinion that the relationship and the future of offline and online media is certainly not either - or. The correct approach is to integrate them and thereby strengthening the advertising/communication action, offer greater brand visibility and strengthen its value in the form of a stronger impact. What deeply has changed were communication goals and followed strategies and tactics. While traditional media such as television acts as a powerful catalyst for brand awareness, feelings and associations connected with TV, are the foundation for building brand value, on- line media in the subsequent phases (and especially social media) can create not only a fan club and a followers, but in the final phase advocates of brand, and create a very strong resonance with the brand, e.g. the psychological relationship to the brand. It has been approved that actual revenues are due to the functioning of online advertising in subsequent phases of the branding three times higher than in case of traditional ATL media.³ The strong resonance with the brand is not only evident in case of the purchase (or repeated purchase), but another pro-active approach by the customer in the form of finding information about the brand, interaction and engaged customers. Research has shown that two-thirds of internet searches were triggered by offline advertising and also that 34 % of customers who seek information about your brand/product on the Internet it eventually purchased in the store.⁴ Another argument supporting the existence and importance of traditional media is historical. On arrival radio and later on television some experts predicted death of print media - or at least fallen from grace as a carrier of advertising messages. It has not happened so, never in the history of the advent of new media has not that reality led to the death or demise of the previous media. That will lead, however, to the shift in meaning, content and form of traditional media, no doubt about it.

3 New trends and innovations in marketing communication

As a result of rapid developments, due to digital marketing communications, advertising is becoming more advanced forms in

3 PFEIFER, M., ZINNBAUER, M.: *Can Old Media Enhance New Media? How Traditional Advertising Pays off an Online Social Network*. In Journal of Advertising Research, 2010, Vol. 50, No. 1, p. 45.

4 TAYLOR, G.: *Advertising in a digital age*. Milton Keynes : Global&Digital, 2013, p. 121.

addressing the target customer. Just a few years ago experts knew nothing about abbreviation RTB (Real Time Bidding), which actually represents technology that had raised more or less death banners. This technology allows you to purchase impressions of banners in the auction, which takes place in real time (when viewing each impression at an incredible speed of 100 milliseconds). The base is not where your ad will appear, but above all, whom (retargeting). Another phenomenon fundamentally influencing the efficiency of current digital advertising could be summed up by abbreviation SoLoMo (Mobile social Location). SoLoMo is not about anything other than fact, that thanks to technology advancement and innovative approach admen combine through social media (FB) both social and local. Facebook represents huge amount of valuable information about prospects which companies can get. Information which concerns their hobbies, habits, interests, values etc. In combination with the localization of the customer due to its smartphone and its on-line connection can firm offer highly personalized service. As an example might be the use the French railways SNCF. Customers can sign up via Facebook and purchase a ticket and get seat reservations, even from their mobile phone. Thanks to the customer's personal data obtained from FB, the reservation is highly personalized and when the customers become located via their mobile phone they are offered special services from the perspective of their interests and hobbies, both in the train and in the locations in which they are currently located. And if download free to your smartphone the correct application can for example meet and sit in the restaurant wagon with friends, acquaintances or business partners. The ticket is not printed, but the customer will get it to his/her smart phone via QR code.

With the above mentioned innovations are associated with so called Location mobile marketing and Location Based Advertising associated with the ever increasing popularity of the use of smart phones as the main source of information, entertainment, shopping, and communication of course. Current technologies allow, as already mentioned above, perfectly locate the customer (or rather his/her telephone number) and then allow effectively reach them in the right place and at the right time. Advertising message will appear on their phone as SMS/MMS messages. It is obvious that in the same way can be used tablet, notebook, netbook or other device allowing to be connected online. If companies want to exploit fully the options for reaching customers online to relevant facilities, then due to the different width of the display device must resolve the question of two websites for mobile or desktop, or one so called responsive web

(sensitive to width of display) or so called universal website that is functional on all devices (for example web of Apple). This has become a completely different side of technological innovations, albeit indirectly related to marketing communication and its effectiveness.

Within a number of other new and innovative trends which appeared in the specific area of marketing communications research we can name one which is called Market Research Online Communities - MROC. These communities can be also hidden under the different name of so called online panels. This new research tool uses the possibilities of online communication and network users as nowadays hardly replaceable source of important information using views, experience and willingness to share them by prospects and customers. This information is extremely valuable not only in terms of the evaluation of customer satisfaction, brand relationship, engagement and views on new products etc., but also as an invaluable source of ideas and inspiration for further innovation leading to fully meet the needs and desires of customers and increase the perceived value of offered product. The above innovations, reflected in current trends are just a small part of all the changes which need to be familiar and work in marketing communications. Even if I put other innovations such as crowdsourcing, neuromarketing, discussed the issue of metrics in online media and social networks, HR branding, remarketing, micromarketing, content marketing, advergaming, videomarketing, branded applications, etc., we can't name all the innovations and changes over the past few years or months which concerns directly or indirectly the study program Media studies in the form of study stream of marketing communication.

4 Innovations in Advertising Strategy

It is without any doubt that the arrival of these new technologies and changes occurring in the marketing communication area has fundamentally changed marketing and advertising strategies and tactics. These new strategies and tactics are based both on the new challenges given by new media and on the principles that come from the field of traditional advertising. Easily accessible online tools make possible to monitor behavior, interests, and preferences of Internet or directly social media users or prospects, namely CTR, impressions, conversions, engagement etc. At the subsequent definition of how traditional media can influence the fulfillment of communication goals, it will allow marketers

to more precise targeting, timing and creating an effective media mix. Possibilities and importance of online media are really enormous, but works differently and take full advantage of these opportunities presupposes an entirely new approach to advertising strategy. The basic principles that should be followed when creating an effective communication strategy in online environments can be summarized into six principles defined by one of the most recognized global guru in the field of advertising - Charles Taylor. The first three principles relate to customer expectations, the next two to perform online advertising and last principle reflects a general philosophical approach to this new area of social reality.

The principles are defined as follows:

1. Respect to the customer's right to privacy. Today's consumers are thanks to their smart phones or tablets continually online. In doing so, these devices are perceived by them as part of their personal zone. In cases where potential customers are bombarded with large amounts of unsolicited advertising messages, their reactions to the advertising message in the form of SMS/MMS or in the form of e-mail becomes very negative. This negative reaction is partially eliminated by agreement of the recipient to receive these message, some studies were mentioned that, even in this case, the maximum acceptable number of messages is three.
2. Customers are much more receptive and sensitive to get advertising from trusted and known source. Taylor refers to the five renowned research showed that the decisive factor in the acceptance of e-mails is that the customer knows the source of these e-mails and trusted him. This is consistent with the attitude towards advertising and higher recall of advertising message.
3. Another of the principles of successful digital advertising is relevance. Customers are more likely to respond to digital advertising in the case that the advertised product is relevant to their needs, interests and desires. Young singles probably will not respond to e-mail or SMS which would offer them bargain of Pampers nappies.
4. One of the key factors in the success of online advertising is interactivity. This allows two-way communication, does not matter in which form. It could be choice, quiz, chat, feedback regarding the purchase of the product etc. Interactivity allows develop fully consumer engagement. Thanks to that, prospect spends on a web page more time and gives greater attention to its content.

5. Advertising communication containing an element of humor and fun increases the chance of successful and effective reach target audience. Whether it is a movie mini-stories or another format, this approach increases the positive perception of advertising, people are willing to stay for a longer period of time on the website and it all is finally manifested by a higher willingness to buy the product being advertised. Optimal is a combination of interactivity and entertainment that offers, compared to traditional one-way media advertising on the internet, a great competitive advantage.
6. In order to consider digital media to be really effective from the perspective of long-term exposure, they must play an important role in brand building process. Their potential is large, potential customer get more information about advertised product from the Internet, than they could get from any salesman. This information appears as fair-minded (for example evaluation of purchase or some particular product). The customer gets more familiar with the product, and in this process of obtaining information (end next to it emotions) have enormous significance the social networks, website companies, Facebook pages etc. The new media offer new possibilities for targeting based on the formerly unthinkable segmentation that goes into such details and, that we rather talk about customization. Reaching customers is done in real time and is locally targeted.⁵

On the basis of these principles new models are presented, including a significant component of the functioning of digital advertising. One is a model designed by Kabani, another one by Herman. Daniel Goodall suggests using social media model LEGS (Listen, Engage, Give, Sell). The fundamental basis of the model is listening to people with whom we want via the Internet and especially Facebook or Twitter build strong relationship and understand them. Subsequent engagement, which is based on points of common interest, on the basis of which (questions, contributions etc.) we try to induce desirable interaction and engagement of prospects. In the following step, it is important to give potential clients something, use one of the principles of persuasion, which is the principle of reciprocity and offer something of value to them. On this principle is based for example content marketing. This online strategy is based on providing valuable information for free in the form of a blog, discussion, download free publications or information or for a symbolic price in

5 TAYLOR, CH., *The Six Principles of Digital Advertising*. In *International Journal of Advertising*, 2009, Vol. 28, No. 3, p. 413-416.

pdf format.⁶ They, like every other gift make us committed and in debt position. Of course, the ultimate goal is to sell, it does not matter whether the new software, computer, consulting services or opportunities to study at the faculty. However, if you forget any of the preceding three steps, so there is a danger that we had to finish our model once more with the last S which is spam.

5 Negative effects of the Internet - all that glitters may not be gold

Online media innovations and related changes in advertising represent an unprecedented increase in the efficiency of the advertising effects. Among other things, better targeting, much better measurement of outputs and of course higher return on investment. First, by reducing distribution costs, partly by better targeting of advertising messages to the right audience.⁷ All this reduces “means embedded in ads that are thrown out the window or shortly - wasted”. When we add extra capacity to interactivity in the case of online media, not only text, image or movie but also evaluation, discussion, customization etc., communication effectiveness exposure increases exponentially. But even in the case of marketing communications through online media is not everything as perfect as some admen or new media fans think and present. First, the accuracy of the outputs mentioned above and as well as the social impact of the Internet in particular in case of children and teenagers.

It is not the aim of this conference paper to discuss in detail Internet crimes or deceptive practices in the form of click frauds, deceptive redirect, invisible banners, spyware pop-ups, etc. After all, there are increasingly more and more sophisticated programs to block them. The aim is rather to point out some relevant studies confirming the shortcomings in the existing segmentation, targeting respectively or the way the effectiveness of online advertising is measured. Extensive research which has focused on three major geographic areas, e.g. USA, Europe and Canada made by American company comScore and published in 2013 pointed out the inaccuracies in the above mentioned targeting and measuring the

6 GOODAL, D.: *Giving Your Social Content „LEGS“*. [online]. Available at: <<http://danielgoodall.com/2014/01/31/giving-your-social-content-legs/>> [16.10.2014].

7 EDELMAN, B.: *Who Owns Metrics? Building a Bill of Rights for Online Advertisers*. In *Journal of Advertising Research*, 2009, Vol. 49, No. 4, p. 401.

effectiveness of online advertising campaigns. Inaccuracies can result from regular delete of cookies done by significant majority of Internet users, which in turn leads to an inaccurate measurement of unique visitors to a particular website and subsequent measurement frequency and range (reach) advertising campaigns. The number of unique visitors in the US is due to this fact overestimated by an average factor of 2.5 (subsequent frequency is underestimated by this number and reach overestimated). The inaccuracy of measurement is also enhanced by the fact that one user uses multiple devices (home, work, school, etc.). The result is more cookies per person for a particular website (research showed 30 % probability). Similarly, more people use one computer at home, at school, etc., which leads to the opposite problem in the measurement of one cookie may seem more different people (in the USA 64 % of Internet users use the computer, which is accessed by multiple people). The study further states that as a result of the foregoing, in the case of targeting based on cookies only one variable (for example women) is success of hitting the target group approximately 70 %, in the case of two variables (women aged 25-54), the percentage decreases to 48 % and in case of three variables (women aged 25-54 with children under 18 years), the percentage of successful hitting decreases to 11 % only. Similarly, in the case of behavioral segmentation based on cookies for site visitors aimed at traveling or cooking is a success of hitting in the range 23-67 %. The survey showed that 37% of the target audience did not even have opportunity to see the advertising. Visibility to see ads at particular websites varies considerably, the correlation between the visibility of advertising and the price paid in the form of CPM is 0.19.⁸ NHT (nonhuman traffic) has nothing to do with the actual and real users of the Internet and is considered fraudulent. In the US, according to that research, varies from 0.03 to 0.49⁹). Other studies have pointed to other shortcomings in the area of alternative pricing models (which, however, offer a number of benefits for advertisers). These include, for example, in the case of PPI (pay per impression) invisible advertising. At the pay-per-click it may be a false clicks or targeting ads to existing, loyal customers who would purchase the product even without advertising.¹⁰ Hundred likes sent to the FB of Jelinek Distillery in Vizovice, Czech

8 FLOSI, S., FULGONI, G., VOLLMAN, A.: *If an Advertisement Runs Online And No One Sees It, Is It Still an Ad? Empirical Generalizations in Digital Advertising*. In *Journal of Advertising Research*, 2013, Vol. 53, No. 2, p.196.

9 Ibidem, p. 198.

10 EDELMAN, B.: *Pitfalls and Fraud In Online Advertising Metrics. Whan Makes Advertisers Vulnerable to Cheaters And How They Can Protect Themselves*. In *Journal of Advertising Research*, 2014, Vol. 54, No. 2, p. 129.

Republic somewhere from Calcutta also does not look too credibly. But as already mentioned, the above examples are only a fraction of potential fraud inaccuracies in measurement etc. The possibilities are eliminated increasingly by sophisticated programs offered by Google or other companies, for example. Above mentioned company comScore has produced so called Validated Campaign Essentials (VCE) eliminating NHT, evaluating the level of impressions that your target audience actually had, opportunity to see etc. In addition, the benefits of bringing new media outweigh the perceived possible shortcomings.

These mentioned drawbacks are only trivialized phenomenon compared to the social consequences of overuse of the Internet, particularly for children and teenagers. Not only parents, teachers but also academicians should be more than interested. We teach and give our lecture to the new Net generation already. The negative impact of the Internet has been described by many. What research has also shown from the perspective of the individual, and consequently the social impact of this young but very strong media? Experts are warning from the influence of the Internet on children, some of them even started sounding the alarm. They argue that the current generation of children is seriously threatened by existing lifestyle in which the internet plays one of the key roles. Besides a number of negatives in the form of lack of exercise and obesity, subsequent impact on the physical structure of the body, eyesight, mental and psychosomatic problems etc., there are serious threats in the form of social impacts in the form of corrupted functioning in a real society. Why? Among the significant negative impacts, child psychologists and educators put stress on the effects on the psyche of children and young people and their emotions. The virtual world offered by the Internet and digital games often replace children the real world. This leads to shortages in interpersonal relationships, a noticeable increase in aggression, selfishness and strong individualism. Real relationships inside the group of friends teach young to be more prudent in his/her behavior, lead to diplomacy, higher tolerance and the need for compromise. Otherwise, the individual in a group of other people could not fully function. These real friends cannot be replaced by virtual friends on Facebook. And have not talked about let us say gaming at all. Gaming for many young people (in the Czech Republic approximately 8 %) became addictive filling of their lives. Another statistic says that in the Czech Republic, young people in the age group 12 to 18 years old play games 38 hours a week. At the elementary and secondary schools is becoming the norm to give tasks and homework that will be solved by browsing on the Internet. It has its

advantages, he/she is in warm, relaxing and cozily environment of home, do not have to go to the library to borrow the necessary book. And that's about all the benefits. On the other hand, although the Internet offers almost everything, but mostly in a concise, "predigested" form. The pupil or student does not have to remember anything, everything can be found on the internet, not really even have to think about. What's it going? Among other things, the children have poorer vocabulary. Children and young people additionally are hooked on to use of their mobile phones, tablets with all the emoticons and abbreviated language.

In addition, students do not remember anything. And why should they, when they all can "google" and find on the internet or see on television. Confirmed results? Their vocabulary has decreased, speech becomes severely depleted, reduced literacy (inability to understand continuous text), poor memory, low autonomy. And even from the mouth of the highest representatives of the Ministry of Education we can hear "inspired" idea to give tablets to school to each pupil. Children in the western world spends on networks at their computers, tablets, mobiles or sometimes even on TV up to 8 hours a day (in the Czech Republic about 3.7 hours). All these devices represent a high technological level and their use for teaching is desirable. From the didactic perspective these are modern facilities, but between their use and a higher level of education output has not been demonstrated any direct correlation. On the contrary, their overuse tends to reduce the efforts to obtain information, reduce the need for thinking and memory burden. Such teaching may improve student's performance but mainly because student plays the role of a powerful robot. Although human being endowed with the brain, but from the perspective of their own thoughts it is more emptied structure searching for information according to learned algorithms. He knows perfectly how to get them, but does not know why and what they actually mean.¹¹

Using a computer, smartphone and tablet is often, but incorrectly, called multitasking. It is not a simultaneous, full and focused performance of these activities, but rather disparate activities characterized by fragmented attention. Consequently, child is unable to hold the attention for longer period. That is to say, that such activities do not provoke deeper process of thinking but there is also a weakening of perception of time and sequence. This has the consequence that young man has

11 KOUCUN, J.: *Negativa vstupu ICT do vzdělávání*. 2010. [online]. Available at: <http://it.pedf.cuni.cz/strstud/edutech/2010_Kocun/> [16.10.2014]

the feeling that throughout these activities (where time is not under control he was fully engaged all the time and that he/she performed meaningful activity. When we ask him what he/she actually did, mostly you are not given meaningful answer, as he/she does not know. Regular and frequent repetition of these activities reinforces distractibility and has an impact not only on relationships and social functioning but also in the process of learning. In other words, computer or tablet can be a good aide, but a bad master. They unlearn children and young people to think, inhibits critical thinking, deeper understanding of the content of the information, memory usage and practice followed by their own and independent thinking. US research company Sparks & Honey made large research, which was published under the name of Generation Z. This cohort represents young people under 18 years old. Survey's results demonstrated rather large differences from the previous generation of Millennials (between 18-30 years). Representatives of Generation Z are able to maintain focus intensively for 8 seconds. Eleven percent of these young Americans suffer from neuro developmental disorder ADHD, an attention deficit hyperactivity disorder (for Millennials is 8 percent). It is arguable that generation Y has lower ability to navigate in real space. Without navigation in the mobile they are not able to find the way even from one end of their hometown to the other. The text in SMS messages or e - mail is replaces by emoticons or other graphic symbols, which has a negative impact on their vocabulary and ability to express. They devote to sport activities to strengthen their health, not for fun or pleasure and joy. Colorful, undeniably appealing and rich virtual life on the Internet is part of life of most of the Czech and Slovak children and youth. The confrontation with the real world usually occurs after school and beginning of employment (although there's still a greater percentage of young people who prefer security and certainty of "mama's hotel before individual life responsibility.¹²

6 Innovation, digitization and 3.2.3

Previous text documents many examples (given by extent of this conference paper), however, is just only a fraction, small part of the total profound changes which have occurred in recent years, in technology, in society, in advertising and of course in the field of Media Studies

12 ŠPAČEK, J.: *Nesnesitelní rozmazlenci jedou. Jsou nastupující internetové generace ještě vůbec schopny rozlišit, co je ve světě a v životě skutečně důležité?* In *Orientace*, Vol. 25, No. 42, p. 19-20.

3.2.3, study stream Marketing communication. The old paradigm no longer applies and is replaced by new ones. The concept of marketing is changing, as well as the status of the media and their functioning, changing not only technology of advertising, but mainly in the form of advertising, its strategy and overall concept. One can just agree with president of IAB Randal Rothenberg, who claimed that “the definition of advertising has never been so unclear as now”¹³. Significant changes that occur primarily with the advent of new media and the Internet, however, have some drawbacks and brings me a number of problems, especially in the development of new, young generation. It is not the aim of the author to present ready-made solutions, but rather groups of questions on which we should seek answers, if we want our study program and our faculty were an integral part of the turbulent and progressive changes to strengthen its position in the system of tertiary education.

1. Processing graduate profile with clear distinction between bachelor's and master's degrees in both content and structure from the perspective of both general knowledge skills and competences. The content of graduate profile should be consulted with practitioners. Undergraduate (bachelor) level should be more practical oriented and they should acquire such expertise that they could immediately incorporate into the work team of institutions or departments dealing with media and communications practice. Build itself a formal curriculum and subsequent high-quality processing of information sheets on subjects should be well prepared based on the graduate profile. Due to the changes in the field of marketing communications, the graduate profile, curriculum and content of subjects should be evaluated and the curriculum innovated.
2. One of the crucial issues of curriculum development is determining the balance of professional backgrounds and general theoretical framework both for bachelor and master degree. Most debates which concern the content both secondary and tertiary education ends with the conclusion that the objective of the school is to prepare graduates for practice. This is a legitimate request, universities cannot function outside the real world as “ivory towers” ignoring the above requirements. On the other hand, it is

13 ROTHENBERG, R.: *The Definition of Advertising Has Never Been More Unclear*. 2013. [online]. Available at: <<http://www.adweek.com/news/advertising-branding/definition-advertising-has-never-been-more-unclear-152434>> [16.10.2014].

necessary to answer the question, to what extent has the school to serve the labor market and the extent to fulfill other requirements and goals of education. The basic purpose of education is nothing more than a social and cultural reproduction of society and its further development.¹⁴ Economic ties to labor market are indeed very important, but is still only one part of the social development. The aim of the universities (especially at the master's or doctoral degree) is not only to prepare professional experts but also intellectual elite of society. Just a narrow focus on the specific field of study may prepare professionals in the field, but sometimes very narrow and only half educated "Fachidioten". Very often, especially recently we have seen that what students learn in the first year, at the time of their graduation no longer apply in practice. It also became clear that a broad, theoretical education brings also greater adaptability to changing conditions and consequently higher employability.

3. Determine the quality of tertiary education through general level descriptors. These descriptors describe three levels from low to high operational context, cognitive descriptors and other cognitive skills acquired. The aim of education should be, inter alia, to achieve that graduate understands the complex and unpredictable context which requires selection and application of a wide range of innovative techniques. Graduate is also able to take responsibility, is autonomous in planning and management of resources and processes not only within the field of his/her study, is able to take a critical and ethical dimension not only in his/her work activities. In the field of cognitive student should demonstrate a deep academic and professional knowledge and is aware of the extent of his/her knowledge, he/she can analyze data and information using a wide range of methods and techniques in the field of study, based on the data obtained, even of abstract nature. He/she can on the base of synthesis create brand new solutions, critically evaluate the findings, including the ability to present and implement necessary recommendations. He/she is able to work reflecting the feedback, is capable of self-reflection and to develop its own criteria judgment. With minor help is able to manage their own learning and use separately wide range of resources field. He/she is self-confident, flexible and is able to effectively participate in debates on a professional level, can effectively work and communicate in

14 SVĚTLÍK, J.: *Czech and Slovak Cultural Dimensions and Advertising*. In *Communication Today*, 2011, Vol. 2, No. 2, 53-65.

teaching process or in professional group, managing conflict etc. Mastery of these skills and competencies cannot be done without a highly professional but at the same time demanding relationship to students which would lead to ability to work independently which would be based on mastery of professional knowledge, critical thinking, and overall intellectual development. Taking into account the above-mentioned trends in terms of the negative effects of the Internet on young generation, appears that the requirements mentioned above are more than slightly excessive.

4. To link science and research with practice. Topics of research projects should be aimed at the topics of current problems of praxis. Basic research should deepen theory in the field of advertising with regard to the new conditions and new developments most of all due to existence of digital media. Faculties should determine their priorities and directions of research and focus their research and according to their focus listing the topics of master's and doctoral dissertations. In their processing put great emphasis on their administrative structure, correct methodical process ensuring the validity, reliability and objectivity of research data obtained. Determination of the methodological framework and recommendations for processing scientific work in the field of marketing communications appears to be desirable. Try to find ways to connect relevant and quality research carried out by the faculties with sponsoring system of companies on behalf of which research is being carried out and results of research will be used.
5. Cooperation between universities or faculties - universities should seek ways of mutual cooperation in the above mentioned topics. Encourage meeting of experts on the scientific international conferences with the main aim to discuss current topics in the field of advertising and marketing communication. To improve the quality of conference papers insist on blind, quality reviews. Conference papers should be published in the English language which should become commonplace. Support for the organization and for participation in scientific conferences represents for universities increased spending (remuneration reviewers, costs of organizing conferences, publishing the results etc.), but on the other hand, they represent an excellent investment in into quality teaching, scientific activities and research each of the participating schools. By international scientific conferences cannot be meant hastily convoked meeting of the faculty academic staff in order

to present higher publishing activities for the purpose of coming accreditation process.

The above mentioned five areas should be the subject of a stimulus for further discussion about the future of universities offering in their curriculum media or marketing communication study program. The world around us as well as the area of study is radically changing. We cannot follow the old familiar ways and let pass us a ride a rut. The difference between the rut and the grave is only in their deepness.

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Media Innovations

Without continual and ongoing innovations, and thus without the efforts of brands to become inseparable parts of human life, marketing would not be such a dynamic field as we see it to be today. Most of these innovations have been brought by one medium only - the Internet - and they all depend on dynamic technological progress. Media environment itself is not an exception. The emergence of online communication, influence of social media, as well as increase of digital literacy visible among practically all target groups of the recipients have changed the traditional understanding of media so dramatically that it has become almost a thing of the past. We may even say that the media market has changed lately as well. These changes are not related just to products, processes or marketing activities; they can be seen as a highest degree of development, as so called paradigmatic innovations. The third section therefore pays attention to the connections and relations between traditional media and online communication environment, opening discussion aimed at using new technologies and online formats in the spheres of social media, smartphone technologies and so called 'Internet of Things'.

WHO FORMS THE IMAGE OF SLOVAK UNIVERSITIES? (RANKING IMPACT ON THE IMAGE OF THE UNIVERSITIES)

Ľudmila Čábyová – Peter Krajčovič

Abstract

Universities are on an education market acting like the commercial subjects with using all marketing communications tools to get the best students. A very important tool to influence is so called “an independent evaluation of universities ranking”. The authors in this paper highlight problems and objectivity of this evaluation process. Unfortunately, a big amount of high school students are affected just by the ranking evaluation results published in media.

Keywords:

College. Image. Marketing. Promotion. Ranking.

Introduction

One of the basic tool of school competitiveness is the effective use of marketing and its basic tools in terms of the education market. For effective educational institutions marketing is necessary to evaluate its image regularly and, if needs, to handle marketing plan for its improvement. Nowadays, the external environment evaluates the school according to its reputation and image rather than what actually is it. In other words - the real quality of the educational institution is in practice often less important than its prestige and reputation. Therefore, the necessity of building a positive image gains ground, especially in the time when educational organizations are beginning to struggle for their own survival.

The image might be generally described as “*a comprehensive vision of the product, company, institution, the public interest and the movements.*”¹ If we transform this general definition of image to the conditions of educational institution, in this case, according to Obdržálek and Horváth the image represents “*the sum of all ideas, knowledge and expectations surrounding the educational entities, current and also former teachers and also students or graduates and their presumed knowledge. It is not only*

1 PAVLŮ, D.: Úvodem. In *Marketingové komunikace a image*. Zlín : FMK UTB, 2006, p. 7.

about the school like the unit, it might be a specific training program or product of the school.”² There are several factors that affect the image of the school. Based on the given definitions, among the most important factors of the image might be included: current students, alumnie, teachers and staff, exterior, interior and schools equipment, events, communications and promotional outlets, school products (e.g. books) and last but not least the external evaluation of schools and institutions published in media.

1 The image and evaluation of universities

The image of educational institution might be considered the most important communication tool that educational institution uses on the market generally and especially on the education market. Fundamentally affects the decision making process of consumers - stable, potential and even those who could transform yourselves thanks image of educational institution from random customers to clients of this educational organization.³

The image of educational institution can be divided into:

- **internal image** - the educational institution is forming this kind of image itself;
- **external image** - the perception of educational institution by the general public, the educational institution can form this kind of image specifically by using the communication mix tools.⁴

Factors that affect the image of an educational institution are for example: a know-how, a good-will, an organizational culture, a public relations, a marketing, a product, a quality of educators and the others. There can be also added the visual signs of school identity including a website⁵, a logo, a location, an exterior or interior institutions and so on.

2 OBDRŽÁLEK, Z., HORVÁTHOVÁ, K.: *Organizácia a manažment školstva*. Bratislava : SPN, 2004, p. 112.

3 SZARKOVÁ, M.: *K úlohe imidžu vzdelávacej inštitúcie v marketingovej komunikácii*. In *Personálny manažment - trendy na trhu práce v kontexte hospodárskej krízy*, 2009, p. 286.

4 MATÚŠ, J.: *Podstata a význam imidžu vzdelávacej inštitúcie*. In *Budovanie pozitívneho imidžu vzdelávacej inštitúcie*. Trnava : FMK UCM, 2006, p. 45.

5 See also: MIKLOŠÍK, A.: *Development Of Seo Performance Of Selected Slovak University Web Portals*. In *Communication Today*, 2013, Vol. 4., No. 2, p. 80-93.

If the image of educational institutions is positive, it is more liable that the interest of it will be higher. In the process of creating a positive image is necessary to answer this three questions:

- what we do and how we present it to the public;
- how we are perceived by the main target groups;
- comparison with the competition on the educational market.⁶

One of the features characteristic for the school image is its strong inertia. For example, if the actual work of school is changing, its image is shifting very slowly. This is the same even if the quality of school gets worse or improve. To achieve a desired image of the school is also necessary to do the all activities by the school staff the best for the years.

Currently, the education is a kind of business. Schools are like an enterprise whose aim is to get the quality students in a sufficient quantity. Students have an opportunity to choose from, many of them give a priority to better schools abroad. Outside the country when student was born or lived is currently studying nearly two million students and it is expected that in 2025 it will be up to 8,000,000. Due to this fact, the last two decades were characteristics by an increasing demand for information about the quality of higher education.

In the nineties arose the first evaluation of universities – the first rankings – a specific kind of universities scale ranking according to a quality criteria. Probably the best known is the Shanghai ranking of the top 500 universities in the world, but there are also many others – for example the rankings of magazines *The Times*, *Perspektivy*, *The Guardian*, etc.

The rankings have many supporters but also many opponents, too. Criticized are especially benchmark criteria and subsequent interpretation of the results. It is very difficult to choose the right criteria and it is also difficult to classify the different universities and colleges in to the comparable groups. For example, the Shanghai ranking uses the number of Nobel Prize winners working at the university as one of the criteria. Such criteria might seem to be entirely inadequate. At the Slovak universities have never been working and is not working any Nobel Prize winner⁷. The neighbouring Czech Republic has in the Shanghai ranking one high school, Hungary and Poland two ones.

6 MATÚŠ, J.: Podstata a význam imidžu vzdelávacej inštitúcie. In *Budovanie pozitívneho imidžu vzdelávacej inštitúcie*. Trnava : FMK UCM, 2006, p. 51.

7 POVAŽAN, M.: *Hodnotenie kvality škôl – šanca pre nastavenie systému*. [online]. Available at: <<http://www.etrend.sk/ekonomika/hodnotenie->

The top ten best universities have traditionally placed almost exclusively American universities. The best university according to the published ranking is the Harvard University following by the Stanford University and the Massachusetts Institute of Technology. Most of the universities placed in the ranking is located in Europe (205), in America it is 177 universities, in Asia and Oceania it is 113 and in Africa it is five from 500 top universities in the ranking. In the process of ranking compiling are taken into the account such criteria like the quality of education, the quality of faculty and research activities. Into the account are taken also for example the number of graduates and academic staff who received the Nobel Prize. The Shanghai University evaluates more than 1,200 universities, the top 500 of them are published on its web site⁸.

Slovak high schools can be compared with the ARRA position. The Academic Ranking and Rating Agency (ARRA) reported in November 2014 the 10th evaluation of faculties of Slovak universities based on the available and verifiable education and research data for the year 2013. The evaluation covered 112 faculties, respectively mono-faculty schools from what 104 were public and 8 were private universities in 11 groups. After the results had been released the media have given publicity to them and have communicated the results of faculties ranking. About these results informed TV Markíza, TV JOJ, RTVS and TA3 during their main news. Unfortunately, none of these TV stations did not intend the objectivity and fairness of evaluation. Universities that have succeed in the ratings remained satisfied and immediately shared a message on its web sites. Universities that had not succeed have complained, but their statements had no media coverage. According to the published reports *“significant relative changes from the last year’s ranking have been reported rarely. From the eleven evaluable groups is equal to ten leader of the previous year and also looking at the results of several years is possible to see a certain degree of differentiation majority of the evaluated faculties. Some faculties, for example the Jessenius Faculty of Medicine, the Faculty of Chemical and Food Technology, the Faculty of Social and Economic Sciences, the Faculty of Economics of Technical University in Košice or the Faculty of Law and the Faculty of Education in Trnava lead constantly their*

kvality-skol-sanca-na-nastartovanie-systemu.html> [15.11.2014].

8 KRČMÁRIK, R.: *V rebríčku najlepších univerzít Slovensko opäť chýba*. [online]. Available at: <<http://spravy.pravda.sk/domace/clanok/250743-v-rebricku-najlepsich-univerzit-slovensko-opat-chyba>> [15.11.2014].

ranking groups at least four years, which would be not possible without the long-term fulfilment quality and performance criteria.”⁹

Let’s take a glance closer at the assessment methodology and point out the problematic and incorrect evaluation criteria on the specific example.

The Ranking and Rating Agency (ARRA) has a significant media influence on the formation of the universities quality awareness in Slovakia and also affects the candidates to which college they will choose for study, because the information about the universities presented in media are very often associated with the evaluation of ARRA .

There are several examples of disagreement with the methodology of this ranking and evaluate process and universities which do not agree with this are able to exactly define main errors in calculations or data collection. In this paper we are presenting the Faculty of Mass Media Communication of the University of Ss. Cyril and Methodius in Trnava (FMK UCM) evaluation results.

For the year 2013 FMK UCM has reached 3 points in the “research” area and 6 points in the “grant percentage” area. All in all the FMK UCM has reached 33.9 points in all areas and has taken the 7th place in the field marked as “Other Social Sciences”.

1. The ARRA agency doesn’t know and doesn’t want to communicate. The agency is not willing to explain the methodology and to answer the questions of faculty management, and rejects any communication. Dean of the Faculty of Mass Media Communication (FMK UCM) has made efforts to bring together representatives of agencies, but with no success.
2. Within the evaluation of science and research faculties are divided into two groups. Faculty of Mass Media Communication is included in to the group marked as “Other Social Sciences”. This group is evaluated by the same methodology as technical, natural, agricultural and medical sciences. To the scientific activity of Faculty of Mass Media Communication (these results are not counted outputs from the central register of publication activity. Into the account are taken only the outputs from the database “Web of Knowledge”. For comparison, in the ranking of these following fields – philosophy,

9 *Hodnotenie fakúlt vysokých škôl*. [online]. Available at: <www.arra.sk> [28.11.2014].

theology, education, art and law, there are counted the outcomes from the central register of publications. To the assessment of the Faculty of Mass Media Communication has not been counted the artistic activity and artistic outputs, at all. Although the report stated that *“in case of the selected humanitarian and socioscientific faculties are data again extended to the publications not included to internationally used databases that are obtained from the national library databases (e.g. CREPČ/CREUČ or university libraries)”*¹⁰, the Faculty of Mass Media Communication do not belong to this selected faculties.

3. The Faculty of Mass Media Communication belongs to the group marked as “Other Social Sciences”, where are compared faculties with different focus. In the ranking were better appreciated mainly faculties providing an engineering studies - e.g. The Faculty of Social and Economic Sciences, the Faculty of Special Engineering, the Faculty of European Studies and Regional Development. The scientific research area of these faculties is totally different from the scientific research area of the Faculty of Mass Media Communication and we can discuss whether they belong to the social sciences area.
4. For the year 2013 (the results were published in November 2014), the Faculty of Mass Media Communication reached again only 3 points in the research area. However for this year (2013) the Faculty of Mass Media Communication had 11 publication outputs type “ADC” registered in the Web of Science (Current Contents Connect, WoS) and of these outputs had 13 citations in the Web of Science. Despite not entirely clear methodology of the ARRA, this figure is obviously questionable, because 11 new publication outputs type “ADC” has not registered into a new assessment for the year 2013. All this information can be found out through “CVTI” (The Centre of Scientific and Technical Information) or “CREPČ” (The Central Register of Publication Activity Evidence).
5. The major methodological problem which greatly distorts the faculty science evaluation results is the non-acceptance of the Scopus database, that is since 2013 equivalent with the Web of Science database (publication outputs “ADM” and “ADN”) /made by the Centre of Scientific and Technical Information/. Due to this fact the evaluation results of science and research activities are out of drawing.

10 Ibidem

6. In the area “Grant Percentage” the Faculty of Mass Media Communication implemented financially very important project “APVV”, that (seem to be) was not included to the ranking. Compared to 6 points reached in 2012, in 2013 the faculty reached only 8 points.

Despite an enormous effort of the Faculty of Mass Media Communication to improve all of the items (the quality of education, the science and research outputs), that were associated also with the comprehensive accreditation process, the faculty reached in the ARRA assessment only 31.2 points, what is less than in the previous year. This result is in conflict with the data of the Faculty of Mass Media Communication which the faculty wanted to present to the ARRA, but unfortunately, the agency had no interest about it. In this way the ARRA has injured the Faculty of Mass Media Communication at all points, especially with respect to scientific, moral and finally also to financial area. Giving publicity to the results had excellent timed – in the time of the complex accreditation process evaluation and in the time when students were submitted their applications to the universities.

As already mentioned, this is only one of several cases that is possible to point out the errors and injustice in the evaluation. Shocking is the fact that the ARRA agency indicates a completely different evaluation criteria in its credit rating as the Slovak Accreditation Commission, which assesses the quality of higher education during the complex accreditation every six years.

Conclusion: Fortunately, there are also another ways how to affect the image of school

According to the results of a survey carried out by the Faculty of Mass Media Communication, up to 52 % of students who are making a university decision take into consideration the position of university in the ranking.

The image of educational institutions is spread by various sources, which we can classify into the three main groups, namely: formal, informal and neutral sources. To the informal sources belong, for example, relatives, old friends, neighbours, friends, friends of our parents and teachers. For public, respectively surroundings are these resources naturally perceived

the most credibly. It doesn't mean that these people we must know, it might be people who are spreading the positive image unwillingly, people who are not paid for promoting the brand or company, so they don't have reason to fake or lie.¹¹ We assume that their views on a particular school are true and not manipulated. These are the most important factors of the educational institutions that have the greatest impact on the image of university, especially when a potential student is choosing the concrete one.

To the neutral resources that might affect the image of university belong a variety of information about the school in the media, various thematic articles about the educational institution, an expert view presented for example in the printed media, etc.¹² These sources may include the mentioned ranking evaluations and also the fact that this results were very intense presented in the media.

The third group of image resources consists of the so-called commercial sources. These resources are created by the present activities of the universities with using different marketing communication tools. This might be the example of paid advertising as well as various techniques of public relations - e.g. The Opening Day and other thematic events, promotional materials, attendance at the educational fairs, quality web site or profiles and active social media communications.

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- 11 MRÁČEK, P., SEMORÁDOVÁ, P.: Komunikací k budování pozitivní image vzdělávací instituce. In *Budovanie pozitívneho imidžu vzdelávacích inštitúcií*. Trnava : FMK UCM, 2006, p. 61.
- 12 MATÚŠ, J.: Podstata a význam imidžu vzdelávacej inštitúcie. In *Budovanie pozitívneho imidžu vzdelávacích inštitúcií*. Trnava : FMK UCM, 2006, p. 49.

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SZARKOVÁ, M.: *K úlohe imidžu vzdelávacej inštitúcie v marketingovej komunikácií*. In *Personálny manažment - trendy na trhu práce v kontexte hospodárskej krízy*, 2009, p. 286-291.

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MULTIMEDIA JOURNALIST IN THE NEWSROOMS OF THE CZECH AND SLOVAK “HOSPODÁŘSKÉ NOVINY”

Jaroslav Čuřík

Abstract

The case study examines the question of the impact of interconnecting the print and web platforms on the manner and organisation of work of newsrooms and journalists in the Czech and Slovak “Hospodářské noviny” dailies. The author assumes that the journalist’s work increasingly acquires a multimedia character. A multimedia journalist may do more work, and owing to the technological advancements and the economics, editors-in-chief require more frequently that print media journalists should be able not only to write but also to create posts for the website. However, multimedia work is not an individual task only. The whole newsroom may also serve as a multimedia unit and individuals are then specialists in a specific multimedia activity. The research has confirmed that connecting the surveyed media with web news portals changes the manner and organisation of work of newsrooms and journalists. These changes are gradual, and yet the interconnection of the print and web platforms is becoming more profound. In both surveyed media, there are partially interconnected newsrooms where multimedia journalists – individuals work as well; nevertheless, the newsrooms function particularly, in terms of multimedia, as a whole.

Key words:

Convergence. Media routines. Multimedia journalist. Multimedia journalism. Newsroom.

1 Multimedia media and journalists

If they wish to prosper (or exist), modern media cannot make do without multimediality. The most significant changes have taken place in print media, which could not logically acquire any multimedia character earlier. Currently, there is virtually no successful print medium which does not run its web portal.¹ By means of a survey in the newsrooms of the Czech

1 Nevertheless, at present, multimediality is penetrating directly into the press owing to the extended (augmented) reality. For instance, a newspaper page may be provided with a display with a microchip, which allows extending the text with video content or possibly via a SIM card, even with a direct Internet connection. For example see: *Entertainment Weekly*. [online]. Available at: <<http://www.ew.com/ew/>> [5.10.2014].

and Slovak “Hospodářské noviny”, the author of this paper² seeks the answer to the question concerning the effect of interconnecting the print and web platform in these media, i.e. including multi-medialisation, on the manner and organisation of work of newsrooms and journalists who originally worked only for the print press.

1.1 Possible consequences of multimедialisation

Multimedia in journalism may be defined in two ways. A multimedia product may be presented through multiple formats (e.g. a text, graphic animations, and hypertext links) or it may be distributed through multiple platforms (e.g. press, the Internet, mobile telephones, etc.).³ Print media are “forced” to multimедialisation and thus convergence (approaching) in particular by new technologies and the economics. A multimedia journalist may save costs of their publisher as they may replace several specialists. However, multimedia work is not only a task for an individual, as the whole newsroom may also serve as a multimedia unit and individuals are then specialists in a specific multimedia activity.⁴

A multimedia journalist is multi-skilled, being capable of not only writing a journalistic text but also, for instance, creating video or audio recordings and taking photographs. Such a journalist has the capacity to publish their contributions in multiple formats and by means of multiple platforms as well.⁵ Nevertheless, it still remains a question of the quality of

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- 2 The study is included in the dissertation entitled *The Multimedia Journalist*, which is currently under preparation. The dissertation also contains another survey in the newsrooms of the “Mladá fronta Dnes” and “SME” dailies and the Czech regional “Deník” (Daily) of the Vltava-Labe-Press publishing company. A part of the survey focusing on the “MF Dnes” and “SME” dailies was published in *Otázky žurnalistiky [Journalism Issues]* (ČUŘÍK, J.: *Multimediální novinář v redakcích SME a Mladé fronty Dnes*. [A Multimedia Journalist in the “SME” and “Mladá Fronta” newsrooms.]. In *Otázky žurnalistiky*, 2014, Vol. 57, No. 1–2, p. 28–46).
 - 3 Cf. DEUZE, M.: *What is Multimedia Journalism?* In *Journalism Studies*, 2004, p. 140.
 - 4 For more details on these issues, please refer to the author’s paper *The Multimedia Journalist: Changes in Work Routines*, presented at the conference *Mass Media and Marketing: a New Authenticity of Media Space* (Častá – Papiernička, 2012).
 - 5 For instance, cf. ERDAL, J. I.: *Coming to Terms with Convergence Journalism: Cross-Media as a Theoretical and Analytical Concept*. In *Convergence*, 2011, p. 217.

work of such journalists. Quite frequently, they have not been sufficiently trained for working with different technologies.⁶ According to Aviles,⁷ the emphasis on the speed of publishing (in particular on the web) deprives the journalist of the time needed to verify the information using multiple sources and search the context. At the same time, any such emphasis may mean that the medium will publish untrue or inaccurate information. The convergence was also the focus of interest of Örnebring⁸ (technology prevailing over journalism) or Pavlik,⁹ who believes that technologies have always shaped journalism. Similarly, these issues are also the focus of interest of Metyková and Waschková Císařová.¹⁰

2 Method

Examining the effect of interconnecting the print and web platforms of the selected media on the manner and organisation of work of newsrooms and journalists makes use of the qualitative research methodology. It is a multiple-case study whose advantage lies in a wider data set and the possibility of comparison.¹¹ The data was collected using semi-structured interviews; the quotations have been adapted stylistically.¹² The study examines the newsrooms of the Czech and Slovak “Hospodářské noviny” dailies with a strong focus on economy news, enjoying a comparable position and being considered as quality newspapers. The selection of respondents followed the purposeful sampling method.¹³ The sample includes representatives of three main journalistic professions

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- 6 QUINN, S.: *An Intersection of Ideals: Journalism, Profits, Technology and Convergence*. In *Convergence*, 2004, p. 113; QUINN, S., FILAK, V. F.: *Convergent Journalism: An Introduction*. Boston : Elsevier, 2005, p. 27.
- 7 AVILES, J. A. G. et al.: *Journalists in Digital Television Newsrooms in Britain and Spain: Workflow and Multi-skilling in Competitive Environment*. In *Journalism Studies*, 2004, p. 99.
- 8 ÖRNEBRING, H.: *Technology and journalism-as-labour: Historical perspectives*. In *Journalism*, 2010, p. 69.
- 9 PAVLIK, J. V.: *The Impact of Technology on Journalism*. In *Journalism Studies*, 2000, p. 229.
- 10 METYKOVÁ, M., WASCHKOVÁ CÍSAŘOVÁ, L.: *Changing Journalistic Practices in Eastern Europe*. In *Journalism*, 2009, p. 719–739.
- 11 TRAMPOTA, T., VOJTĚCHOVSKÁ, M.: *Metody výzkumu médií*. Prague : Portál, 2010, p. 62.
- 12 Cf. HENDL, J.: *Kvalitativní výzkum. Základní metody a aplikace*. Prague : Portál, 2005, p. 208.
- 13 *Ibidem*, p. 154.

(functions): editors-in-chief, editors, and newspaper staffers. One representative of each function was selected in every medium, and altogether, six interviews were carried out in September and October 2013 and January 2014. This study examines only several topics of more widely focused interviews.

2.1 The Czech “Hospodářské noviny” and the “Ihned.cz” portal

The “Hospodářské noviny” (in August 2014, the sold circulation amounted to 35,005 copies,¹⁴ while the readership in the first half of 2014 stood at 174,000¹⁵) is an economically oriented daily issued from Monday to Friday. “Ihned.cz” (in August 2014, the number of real users was 741,518 and the number of page views 16,016,481¹⁶) is its news web focusing on business as well. Since 29 September 2014, the newsroom has been applying the *digital first* policy, publishing all the news (the whole newspaper) on the server immediately, rather than waiting for the print publication. It is the first Czech daily that has imposed a fee on the web content. It has used the so-called *metered paywall*, in which several articles in a month are published free of charge and upon exceeding the limit, the reader may purchase a subscription.¹⁷ The “Hospodářské noviny” and “Ihned.cz” are published by Economia (established in 1990). In addition, the company publishes Respekt and Marketing & Media magazines, as well as professional journals, and runs the “Aktuálně.cz” server and the “Deník Insider” (discontinued in October 2014), thematic Internet publications, and free email portals. Since 2008, Economia has been owned by the billionaire and financier Zdeněk Bakala.

14 Union of Publishers. Dailies. Facts and numbers on dailies. Sold circulation of dailies. Dailies – national. *Hospodářské noviny*. [online]. Available at: <http://www.unievydavatelu.cz/cs/deniky/fakta_cisla_denicich/prodany_naklad_deniku/314-deniky_celostatni?did=4.> [24.10.2014].

15 Union of Publishers. Media data. Readership research. *Press release for Q1 and Q2 2014*. [online]. Available at: <http://www.unievydavatelu.cz/cs/unie_vydavatelu/medialni_data> [24.10.2014].

16 Internet Development Association. NetMonitor. Public reports. August 2014. *Public report*. [online]. Available at: <<http://www.netmonitor.cz/verejne-vystupy>> [2.7.2014].

17 E.onomia. For media. Press releases. *The Hospodářské noviny in the new digital form*. [online]. Available at: <<http://economia.ihned.cz/pro-media/tiskove-zpravy/hospodarske-noviny-v-nove-digitalni-podobe/>> [23.10.2014].

3 Convergence of the print and web platform

The convergence of the print and web platform in the “Hospodářské noviny” was initiated several years after the launch of the “Ihned.cz” server¹⁸. Similarly to iDnes.cz, a separate company was established at first, the server had its head office in a separate venue from the newspaper newsroom, and the staff members of both media did not know each other. The Ihned.cz newsroom consisted of only editors converting agency texts or adapted articles published in the newspaper. There were no web-only reporters. *“For instance, there was a person just in case or a few students who starting making quick phone calls when the government collapsed, for example.”*¹⁹ According to the editor-in-chief of special projects, B2B and shared content Petr Orálek,²⁰ the actual integration was initiated approximately three or four years ago when Ihned.cz moved to the common newsroom. At that time, close cooperation on the management level also started, as the portal’s editor-in-chief became the vice editor-in-chief of the Hospodářské noviny.

What is behind the convergence are the economic reasons, owing to the necessity to hit readers consuming the content faster and more digitally than before. The circulation of the print newspapers is thus declining and if the publisher wishes to hit the same number of readers, they have to deliver the content to them using a different platform, i.e. the web. Nevertheless, the economic effect is not unambiguous and direct. *“Paper is not a dead medium, and our publishing company, just as all the publishing houses in this country, is making most of its earnings, I’d say the overwhelming majority of earnings, from paper. So the economic reason of shifting the earnings from paper to the digital media does not work here, and it does not yet work elsewhere in the world.”*²¹ The chief editor Dubský speaks of particular economic reasons for the convergence. *“It saves costs, as when it’s well organised, several people then produce more and higher quality materials to be distributed to various platforms.”*²²

18 The Ihned.cz server was established in 1999. Following the iDnes.cz server, it became the second news server in the Czech Republic.

19 BLAŽEK, V., Domestic news staffer. Hospodářské noviny. Economia Publishing House. Prague. 29.1.2014.

20 ORÁLEK, P., Editor-in-chief of special projects, B2B and shared content. Economia Publishing House. 29.1.2014.

21 Ibidem

22 DUBSKÝ, V., Chief editor. Hospodářské noviny. Economia Publishing House. Prague. 29.1.2014.

The intersection of the platforms thus takes place on the level of taking over the content or possibly, several staff members of the *Hospodářské noviny* write for *Ihned.cz* and vice versa. According to the editor-in-chief Orálek,²³ there is very close coordination, taking place on the basis of daily and weekly planning.²⁴ *“For the time being, we are at the very beginning, and over the short period time since Aktuálně.cz moved in, it has been gradually rising. But we are still in the process of establishing firm rules how it will work. At present, the staff members simply sit in one room close to one another and talk to each other, which is the basis.”*²⁵

According to the domestic news reporter Blažek,²⁶ in the last two or three years (approx. since 2012), the level of convergence or the efforts of converging the Internet and print platform has fluctuated pursuant to the concept pursued by the management at the time. According to him, the fundamental cooperation still works, in essence. The newspaper features an article that is published on the web, for instance, in the afternoon so that the platforms do not “cannibalise” on each other or on the other hand, the news that cannot “wait” to be published in the printed version is published on the immediately or possibly the web publishes the news that would not fit in the newspaper anymore.²⁷

More substantial convergence was initiated in the way that editors of one platform took part in meetings of the other. *“So that we all know what we*

23 ORÁLEK, P., Editor-in-chief of special projects, B2B and shared content. *Economia Publishing House*. 29.1.2014.

24 After completing the research, approximately in March 2014, the factual interconnection in the newsroom made further progress. The changes are also related to the fact that the publisher acquired the *Aktuálně.cz* server and it was necessary to define the concept of the *Ihned.cz* and *Aktuálně.cz* servers. *“We don’t make any differences between the platforms. What matters to us is the paid content and free content that people are willing to read. The fact whether it is distributed via the Internet, on paper, tablets or mobile phones is only a technical matter. In the future, we will strictly distinguish between paid and free content. This is also related to the level of cooperation.”* (ORÁLEK 2014).

25 DUBSKÝ, V., Chief editor. *Hospodářské noviny*. *Economia Publishing House*. Prague. 29.1.2014.

26 BLAŽEK, V., Domestic news reporter. *Hospodářské noviny*. *Economia Publishing House*. Prague. 29.1.2014.

27 However, since the end of September 2014, the whole newspaper has been published on the paid web, as the newsrooms switched to the *digital first* policy.

are doing. And the web news reporting was strengthened with students – tyro journalists and in-house reporters.”²⁸ At the time of conducting the survey, the newsroom was in the “intermediary state”, when after moving to the newly built common premises²⁹ in 2013, the newsroom was managed by the so-called E.collegium, a department consisting of the managers of individual titles produced in the newsroom (the same level was granted to Ilned.cz and Hospodářské noviny, as well as Aktuálně.cz, which was added to the newsroom after the publisher’s acquisition in January 2014, or B2B titles and special supplements. *“We want to change the workflow so that the newsroom may benefit from the synergies as much as possible and eliminate what also worries other media houses in this country, i.e. that individual teams of individual titles work separately. [...] If only one of them did the [...], the other could focus on something else and in depth.”*³⁰ This means that at the time of the survey, the publishing house was planning a substantial change of the management, organisational, and functional structure in the newsroom both in the production and planning. There were teams established throughout Economia (e.g. business news team, general news team, the team of political and general feature, story, interviews, and general current affairs, business affairs team, or the team of B2B titles and special projects). These teams should be responsible for the offer and coverage of their area in all the titles in the whole Economia publishing house. *“There will be teams throughout the newsroom, completely eliminating the difference between people working for Ilned.cz, the Hospodářské noviny and Aktuálně.cz. These will be people responsible for a single content area created in the newsroom.”*³¹

The respondents agree that for the time being, the staff members always prefer the work for the platform where they primarily belong. At the time of the survey, the cooperation of the staff members of one platform with another one tended to depend on the initiative of individual staffers or editors. In the future, however, working for any platform should be taken as equal for the staffers. *“For the time being, most people working for the print, either for the HN, Ekonom or Respekt, work primarily for the*

28 BLAŽEK, V., Domestic news reporter. Hospodářské noviny. Economia Publishing House. Prague. 29.1.2014.

29 Which is a basic assumption of closer cooperation; the shared space shortens communication routes, staff members have to talk to each other, and when they sit close to one another, it is easier.

30 ORÁLEK, P., Editor-in-chief of special projects, B2B and shared content. Economia Publishing House. 29.1.2014.

31 Ibidem

*paper but they write for the web more and more frequently. Those working for the web work primarily for the web but they write for the print more and more often. The highest level of convergence has been achieved in the sport section, where the Aktuálně.cz staffers have been writing for the HN sports pages for already a number of months.*³²

4 Economic circumstances

The opinion concerning the changes in the medium position on the market as a consequence of convergence was aptly expressed, for instance, by the chief editor Dubský: *“If we are not better, we will close down. All the prints have been declining all the time [...], so if we are good, we will have advertising, and the webs will balance the slow collapse of the print and will improve it, and things will be fine. On top of that, we must have good content. If we do not have good content, we will not have advertisers and Bakala³³ will close it down here in a few years.”*³⁴ According to the reporter Blažek, all the brands, in particular Hospodářské noviny and Ihned.cz, as well as Aktuálně.cz, may support well one other, for instance using mutual referencing. He also pointed out the synergy in using well-known journalists. *“Three interconnected newsrooms are capable of generating common faces for the whole publishing house. When you take Šídlo³⁵ through the newspaper, the web and Aktuálně.cz, then this will simply generate clicks.”*³⁶

According to the editor-in-chief Orálek, the direct costs of interconnecting the platforms are difficult to calculate, as the integration and interconnecting the newspaper and the web does not take place only on the workflow basis (as it is the case, for instance, in the Mafra Company) but it also includes the renovation of the building where the newsroom is located. In addition, this was complemented with the acquisition of the

32 DUBSKÝ, V., Chief editor. Hospodářské noviny. Economia Publishing House. Prague. 29.1.2014.

33 The owner of the publishing house, the Czech (or Czech American) billionaire and financier Zdeněk Bakala.

34 DUBSKÝ, V., Chief editor. Hospodářské noviny. Economia Publishing House. Prague. 29.1.2014.

35 Jindřich Šídlo, a well-known commentator and chief analyst of Hospodářské noviny.

36 BLAŽEK, V., Domestic news reporter. Hospodářské noviny. Economia Publishing House. Prague. 29.1.2014.

Aktuálně.cz server and making one hundred staff members redundant in 2013.

The owner does not perceive the media as his core business and according to Orálek, he does not focus on the profit only. *“He says: Follow the latest trends, produce high-quality content and independent journalism, I will not interfere with that but the publishing company should not generate losses³⁷. [...] It is the only survival model, in order to have independent media and to deliver high-quality content, the publishing house must be in a healthy condition since it is not dependent on anyone then. The second alternative consists in subscription fees or any philanthropic person who will sponsor the medium in question.”³⁸*

4.1 Work routines

The manner and organisation of work changes even owing to the fact that the staff members work in the shared newsroom, they are close to each other, can hear and see each other, and may communicate in a simpler and faster fashion. *“I know staffers who are climbing the walls at it, as they were used to working in separate offices for a long time. And this is, if we are talking about open space, probably the biggest newsroom in the country or perhaps in Central Europe. From my perspective, it looks worse than it is in the end. [...] People who do not like large spaces try to sit at least along the edges.”³⁹*

What also changes is the structure of the working time, thus becoming more suited to the web. *“We start work earlier and the peak time of the newspaper production is different. The work of an ordinary reporter must start much earlier than in separate newsrooms. There is a lot of stir already at eight thirty. Before, you could see the same level activity at around ten.”⁴⁰*

37 “This means that if we have the iPad app that does not generate any profit then we need an outlook for two, three or five years how to complete the model so that it becomes profitable then. Because a part of the readership will move there, you cannot do it ex post, but one needs to watch the market and estimate the future development.” (ORÁLEK 2014).

38 ORÁLEK, P., Editor-in-chief of special projects, B2B and shared content. Economia Publishing House. 29.1.2014.

39 DUBSKÝ, V., Chief editor. Hospodářské noviny. Economia Publishing House. Prague. 29.1.2014.

40 BLAŽEK, V., Domestic news reporter. Hospodářské noviny. Economia Publishing House. Prague. 29.1.2014.

According to the editor-in-chief of the shared content Orálek, the essence of the work of staffers and reporters remains unchanged even in the case of converging the platforms. *“They should bring new information in interesting contexts and if possible, they should view them from various angles to offer a complete picture. To a large extent, processing in the future will be up to editors who will provide the corresponding form for the specific medium.⁴¹ [...] The author plays the role only to some extent, as if we force them to write three versions of an article, they will go mad. So, the author delivers a priority article for example for the HN newspaper but before they start writing it, they write two or three quick paragraphs for the web, and the editors will process that and add the background, while the author continues to deal with the article for the newspaper in depth only.⁴²*

The exception consists in important events such as the government resignation, when the newsrooms puts up an operating team in which one reporter deals with quick news reporting, another one works on a big topic for the newspaper, another one writes a commentary, and another one might be a business news reporter, provided it is an event that may affect the market. Everyone knows what they are supposed to do and the information is then collected by editors. According to the chief editor Dubský, the reporters and editors, when working for multiple platform or titles, must communicate more than until now. *“It is the basis in order to make a timely decision whether and possibly when and in what form to put something on the web. [...] We must think more about these things, and thus we must talk about them on time.”⁴³*

The new workflow also partially changes the production schedule. *“An essential change that we pursue in the newsroom is to catch the main “news time”, approximately to six or seven in the evening. There we activate the forces and sources in the newsroom so that the staff members stay here really until six or seven.”⁴⁴* After that, everything is provided by the staff

41 “The web or the Internet writes “happening now” or “happened tend minutes ago”, while the print should write “it happened and for us, it should mean this in the future.” (DUBSKÝ 2014)

42 ORÁLEK, P., Editor-in-chief of special projects, B2B and shared content. Economia Publishing House. 29.1.2014.

43 DUBSKÝ, V., Chief editor. Hospodářské noviny. Economia Publishing House. Prague. 29.1.2014.

44 ORÁLEK, P., Editor-in-chief of special projects, B2B and shared content. Economia Publishing House. 29.1.2014.

members on duty until the night technical deadline. According to the reporter Blažek, nevertheless, an earlier end of the news-making work is not a simple matter in practice. *“We have not been very successful so far. We now have some pages ready even at four o’clock. This is fine but it lays much more significant demands on the preparation the day before. [...] You cannot write a good article under one hour, so when you really want to write well or even when you are writing an editorial and two big pages on top of that, then you do not have time for appointments, catching up with the sources, etc.”*⁴⁵ However, the editor-in-chief Orálek believes that it is useless to complete the articles on which the reporter has worked for three days, for example, at nine o’clock in the evening. In his view, journalists tend to do so as when working for the newspaper, they were used to submitting everything shortly before the deadline and have not become accustomed to another rhythm.

Now, the newspaper should be ready, on a daily basis, between six and seven o’clock in the evening, with the possibility of updates in the case of both expected and unexpected events. *“We want to have the core elements of the newspaper ready earlier, which gives us the possibility to eliminate errors, look at it once again and fine-tune the graphic layout of the newspaper. [...] We have already managed to shift it by about two hours, so we tend to have the newspaper ready around eight, rather than around ten, which was the case half a year ago. [...] Everyone said that it was impossible to shift the deadline from ten to eight, but now they realise that it is possible. For us, another milestone means having it ready at six or earlier. We make gradual progress as the routine is deeply rooted but we carry on.”*⁴⁶ The web schedule remains unchanged: Ihned.cz, as an ever increasing specialised business web, begins to function actively between six and seven o’clock in the morning and finishes at around midnight. Aktuálně.cz, as a classical news web, works continuously.

4.2 The Slovak “Hospodárske noviny” and the “HNonline.sk” portal

The Slovak “Hospodárske noviny” (the circulation in August 2014 amounted to 11,743 copies⁴⁷, while the readership oscillates around

45 BLAŽEK, V, Domestic news reporter. Hospodářské noviny. Economia Publishing House. Prague. 29.1.2014.

46 ORÁLEK, P, Editor-in-chief of special projects, B2B and shared content. Economia Publishing House. 29.1.2014.

47 Audit Bureau of Circulation. Updated audit of newspaper sales. Results of the audit ABC SR. *Current results*. [online]. Available at: <<http://abcsr.sk/>

150,000⁴⁸) is an economically oriented daily. It is issued every working day. HNonline (in August 2014, the number of real users amounted to 498,498, while the number of page views 8,583,893⁴⁹) is the most widely read economic news server in Slovakia. It is based on the content of the *Hospodárske noviny* complemented with the Internet newsroom materials. Until autumn 2013, the selected content of HNonline was subject to a fee via the Piano system (the company offers the paid access to the content of several media), then the web was accessible free of charge following a registration, and since mid-May 2014, the publishing house has been running its own system. A part of the content is free of charge, while the paid HNKonto includes exclusive materials of the newspaper and new web projects (commentaries exclusively for HNKonto, passages of economic publications, etc.)⁵⁰ Both media and other specialist titles are published by the Ecopress Company (established in 1992, it also publishes economic and financial portals and organises events for experts). The company is owned by Agrofert holding, owned by the Czech billionaire and politician Andrej Babiš.

4.3 The convergence of the print and web platform

In the *Hospodárske noviny*, the convergence of the print and the web started in 2008. Before that, there was only an administrator in charge of the web, but the new editor-in-chief Peter Vavro started building the whole web department. According to the head of the economic department Šimková, more significant interconnection was not initiated until the beginning of 2012. At first, the changes were small: for instance, reporters telephoned from press conferences to the newsroom in order to report about what happened, who said what and how they intended to process it. *“Today, every department produces their own author’s texts for the web every day. These are either up-to-date matters or possibly their own matters which may not be as successful in the newspaper but people will read it on the web.”*⁵¹

index.php?menu=vysledky> [24.10.2014].

48 Ecopress HN. *About the company*. [online]. Available at: <<http://ecopress.hnonline.sk/o-spolocnosti>> [2.7.2015].

49 AIMmonitor. *Media*. [online]. Available at: <<http://online.aimmonitor.sk/>> [24.10.2014].

50 Ecopress HN. *Presenting the HN paywall*. [online]. Available at: <<http://ecopress.hnonline.sk/novinky/predstavujeme-paywall-hn>> [24.10.2014].

51 ŠIMKOVÁ, M., Head of the economic department. *Hospodárske noviny*. Ecopress Publishing House. Bratislava. 10.10.2013.

Upon joining the *Hospodárké noviny* in 2008, the reporter Jamrichová⁵² did not notice the web at all, as the newspaper and web were two separate worlds for her. Now, in the past two or three years, in her view, the emphasis on the web has risen by fifty to seventy per cent. According to the editor-in-chief Vavro, the reason for faster convergence is absolutely clear, i.e. the economic crisis. Owing to the crisis, the newsroom has less funding, which means that there are fewer quality staff members available. *“Until 2010, we were experiencing the abundance time. Then we had to start completely changing the approach to the newspaper production, the content production, the cooperation between the web and the print, and other departments. [...] We had to learn to operate more efficiently and universally.”*⁵³

According to the respondents, the level of the convergence of the platforms in the Slovak *Hospodárske noviny* is obviously increasing. *“In the morning, every department must prepare a topic in the plan to be published on the web.”*⁵⁴ The convergence is significantly increasing according to the head of the economic department Šimková, as well. In her view, the web has become the foundation, and the newspaper forms an added value with original own findings which are not commonly available to readers on websites. *“The convergence will continue to grow, there is no other way. The time when people received basic information from the press has gone. Now they have all the information immediately on the web and they also see it in the evening television news, so the cooperation of the press and the web must be strong to avoid repeating things and to provide readers with something extra. If the press wishes to survive, it cannot probably work differently.”*⁵⁵

Similarly, the reporter Jamrichová feels greater pressure on the convergence exercised by the management. *“It’s about a month when following the web redesign, a strict instruction was issued that we have to write more articles for the web, we must have better information there, and the web must be more connected with the newspaper. People who are*

52 JAMRICHOVÁ, P., Reporter. *Hospodárske noviny*. Ecopress Publishing House. Bratislava. 10.10.2013.

53 VAVRO, P., Editor-in-chief. *Hospodárske noviny*. Ecopress Publishing House. Bratislava. 26.9.2013.

54 VAVRO, P., Editor-in-chief. *Hospodárske noviny*. Ecopress Publishing House. Bratislava. 26.9.2013.

55 ŠIMKOVÁ, M., Head of the economic department. *Hospodárske noviny*. Ecopress Publishing House. Bratislava. 10.10.2013.

*essential for the newspaper can no longer bring information only to printed news but on the web, as well.*⁵⁶ According to the editor-in chief Vavro, interconnecting the platforms should focus on enhancing the quality, as the material published on the web today must be well thought of so that it has its added value on the following day in the printed edition.

4.4 Economic circumstances

Approximately in 2009, the *Hospodárske noviny* started to suffer from web “cannibalisation”. *“Intensive work with the web newsroom began to take its toll (as at that time, there were no tendencies to charge fees for the web content) as a lot of readers were switching to the web. But they did not pay anything to us on HNonline. So, all the surveys carried out directly with readers implied that HNonline was the biggest rival to the Hospodárske noviny.*⁵⁷ For instance, the newspaper subscription, however, did not begin to decline only due to an increasing web quality. A lot of companies were cancelling their subscriptions mainly due to cost reductions. Vavro believes that imposing a fee on news servers content is inevitable. It is a closed circle: readers pay for the printed newspaper but do not pay for the same or similar information on websites. As a result, the published has lower incomes and cannot afford to employ so many staff members, and this may be reflected in the fact that there is no one to produce free information on the web.

The editor-in-chief maintains that interconnecting the platforms did not require almost any additional expenses, not exceeding the costs of purchasing additional laptops so that the reporters could be mobile. The respondents do not feel any owner’s effect on the work of the newsroom, as Andrej Babiš declared the independence and untouchability of the content. *“I have no feeling that all of a sudden, we should start writing on poultry or fertilisers.”*^{58 59} The owner does not even deal with whether it is beneficial to interconnect the platforms, as this tends to be the activity of the newsroom and the publishing house. *“Since the moment when*

56 JAMRICOVÁ, P., Reporter. *Hospodárske noviny*. Ecopress Publishing House. Bratislava. 10.10.2013.

57 VAVRO, P., Editor-in-chief. *Hospodárske noviny*. Ecopress Publishing House. Bratislava. 26.9.2013.

58 An allusion to other business activities of the publishing house’s owner, Andrej Babiš.

59 JAMRICOVÁ, P., Reporter. *Hospodárske noviny*. Ecopress Publishing House. Bratislava. 10.10.2013.

*Mr. Babiš acquired HN, we haven't phoned each other. Yet, he is obviously interested in results. And when he is interested in the results and clearly defines the requirements that the publishing house should not be in the loss, these requirements are reflected in personnel measures.*⁶⁰ Currently, the newsroom employs 72 staff members, and following the personnel changes prepared at the time of the survey, the headcount should be reduced by approximately 12 staff members.

4.5 Work routines

Converging the platforms changes the manner and organisation of the work of both the journalists and the newsroom. For instance, the reporters must process the latest news immediately and the selection of topics⁶¹ for the newspaper is more demanding. The publicly known topics have their place mainly on the web, while the unique newsroom topics in the newspaper. Also, the writing style for the newspaper is different from faster news reporting on the web. However, working for the newspaper remains a priority, as the print remains a main source of advertising, i.e. earnings. Similarly, the newspaper still remains to be perceived as more prestigious. *"When I have truly serious information, my own finding, I definitely won't publish it immediately on the web."*⁶² The web does not publish such information until midnight: it is the time when the web publishes the materials which will be in the newspaper in the morning (as at midnight, the competitors cannot manage to include the topic in the newspaper). The second option (being the first one in the case of exclusive information) is that the topic is included in the web's paid section. However, author's materials are also published on the web. Quite often, these include topics also processed by agencies and other media, but they are produced for the web by own reporters, making them more readable and using other sources.⁶³

60 VAVRO, P., Editor-in-chief. Hospodárske noviny. Ecopress Publishing House. Bratislava. 26.9.2013.

61 When presenting the topics, then on the one hand, the web promotes the print (using teasers and separate texts), on the other hand, there is a double column on page two of the newspaper announcing what readers may find on the web. (ŠIMKOVÁ 2013).

62 JAMRICHOVÁ, P., Reporter. Hospodárske noviny. Ecopress Publishing House. Bratislava. 10.10.2013.

63 Ibidem

The web department operates independently, with only sporadic outputs published in the newspaper. Even though the newspaper reporter's priority still remains to be the paper edition, they also work for the web, which means processing the same topic as for the newspaper but in a different manner. As a result, the reporters publish on the web basic single-source information to be developed further for the newspaper. *"Some reporters spent months fighting against the cooperation with the web as it means extra work and suddenly they realised that it is easier because they can produce their single-source straightforward news reporting there [...] For that reason, they started to avoid working for the newspaper. Such reporters do not have a perspective here. I need people who are able to do current stuff for the web, and at the same time, the material for the newspaper. Obviously, I am not speaking of the reporters who produce special economic content ranging from companies and finances to the economy and current affairs."*⁶⁴

Vavro estimates that the number of such people who cannot cope with such a manner of work,⁶⁵ "who can't handle it", reaches ten to fifteen per cent, practically the whole domestic news section (responsible for health care, education, politics, crime, etc.). According to the editor-in-chief, it was this section that was least prepared for the cooperation with the web, not being able to distinguish what is essential for the newspaper and what is essential for the web. *"This department belonged to leaders several years ago, now they're lagging behind."*⁶⁶

64 VAVRO, P., Editor-in-chief. Hospodárske noviny. Ecopress Publishing House. Bratislava. 26.9.2013.

65 The previous manner of work of some reporters was described by the editor-in-chief Vavro (2013) as follows: "When the reporter went to the National Council, they prepared the article from there to be published in the newspaper on the following day. The article corresponded to what was everywhere else, as there are ten journalists sitting in the corridor and taking about which MP they are about to see and which MPs will tell them what. And suddenly the reporters, who used to do this for the newspaper and it was plain sailing for them for the whole day, realised that they might put this on the web only but must prepare a quality article for the newspaper. And there's the rub." Vavro assumes that he will lay off the journalists who cannot cope with the new manner of work. "I can't pay them for something they don't do."

66 VAVRO, P., Editor-in-chief. Hospodárske noviny. Ecopress Publishing House. Bratislava. 26.9.2013.

Conclusion

The economy, new technologies and the Internet: these are the three points behind the fundamental innovations in media. At present, the press is substantially different than ten years ago, for instance. The case study in the newsrooms of the Czech and Slovak *Hospodářské noviny* (as well as another author's study of the *MF Dnes* and *SME* dailies⁶⁷) has confirmed that the convergence of the above-mentioned newspapers with their portals changes the manner and organisation of work of the newsrooms and journalists. The changes are gradual, and yet the convergence of the newspaper and the web continues to deepen.

The Slovak *Hospodárske noviny* is connected with the *HNonline.sk* server similarly to other comparable media, such as the *SME* and *MF Dnes* dailies. The Czech *Hospodářské noviny* is specific, as the interconnection of not only the web and the newspaper, but also almost all the other titles of the publishing house (except *Respekt* magazine) approaches the complete convergence: the reporters do not work as reporters of individual titles or platforms but reporters who should work for the publishing house regardless of the title or platform. The modal verb "should" has been used intentionally here, as the interconnection remains to be a pursued intention of the newsroom's managers, rather than a common practice in everyday activity.

In the Czech and Slovak *Hospodářské noviny*, the newspaper and web newsrooms function, in particular, as a partially interconnected multimedia unit. The newsroom management still does not ask individuals to have multimedia skills; nevertheless, the individual must be able to at least record a video on the mobile phone and send it to the web in the case of hot news. In other cases, the newsroom managers still prefer journalists – specialists. As a result, there has so far been no radical jump in the required scope of knowledge and skills. Nevertheless, there are only a few journalists working solely for the newspaper, while they have to offer material for the web at least sometimes. Interconnecting the platforms thus gradually changes the writing journalist into a multimedia one; for some journalists still working only for the newspaper, working for the print ceases to be the priority, and both version start to be at least equally important. According to the respondents, the greater emphasis on interconnecting the platforms was largely due to the economic crisis:

67 ČURŮK, J.: *Multimediální novinář v redakcích SME a Mladé fronty Dnes*. In *Otázky žurnalistiky*, 2014, Vol. 57, No. 1-2, p. 28-46.

the publishers were announcing redundancies and some activities and functions merged, thus generally increasing the journalists' workload.

This and the previous Czech and Slovak studies, as well as other surveys carried out for instance in Austria, Spain, South Africa, and the Netherlands,⁶⁸ imply that the examined media are searching for the most suitable manner of cooperation and that there is a continuation in the convergence of the newspapers with the portals: the publishers are aware that the media that will not respond, in a timely manner, to the trend of multimedialisation and interconnecting the platforms will have difficulty in maintaining their market position or even their very existence.

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68 Ibidem

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**PARADOXICAL SCHIZOPHRENIA
OF THE HORROR GENRE
WHAT WILL HAPPEN IF WE ANALYZE HORROR
AS A PRODUCT**

Tomáš Farkaš

Abstract

This article deals with the genre of horror and its general and most widely used definitions in film theory, in the contrast with the current state of it. Author also provides another point of view. He proposes a question of what happens, when we start analysing this genre as a *product*. In this light, he puts these widely used definitions of the genre on the level of “articles for sale” and he tries to find out, whether horror genre is or is not a successful product. Author works with general definitions of the genre as well as with a theory of Noël Carroll, who suggests that one of the most important characteristics of this genre is evoking of the genuine fear in the audience. Author also asks, if this genre has stepped away from its original mission – reflexion of an era, culture and most importantly – behaving as a mirror of our most internal fears.

Key words:

Horror. Film. Product. Paradox. Schizophrenia. Fear. Violence.

1 Horror as a genre

The horror genre has had some hard times from the beginning. It was not easily consumable for a common viewer and usually it was attributed with negative properties from its very birth. Darkness, death, violence, fear, all these properties were somehow attributed to this (once?) controversial genre. While most of the theories track the roots of horror genre to the gothic novels of Dracula, Frankenstein or Castle Otranto, in his article “*Notes on the Spiritual Horror Film*” James Kendrick identifies the origins of it even further in the past. He states that it was not a night creature from Transylvania, or a living Monster of Dr Frankenstein who created the basics of one of today’s most popular genres. He traces the roots to the less known and rather ignored branch of poetry, which is called *Graveyard school*. Its traces can be found in the first half of the 18th century, and although we could definitely find an elements of what we now call “horror” for example in the works like Homer’s *Odyssey*,¹ this

1 KENDRICK, J.: Notes on the Spiritual Horror Film. In HANTKE, S (ed.):

school of poets created the ground for many of the iconographic artefacts of our genre. As early as in the works of graveyard poets, we can see such archetypes like ravens, haunted houses, rotten corpses, bones and dark dungeons. We could easily attribute these to any of the authors of horror from E. A. Poe to George A. Romero.²

If we do not want to make this a gothic historical excursion tour, it is important to explain why these poets used such a palette of rather unpleasant affairs. These so called “poets of death” were the monks living in their solitude in monasteries, often at the edge of a cemetery. The notions of seclusion and death were very close to them. Their poetry - often filled with visceral images of disintegration, darkness and after all - death and anxiety concerning what is after - was their own way of dealing with all of these things. All the people concerned with similar questions, anxieties and fears, could find some answer and even peace in this poetry. In other words, although graveyard poetry was loaded with something even we today could define as something repulsive, the second plan was important. Dealing with death, spirituality, shifting away from the substance. Then it is no wonder that the movies Kendrick identifies as late followers of this poetry school are specific for their lack of gore effects, blood or violence (for example *Sixth Sense* from 1999 or *The Others* from 2001). What is characteristic about these movies is that they affect the audience in other way than just to shock - atmosphere is what is important, slow narrative pace and often a twist, making the whole story literally upside-down. It is important to mention that more than anything else, the audience is struck with genuine fear. Maybe that was one of the reasons (albeit looking rather paradoxical today, what we will understand later in this article) these movies were great success - both in the box office and with audiences.

In a theory created by Noël Carroll, fear is something that is very important. In his - in many ways still unsurpassed - book *The Philosophy of Horror - Or Paradoxes of the Heart*, he defined and identified many aspects of the horror genre, by which he answered the question of what kind of power it is behind this genre that attracts the audiences so wildly. One of the important definitions in this book is a definition of a „monster“- an element, which is inseparable part of a horror. Of course, any monster can exist even in a fairytale for children. That is why

American Horror Film. The Genre at the Turn of the Millennium. Mississippi : University Press of Mississippi, 2010, p. 146.

2 Ibidem, p. 148.

he argued further with the statement that fictional character's reaction to a true monster is as to something abnormal, as a disturbance of the natural order.³ In the light of things we are going to discuss in the second chapter, it is also important to mention Carol's assumption that the horror genre is one of those in which the emotive responses of the audience, ideally, run parallel to the emotions of characters.⁴ He also assumes that it is not really the monsters themselves what fascinate the audiences, but their transgressive, unidentifiable nature, and the narrative which leads to their discovery and exposure. In simple and logical steps he also refutes the theories of illusion and make-believe (which assume that a viewer/reader of a fiction is either "magically" cheated by a fiction and really believes in monsters, or plays a game of make-believe with this fiction and pretends he believes the narrative is not fictional) and he introduces his own unique theory which counts on the fact that the fear we encounter (not only) with the horror genre is true and genuine.

In short, we could say that the horror genre can be characterised by the terms like fear, fascination and unknown, and on the other hand we could describe it as contemplation over the death. Film critics, philosophers, psychologists, historians as well as anthropologists could agree on the fact, that horror has a perfect ability to reflect the most inner anxieties and traumas in any country in any time. In other words – from some uncertain point in time, the horror genre started to act as a mirror of a society. Then of course we can define it by its formal elements, usually associated with disgust, repulsion, visceral visualisation of a violence etc, hence all the notions associated with controversy itself. But one problem occurs when we start to look on our genre with slightly different optics. The order of importance of specific features of this genre and of what it "should" offer in ideal conditions changes dramatically, when we start looking at it as on a product.

2 Horror as a product

Film horror as we know it today was virtually nonexistent just a few decades ago. Not just its formal aspects, but also its place among the other genres and their distribution. While probably the most analysed and praised film horror of all time is Hitchcock's *Psycho* from 1960, in

3 CARROLL, N.: *The Philosophy of Horror: Or, Paradoxes of the Heart*. New York : ROUTLEDGE, 1990, p. 16.

4 Ibidem, p. 17.

the time of its occurrence no one really guessed that few decades later it would be considered a canon by an academia. Not only it had a little box office success (an unconcerned viewer would think otherwise), but many film critics identified it more like a comedy than a horror. But Noël Carroll had cleverly shown us the torn personality of Norman Bates⁵ with his definition of a monster.⁶ Later, Charles Derry in his analysis of a film horror identified the traditional iconography of a horror of a personality⁷ in Hitchcock's movie. The first real big horror movie was *The Exorcist* directed by William Friedkin in 1973, which was based upon a success of such movies like *Rosemary's Baby*, directed by Roman Polanski in 1968. Not only could it be described in the terms of a blockbuster (until that moment, horror movies were still widely associated with „B“ production and could not stand next to great war dramas, westerns and romances), but it was both a great financial success and an audience's hit – not mentioning the fact that film critics loved it too. Maybe it is a bit of a curse as well, because apart from this, Friedkin's *Exorcist* (together with Spielberg's never-ending hit *Jaws*, directed 2 years later) started another important era. After the success of this movie, film special effects crawled out of nowhere to a prominent place. What is more important, after the success of such a movies like *Dawn of the Dead* (G. A. Romero, 1978) or *Alien* (Ridley Scott, 1979), the inclusion of the film effects in marketing campaigns became increasingly important, with posters no longer promising psychological but also (and more so) very visceral thrills.⁸

After reading the last sentence, it is not too difficult to jump 30 or 40 years forward and see the results. Although few “chosen ones” (whether directors or academics) show us that the horror genre is not in such a crisis in recent years (critics are particularly focused on the absolute disbelief in American horror film), the reality is rather cruel. Not just

5 Ibidem, Carroll identifies Norman Bates as an impure entity, nor man nor woman, son and a mother in one, living and dead, victim and victimizer in one person – simply put – abnormal being.

6 Ibidem, p. 39.

7 In his book *Dark Dreams* Charles Derry defined three main categories of horror – horror of personality, horror of armageddon and horror of the demonic. Later in the updated version of this book from 2009 he added a post 9/11 era (which he calls „Millennial nightmares“) and a special part was dedicated to Asian horror of the new millennium.

8 MATHIJS, E.: They're Here! Special Effects in Horror Cinema of the 1970s and 1980s. In CONRICH, I. (ed.): *Horror Zone – The Cultural Experience of Contemporary Horror Cinema*. London : I. B. Tauris, 2010, p. 157.

in metaphorical way, but also literally. From the moment when John Carpenter poured fuel into the fame of the slasher sub-genre with his *Halloween* (and maybe with a little help of the *Texas Chainsaw Massacre* and *Last House on the left*), a whole army of demonical beings spawned in its spirit, having their biggest hobby in killing young people. Initially, this new trend was still associated with the “critics-approved” punishment of the “corrupted youth” for their sex and drugs excesses (at least in one case, the killing was a metaphor for the war in Vietnam), but later on, just like with the special effects in *The Exorcist*, it all came down to the killing itself. Uncountable wave of sequels exploded, in which directors and screenwriters were just looking for new ways how to resurrect our demonical antihero – hated before, now celebrated – whose quest was the only one: to get rid of the “props” in the form of the actors the most brutal, inventive and messy way. The times when audiences screamed in terror or were paralysed by fear were replaced by an era, in which the viewer’s clap their hands and cheer with every new and ever-more-sophisticated murder on the screen.

And thus, horror as a product finally started to be successful. But its schizophrenia resides in its resignation to original purpose – to terrify and to touch the inner fears of audiences - not mentioning its most horrifying “quality” of the modern era – its inability to show the real consequences of acts. The violence in the horror movies has, as Charles Derry puts it, too often a make-believe quality. When someone dies, although there may be surprise and screaming, there is not particular grief. Nor is there suffering that lasts beyond the momentary⁹ - and so on. On the contrary, what horror genre really embraced as its own is the violence itself, which is on the same level as any other entertainment, and a narrative, which is based on exploitation rather than exploration. Simply put, the violence shown in the modern horror movies, whether it is a slasher or another of the sub-genres, is “nice”. Special effects (often 3D) mask its real nature; they are an attraction for the audiences, which would probably not even notice if there was no story at all. But then again, what audiences? When we look on the critical reviews of the modern horror movies, we will come to a conclusion, that there is at least a dichotomy in reception of this genre. In the recent years academics have been more or less in the mode of declaring the crisis of this genre. But is it really the audience who yearn after this low and primitive experience? One of the answers can be:

9 DERRY, Ch.: *Dark Dreams 2.0. A Psychological History of the Modern Horror Film from the 1950s to the 21st Century*. North Carolina : McFarland & Company, 2009, p. 6.

No. It is the production company, which (mistakenly?) presuppose that the only way how to safely pour money into the movie is to build it on the traditional, worn out strategies, however in a new “disguise”. Moreover, it’s lazy directors and screenwriters, who lost the ability (or eagerness) to create valuable movies which would evoke the fear, anxiety, and which would again reflect the social issues, rather than just entertain. The simplest litmus test in this case would be to simply ask any of the fantasy/horror genre fans how they perceive the contemporary horror film. The most presumable answers would be that “they are all alike” and “weak” (if not “they suck”). Why is it then that the filmgoer wants to go to a cinema to watch these movies anyway? It is a magical vicious circle at first sight, but we can easily break it with already mentioned Carol’s theory with a slightly melancholic touch: we simply unconsciously hope that one day, there will be again a monster or a story, that will fascinate us. But schizophrenia of the horror genre yet gains a really strange twist, when we connect it with its paradoxical nature.

3 Schizophrenia of the horror product in the light of a paradox

When Alfred Hitchcock directed *Psycho* in 1960, he literally cheated the audience several times. He could afford something, that would be at least inconceivable today – in the trailer to his film in which he acted himself, he introduced the haunted house of Norman Bates and his mother, and he deliberately drew the attention to the wrong things, misleading everyone. He wilfully focused the audience’s perception to specific places in the house, just to elevate the suspense and thus multiplying the effects of the movie itself. At the same time he cheated the audience by presenting them the main heroine, who he then effectively eliminated somewhere in the middle of the movie, stealing the only identification point from audience. By this he achieved an effect, which later became a cult (and of course yes, we have also seen that special bathroom scene cited and parodied nearly everywhere, from the detective comedies to *The Simpsons*). Moreover, he allowed himself to undermine the audience’s convenience and to take away from them something, which they were used to. All this combined with a sophisticated narrative, psychology and editing secured an important place in the history of cinematography for Alfred Hitchcock, probably forever. Some authors and critics even worship him not really far away from the level of fetish.¹⁰ In the context

10 For example Charles Derry, already mentioned in this text, in his book *Dark Dreams 2.0* maybe too often identifies many scenes from the modern

of this article however, we can see *Psycho* as a paradox – but definitely not that one cursed with schizophrenia.

If we stay with the trailers a little bit more and in contrast we focus on the modern movies, dissonant ambivalence of the horror genre will show up nearly immediately. Instead of wisely alluring the potential audiences by not showing them much and thus building the suspense and curiosity, film directors *paradoxically* show too much in the trailers. What is the point in going to a cinema to see a movie, when you already know how the main monster look like, or how do the most suspenseful scenes play out? And what more, when the whole marketing campaign (concerning previews, interviews with the actors and director, and typically the “movie about the movie” as well) for the movie finishes, the viewer even knows how the story itself goes. The fascination with narrative is thereby often completely eliminated and the viewer has the only chance: to be entertained (how else) by special effects themselves. From this moment we can start talking about our paradoxical schizophrenia. The logic starts to tremble when we think about the fact that the production companies pour the biggest amounts of money into the movies like this – to tremble because when we look on their reviews (from critics or audiences), in most cases they are rated rather poorly.

We can find one of the peaks of this contradiction in the year 1999 when two movies appeared. One of them is already mentioned gothic¹¹ *Sixth Sense* (M. Night Shyamalan) and a found footage miracle called *Blair Witch Project* (Daniel Myrick and Eduardo Sanchez). Although the *Sixth Sense* was not that successful within the first days of its screening as were the other, more action packed movies (for example the first part of *The Mummy*), the word of mouth effect of the *Sixth Sense* led to the film remaining number one at the box office for five weeks, by which time it had earned more than 176 million dollars.¹² Paradoxically, as we mentioned in the previous chapter, Shyamalan’s movie was different. Its atmosphere was cold and bleak, the story had a very slow pace and in

horror films in the connection with *Psycho* – what by the way shows an incredibly strong message of this movie, left in the cinematography.

- 11 In this case the *gothic* horror is defined by a branch of movies, referring to the first half of the 20th century, which was dominated by a ghosts, werewolves, vampires and so on.
- 12 ABBOTT, S.: High Concept Thrills and Chills. The Horror Blockbuster. In CONRICH, I. (ed.): *Horror Zone – The Cultural Experience of Contemporary Horror Cinema*. London : I. B. Tauris, 2010, p. 35.

essence, it was a very gentle movie. The use of an action movie star Bruce Willis as a main hero (gloomy Dr. Crowe), trying the whole movie to get closer to young Cole (H. J. Osment) who “sees dead people”, added to the movies strange tone. We do not even have to mention the minimum amount of special effects (gore included) in *Sixth Sense* – and those which were used were more of a visual and editing tricks, rather than CGI. The paradox of the whole success of this movie was nailed by a fact, that there was virtually no conventional happy ending and together with *The Others*, it started the whole new line of a horror movies, which was characteristic for its “from the deads perspective” setting.

In respect to all this, *Blair Witch Project* can be seen as a multiplied paradox. The budget of this movie was incredible 35 000 dollars and within the first days of its screening, it was projected only in 27 cinemas around US and Canada. After the first week, it made leap to 1101 cinemas around the whole country and by the end of the summer (at the end of its seventh week in the cinema) it had earned 128,076,668 dollars,¹³ which - in contrast to its initial budgeted - created hardly unbeatable ratio. Within the context of how the movie actually looks like, it is hard to believe. Just like in *Psycho*, *Blair Witch's* “trademark” shaky camera in the hands of people, running through the forest in fear (preferably in darkness), became a target for many parodies and imitations – which after all could be taken as a homage. Together with amateur actors, grainy image and basically complete absence of anything fantastic, *Blair Witch Project* became one of the most successful horror movies in last 15 years. Like Hitchcock, its creators staked on thoroughly different marketing campaign. Instead of a wild trailers or the movie about the movie, they created a fake webpage one year in advance. There they put fake articles concerning a small group of lost young students, who ventured into a forest somewhere in the states, trying to find a witch, who – according to the folklore – lives there. This way, directors of *Blair Witch Project* created a part of a reality, which naturally fitted among the other news about lost or abducted people after some time. Forasmuch as found footage genre was still only in its birth, they could afford to wrap the whole story into the sensation in the form of the tapes, which were found after these disappeared students. When we look on these things in the light of Carrols thoughts about the natural human fascination by the unknown, we understand quite logically the whole success of this movie.

13 Ibidem, p. 35.

So why is it that we talk about the paradoxical schizophrenia? Although at first sight it is obvious, that the most successful movies (both financially and with the audiences) go “against the flow”, they are still more of a rarity. Their lack of gore¹⁴ effects stays in a great contrast compared to the mainstream horror movies. What is even worse, their direction “against” is kind of literal. In the 9/11 era, which was by many critics correctly identified as a whole new and autonomous chapter in cinematography (especially in the horror cinema), many movies appeared, which earned themselves the whole new sub-genre nick-name. “Torture porn” says it all. In the light of the “war against the terrorism” and Guantanamo prisoners torture, many directors responded by their own version the film reality, which is in essence based on the physical tantalization of the movie protagonists. *Saw’s* or *Hostel’s* setting is founded on a literal torture of the body, documented rather “carefully” with camera – in other words: nothing is happening off-screen and the viewer is able to see everything in detail. How else – today, cinematography and the television broadcast are interconnected by some weird, perverse logic. Shots from the wars from all around the world in combination with increasing criminality (documented carefully by a news crews as well) became the new domestic entertainment. Stirring of the borders between films and newsfeed is but a logical consequence. If we ended this paragraph here, we would end up in paradoxes again. But in the spirit of our previous thoughts – the horror is a schizophrenic genre and thus it is no problem for it to simply deny the whole problem – this time in the form of a myriad sequels (whether its movies like *Saw* or *Final Destination*), which basically duplicate the initial idea, of course in the name of a box office success. But they duplicate it in the name of an “entertainment” as well. The initial idea stays somewhere in the background and is exchanged for the most original methods of a killing and torture. But then again, it is *paradoxical* killing and torture. The fact that it is executed so fancy, neatly, with the “right sound effects”¹⁵ and ultimately in the spirit of

14 In general, gore is defined as active or passive violence in the scenes, perpetrated on a human beings. It includes blood, different wounds, dismemberment etc. For more detailed study of this phenomena, see article of Blair Davis and Kyal Natale.

15 The violence in these movies is less unbearable for undemanding viewers, among other things, because of the sound effects, which “obediently” respond to the images with a disturbing sound – with the only function – to actually alleviate the viewers’ reactions and to keep him safe in the fact, that he is watching the movie. In other words – that he is just being entertained.

the Charles Derry's (and many other film critics) fears – hence being executed without any sense of a real consequences, whether moral or emotional – it is a metaphor for a different kind of a killing. The killing of our own perception and sensitivity to real world problems.

Visualisation of a violence (whether the film violence or a “real” one) has become so solid and deep-rooted part of our culture, that we do not really have to wonder at what movie ended up on the first place in the study of a length of a gore scenes in the article of Blair Davis and Kyal Natale. The “bloodiest” horror in the 1998 – 2007 period was a Rob Zombie's *House of the 1000 Corpses*¹⁶ (more than 18 minutes of pure gore scenes). But that was not the goriest *film* of this period. By far the most blood-possessed movie was Mel Gibson's *Passion of the Christ*, in which pure gore effects last more than 30 minutes.¹⁷ In the same study, Davis and Natale point out that even in an average episode of a TV show like CSI (in our country routinely broadcasted during the day) we can find several minutes of a gore scenes, which is actually more than in some of the horror movies.

4 Conclusion with one more answer

When we look on the horror genre from a little bit higher perspective (and on a bit bigger time scale), we will find out that the paths of its traditional definitions and “objectives” and its real and actual form in the light of our “horror as a product view” are departing. In practice, these notions are completely different. The ideal horror really terrifies us, whether with its content or a form,¹⁸ it presents themes which are usually tabooed and which touch our souls on its most vulnerable places. The modern horror, which subordinates its existence to a box office success – is not scary at all. On the contrary, it offers us an entertainment on the level of any other genre or a movie we want to watch for a relax. Thus, it *schizophrenically*

16 DAVIS, B., NATALE, K.: „The Pound of Flesh Which I Demand“, American Horror Cinema, Gore, and the Box Office 1998 – 2007. In HANTKE, S. (ed.): *American Horror Film. The Genre at the Turn of the Millennium*. Mississippi : University Press of Mississippi, 2010, p. 42.

17 Ibidem, p. 50.

18 In some cases it is enough to just leave the violent scenes with its real sound and without any musical score. Director undermines the viewers' perception this way and deals him a deep hit without a warning – just like the reality does.

abandons its real nature, yet *paradoxically*, the most successful movies are those which actually refuse this modern way. How Davis and Natale's study shows us, the audiences respond much more positively (financially and otherwise) to a movies with less blood and violence. In the contrast with aforementioned *Blair Witch Project*, we could analyse similarly fashioned and till now controversial pseudo-documentary called *Cannibal Holocaust*, directed by Italian Ruggero Deodato in 1980. In this movie, for a change, the narrative took us to a jungle expedition, of course with a completely catastrophic consequences for characters. Although both movies are similar, *Blair Witch Project* was much more successful,¹⁹ not showing a drop of blood – among the other things. The only thing *Blair Witch* offered us was a pure fear. A nice experiment on its own worth trying would be to show Deodato's brutal horror to a today's modern and young audiences – the violence in his movie was everything but “nice”.

Despite everything that has been said here, we still have to take into account that the horror genre is incredibly complicated. Whether it's all the contrasts we mentioned here or its sole “existence” within the film theory and history as well. According to Adam Lowenstein, we are still stranded in the shower at the Bates Motel – blind to various national and cultural contexts that must complicate our understanding of the modern horror film as a genre very much engaged with, rather than estranged from, traumatic history.²⁰ In other words, most of the historical surveys into this genre usually concentrate around USA, although just like many other things, this genre stemmed in and has prevailed in many other countries and many other contexts. If we for example look on a New French Extremity cinema (directors like Pascal Laugier or Alexandre Aja), we can easily find out that the violence presented in their movies is often much more brutal, than “pop” violence in movies like *Hostel* or *Saw*. But their movies are different on the other levels as well – narrative processes are diverse, their visuals and content resemble art-house more than anything else and in the end, they do not really attract the production companies focused on the box office and financial “safety”. A little paradox again, but this time a logical one – if we presented the movie *Martyrs* (2008) to a fans of a *Saw* franchise, they would be probably unpleasantly surprised

19 HUTCHINGS, P.: *The A to Z of Horror Cinema*. Plymouth : Scarecrow Press, 2009, p. 102.

20 LOWENSTEIN, A.: *Shocking Representation. Historical Trauma, National Cinema, And The Modern Horror Film*. New York : Columbia University Press, 2005, p. 10.

by how diametrically different emotions a movie can evoke in them, although they have been “prepared” for a graphical violence by their fancy pop horrors. The same process could be presumably very similar with the movies of Michael Haneke, a German director who too works with the violence in a different manner. When one of the characters in his movie *Funny Games* (1997) has his leg smashed with a hammer by two anti-heroes, he stays effectively paralysed in pain till the end of the movie (or more precisely, till his death).

Thus, what will we find out, when we start analysing the horror genre as a product? First of all it is its complete diversion from its original definitions – fear is exchanged for fun, suspense from the unknown changed for our favourite killers expectation excitement. But at the same time, we are able to answer the question *what is it, that the horror genre itself fears the most*: it fears its own failure. Ultimately, it is still people, who create a horror movies and not some unidentified entity. But the fear of failure can be seen from a much more serious point of view – it is a metaphor for our denial of a reality and for conformity. We want to be terrified, but we want it “safely”. But as some recent movies has shown us (for example *Oculus* from 2013, or such a blockbuster like the new *Godzilla* from 2014), it can be done in other way as well. A movie can exist, which can be visually very attractive and which – apart from the traditional narrative – contains the second, much more serious layer of the story, that one, which has to be decoded and read by an active viewer without the helping hand of a director or a screenwriter. And when the horror as a product learns how to use these options, there is a great chance that it can be “cured” from its paradoxical schizophrenia.

Yet, there is one more alternative of the answer from the second chapter. *“But is it really the audience who yearn after this low and primitive experience?”* As a second alternative, the answer can be “yes”. In that case, and with a little bit of an apocalyptic undertone, we can state that the horror as a product in fact perfectly fulfils its ideal function: it works as our mirror and it shows us exactly what we need: the fear of the fear itself.

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INNOVATION IN PRINTED MEDIA

Peter Krajčovič

Abstract

As in the other areas of enterprising, media are also doing the business with the aim of making the profit. They are affected by a number of factors and the application of basic strategic principles is a prerequisite for their successful operation. One of the basic strategic principles can be considered just the innovation process. Technology is one of the main preconditions for the development and innovation in almost every medium, newspapers and magazines including. This paper gives the examples of innovations in print media and electronic versions named as the news sites and considers the answers of using innovations in the print media. It describes the current situation on the print media market and shows examples of using innovation in newspapers and magazines. This paper contains also results of survey targeted the using of print media innovation by the readers and web portals visitors.

Key words:

Innovations. Media market. Print media. Web portals.

Introduction

The media is constantly trying to adapt to changing market conditions, respond to current trends and adapt to changes in consumer behaviour. The result of this tendency is a media innovation of products, processes and marketing practices. Much more than ever, we meet with the technological innovations that have become the driving force of business, not only in the media environment.

The media are developing more digital formats, creating more attractive and credible content and through their own websites they are trying to appeal a younger audience. Just audience is the constant innovation of media that are trying to adapt to the changing trends and habits of readers, viewers or listeners. In addition to marketing, product and process innovation, more often we are witness of so called innovation of the highest order, that alter the traditional culture and the media function. Most prominently, this trend can be observed just in the periodicals, which due to the development of the Internet and digital technologies, has created a totally new concept of media diametrically different from

the original one, but still maintaining the basic nature of newspapers and magazines.

1 The importance and nature of innovation

Innovation have recently served as a means of bringing science, technology and enterprise policy together. However, the issue of innovation must be looked at from a comprehensive perspective, especially as a systematic and coherent phenomenon. Due to the rapid development of science and technology, innovation is becoming increasingly sophisticated and at the same time indispensable in every business.

Organisation for Economic Cooperation and Development (OECD) defines innovation as “*changes that consist of scientific, technical, commercial and financial steps necessary for the successful development and application to market a new or improved product.*”¹ These changes may also serve for commercial use of new or improved processes, respectively. equipment, or for a new approach in social services.

The comprehensive concept of innovation can be regarded as a “*purposeful, dynamic development process, resulting in a positive change aimed at improving the reproductive process and delivers satisfying consumer needs.*”² Innovation is a key element of achieving change. This change could become manifest in several areas and at different levels. Schumpeter distinguishes 5 different aspects of innovations:³

- introduction of new products, respectively. originating products with new properties,
- the use of new production techniques, production processes and ensure the production of new business,
- opening new markets,
- use of new raw materials or intermediate,
- changes in organization of production and its security.

Innovation in the enterprise need not concern only the products but also technology, the means of production or even a professional qualification

1 *The knowledge based economy.* Paris : OECD. [online]. Available at: <<http://www.oecd.org/sti/sci-tech/1913021.pdf>> [19.10.2014].

2 ČIMO, J., MARIÁŠ, M.: *Inovačná stratégia firmy.* Ekonomická univerzita v Bratislave : Ekonóm, 1999, p. 18.

3 *Ibidem*, p. 18.

structure of workers or organizational structure of the company. Čimo, Mariáš distinguish innovations that bring so called quantitative and qualitative changes as well as changes with positive or negative socio-economic implications.⁴

According to Cooper innovations include the use of knowledge and are able to generate and apply a new idea virtually bringing about advantage.⁵ Every innovation additionally goes through several phases. Since the birth of the initial idea, through the process of generating ideas to the selection of the fittest of them and finding solutions for their implementation. Edwards and DeBridge define three basic phases formation of innovation: (1) *inventiveness* (the birth of an idea, finding a particular context); (2) *diffusion* (research, exchange of know-how, invention stand) and (3) *implementation* (performance innovation company and putting into practice).⁶

Literature also distinguishes among different degrees of innovation, depending on the rate of change or progress. Booz-Allen and Hamilton listed six degrees of innovation: (1) *The development and improvement of an existing product*; (2) *The new product that looks and feels like an existing product, but has a lower cost*; (3) *Existing oriented products to new markets*; (4) *Additional products on the production line*; (5) *Creation of new production lines* and (6) *Complete new products*.⁷

This classification is characterized by the production sphere. With some variations this could be also applied to the area of service production, and thus to the field of media. However, it is necessary take to the consideration the specifics of media marketing and character of media products.

Innovation does not always represent only new, respectively improved product or service. It's just so called the first dimension of innovation.

4 Ibidem, p. 19.

5 COOPER, R. G.: *Winning at New Products : Accelerating the Process from Idea to Launch*. Reading, MA : Perseus Books Addison-Wesley, 1993, p. 24.

6 EDWARDS, T, DEBRIDGE, R., MUDAY, M.: *Understanding innovation in small and medium-sized enterprises*, 2005, Vol. 25, No. 10. [online]. Available at: <<http://www.sciencedirect.com>> [19.10.2014].

7 GOFFIN, K., MITCHELL, R.: *Innovation management: strategy and implementation using the pentathlon framework*. New York : Palgrave Macmillan, 2005, p 158.

In practice, we can meet with other three ones. The second one is called upon request, the third one innovation in the production and operational processes and the fourth one is called as a business process that can offer customers more favourable conditions or even reduce social costs.

By analysing the extent and degree of innovations, we can easily identify which products or services should be innovative and how can they sustain or increase market competitiveness. A degree of technological progress, which classifies the level of changes, is referred as an innovative class. Čimo and Mariáš are classifying innovations according to the degree of innovation changes in to the eight categories: (1) *regenerative changes*; (2) *quantitative changes*; (3) *organizational changes*; (4) *change adaptation*; (5) *variant changes*; (6) *generational changes*; (7) *generic amendments* (8) *gender shifts*.⁸ In this case we are talking about the so-called eight stages of the innovation spectrum.

Innovation can be also seen as a culmination of the process of continuous changes. However, this process never ends and can be described as continuous. Currently, there is a constant innovation spread spectrum, as well as areas in which innovations are its application. Media market is not exception. Despite the relatively short history of media marketing, innovations in the media can be considered as one of the key aspects of their successful operation.

2 Innovation in the media

As in the other areas of enterprising, media are also doing the business with the aim of making the profit. The various media entities, whether by publishers, media houses or television and radio, can be considered as a standard business entities operating in the market environment. They are affected by a number of factors and the application of basic strategic principles is a prerequisite for their successful operation. One of the basic strategic principles can be considered just the innovation process.

Technology is one of the main preconditions for the development and innovation in almost every medium, newspapers and magazines including. We can talk about the new formats, printing technologies and technologies linking so called paper versions with the internet or

8 ČIMO, J., MARIÁŠ, M.: *Inovačná stratégia firmy*. Ekonomická univerzita v Bratislave : Ekonóm, 1999, p. 20.

application allowing to integrate video into the print - all this are adding value and enhances to the print media, so they can compete with others, especially with the electronic media.

In practice, we can meet very often the innovations in digital technology, the exception are not even innovation in the processing and designing of newspapers and magazines, as well as the integration of technologies allowing interconnection of the periodicals with the internet. In the following sections we are describing all examples of innovations in print media and electronic versions named as the news sites.

2.1 The size, shape and design of periodicals

The most common example of innovation in the print media is a change the newspapers and magazines visual. This is particularly the change of logo or redesign the overall visual processing content that adapts to the single identity of the journal. Often there is also applying the same principles and graphics into the online environment. Another example of the innovation is the change of the shape or size of the journal. The new format of newspapers and magazines belongs to one of the most visible innovation in the traditional print media. Change of the format very often refers to the transition from the so-called traditional (leaflet) formats towards more compact, so called tabloid, formats. This trend also hits some mainstream newspapers which so far were based solely on traditional forms. Many publishers are trying to change the format. If it is necessary, they are trying to customize and develop a variety of unusual shapes and sizes of newspapers and magazines. The more publishers and printers understand the habits and needs of readers, the more we will meet in the future with the innovations currently in the magazine and newspaper formats.

2.2 Printing technology

Many innovations in print media are directly linked to the innovation in printing technology. That is a huge progress in this sector significantly influences the changes in newspapers and magazines. An example is the using or mixing inks with essential oils. The reader can get newspapers and magazines with a specific odour that is often used primarily to print advertising. Another example of using printing innovations is so called thermo-chrome cartridges, which allow to change colour with a change in temperature or print using the 3 D technology.

2.3 The integration of digital technologies

Thanks to the innovations in digital technologies there is able to integrate the print media with their electronic editions. The most used are special codes called QR codes (Quick Response codes) that are allowing to use a mobile phone with an appropriate reader application to read this code and accept the additional content from the electronic version of the journals. Another example is the use of so-called augmented reality (AR), which is allowing you to create imaginary visual impression with using special printing labels. These signs, they are seen by the camera, open or create imaginary world moving scene, eventually allow you to participate in a virtual game. These technologies are most frequently used in advertising. Innovations in digital technology enable to integrate also a multimedia content like HD video into the classical issues of periodicals. The VIP (video-in-print) provides audio-video channel directly on the pages of newspapers and magazines. This is a small screen with a diagonal of 90 mm and 3 mm thick, which can play high-definition video. This technology not only increases the effectiveness of advertising in print media, but also allows you to add the content previously reserved exclusively for television or the radio.

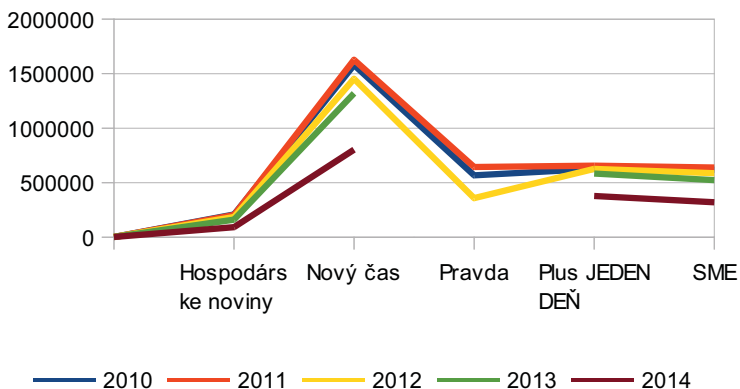
2.4 Innovations of the on-line environment

Notwithstanding the examples above, the biggest change in the print media can be considered the innovation connected with a creation of digital content. The development of digital technology, especially the Internet, affected print media the most significantly. While publishing content on the Internet is closely linked with the development of the Internet and now it can be considered inherent to the existence of print media, examples of innovation can also be present in this area. Mainly related to the disclosure of digital content to mobile devices and tablets, as well as creating different platforms, enabling more convenient and faster viewing of digital content. Example of such innovations is also a RSS technology or service for sending information from news portal to the email address of the user. Widget is a technology to insert window with the latest information from news portal to any website for free. This technology is allowing adjustment issues, as well as a content filtering and displaying style reports. Technology called as the RSS (Really Simple Syndication) is a service for merging reports, news content sites and personal nature of blogs. This allow the reader to reduce the content of the news portal into an informative contributions that can be viewed with

using a specialized program. The user can then set his own preferences and watch the actual content of the news portal in his feed placed in the web browser. Another example of innovation in the case of news sites is to make a variety of free services for users. This can be for example a possibility of creating the own content with using blogs, video blogs or respond to the comments by the editorial content. Examples might also include innovations as well as showing the various most reading articles, articles from different sections, which the reader can choose according to his own preferences. Special categories are the mobile applications that are allowing monitoring of current news portals content directly in a mobile device. Viewing the content is adapted to the size and shape of the mobile devices and viewing the media content is more comfortable.

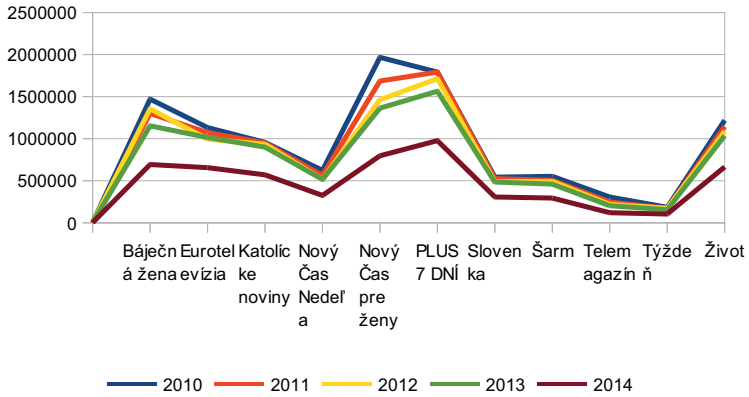
3 Innovative use of print media

Reading of periodicals has been significantly decreased in past years, what we can see also in the downward trend of sales the individual newspapers and magazines. According to the ABC Slovakia results, the marketability of individual periodicals is continuously decreasing, what is confirmed by the Graphs 1, 2 and 3.

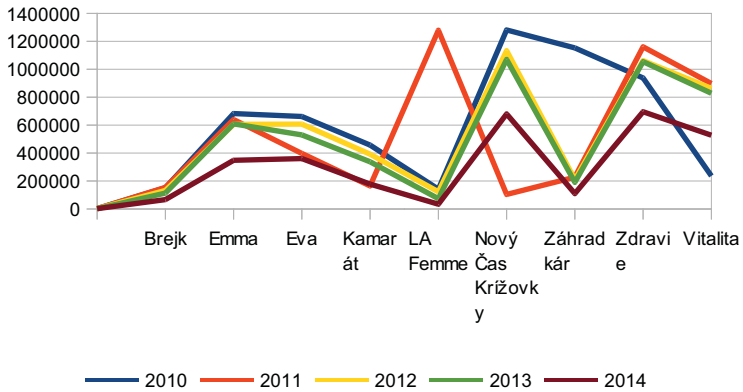


Graph 1: An overview of the selected newspapers merchantability development

Source: Own processing. Data: ABC SR



Graph 2: An overview of the selected weeklies merchantability development
 Source: Own processing. Data: ABC SR



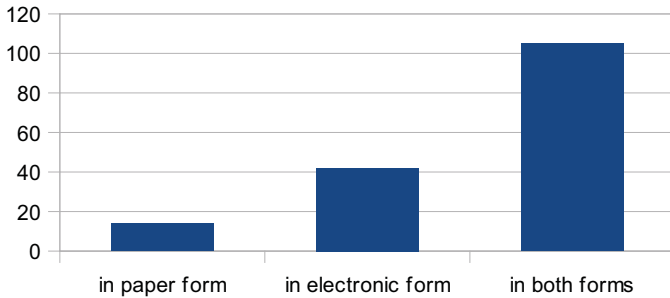
Graph 3: An overview of the selected monthlies merchantability development
 Source: Own processing. Data: ABC SR

At the same time an interest to the Internet and the use of social media is increasing, especially among the younger generation.⁹ Therefore we can assume the increased interest of the young generation on newspapers and magazines content published on the Internet. At the same time the results of a Mediaresearch study¹⁰ about paying for the content published on the Internet show that Slovaks are still very conservative and almost half of the respondents said, that they would never pay for this content. This trend is confirmed by the results of survey the authors Čábyová and Butoracová-Šindleryová¹¹, whose aim was to find out the percentage of respondents using the services of Piano. The results showed that the majority of interviewed people had never used it, although they are daily connecting to the Internet. Therefore the question is whether the innovations in print media and their electronic editions are used or not by the current readers. The conclusions of these studies and questions indicated above encouraged the inquiry utilization rate of innovation in this field among the young generation.

In our empirical survey we used a structured questionnaire. We contacted 161 respondents in age of 20 to 25 years. We investigated the extent of using the current innovations in print media and their electronic editions. The results of our survey showed that more than 92 % of respondents are reading newspapers and magazines in their electronic form, while 26 % of them are reading them exclusively electronically and more than 65 % at the same time in both electronic and printed form. The results are shown in Graph 4.

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- 9 VRABEC, N.: *Úroveň mediálnej gramotnosti mladých ľudí na Slovensku. Výskumná správa*. Bratislava : IUVENTA, 2008. [online]. Available at: <http://www.iuventa.sk/files/documents/7_vyskummladeze/publikacie/media_mlade.pdf> [19.10.2014].; Compare with: VRABEC, N.: *Digitálni domorodci na Slovensku: komunikácia a nová identita mládeže v on-line prostredí*. In *Communication Today*, 2010, Vol. 1, No. 1, p. 83-93.
- 10 *Spoplatnenie obsahu na slovenskom internete*. [online]. 2010. Available at: <<http://pt.slideshare.net/kvasinka/prieskum-spoplatnenie-obsahu-na-slovenskom-webe>> [19.10.2014].
- 11 ČÁBYOVÁ, L., BUTORACOVÁ ŠINDLERYOVÁ, I.: *Trh printových médií a možnosti jeho inovácií*. In *Podnikanie a inovácie podnikateľských aktivít VIII.*. Prešov : Vysoká škola medzinárodného podnikania, 2013.

In what form are you reading newspaper or magazines?

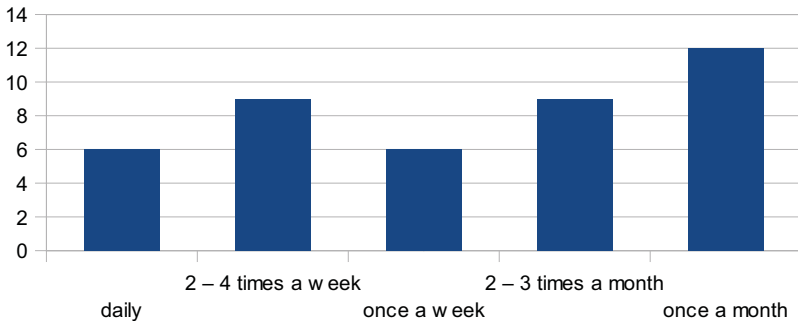


Graph 4: The form in which respondents are reading newspapers / magazines

Source: Own processing. N = 161 respondents

Despite the fact that more than 65 % of respondents said they are reading newspapers / magazines in printed form (along with the electronic version), the issue of the specific periodical is regularly buying by little more than a quarter of respondents. The results shown in Graph 5.

How often do you buy newspapers or magazine?

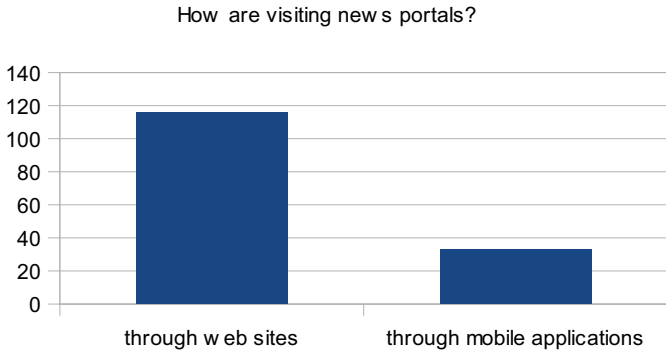


Graph 5: The frequency of buying newspapers / magazines

Source: Own processing. N = 42 respondents

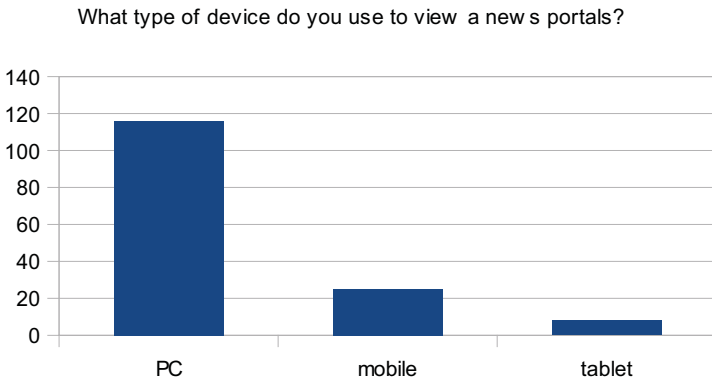
In the case of viewing the electronic forms of newspapers and magazines (we can consider it the same as a visiting the news web portals) among

respondents is dominating browsing through the website of the media (almost 78 % of respondents among those who are reading newspapers / magazines in their electronic form, or also in their electronic form). These results are shown in the Graphs 6 and 7.



Graph 6: The way of visiting the news portals

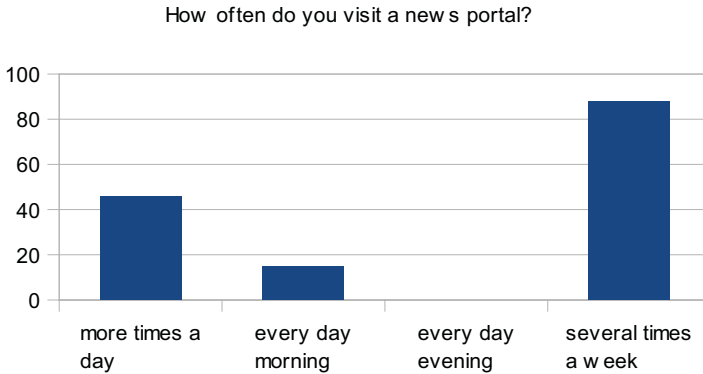
Source: Own processing. N = 149 respondents



Graph 7: The type of device used by respondents when they are visiting news portals

Source: Own processing. N = 149 respondents

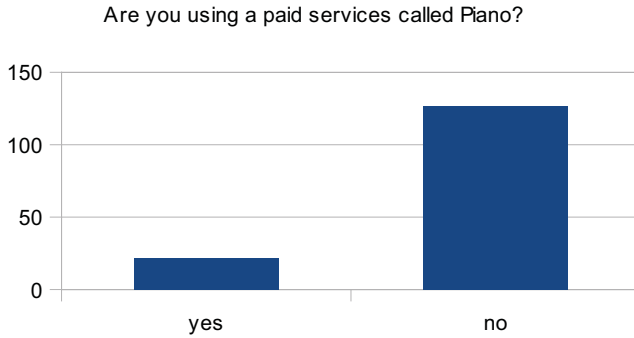
In the case of respondents who are reading the electronic edition of newspapers and magazines, the largest group of the respondents is attending the news portals several times a week (59 %), followed by a group of respondents who is attending a news portals several times of day (nearly 31 %). The rest is a group of respondents who is attending news portals once a day, usually in the morning (10 %). The results are shown in Graph 8.



Graph 8: The frequency of visiting news portal by the respondents

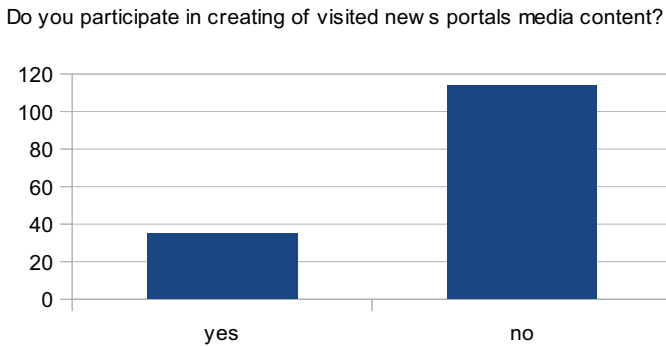
Source: Own processing. N = 149 respondents

Although the majority of respondents (over 92 %) are attending news portals, only 15 % of them are using the services of paid content (Piano). Also, a very small group of respondents (just over 23 % of respondents) is actively engaged in creating of the news portals media content in the form of blogs or comments which they are attending. Social networks for tracking the news portals content are used by almost 56 % of respondents. The results are shown in Graphs 9, 10 and 11.



Graph 9: The rate of using the paid content services on the Internet

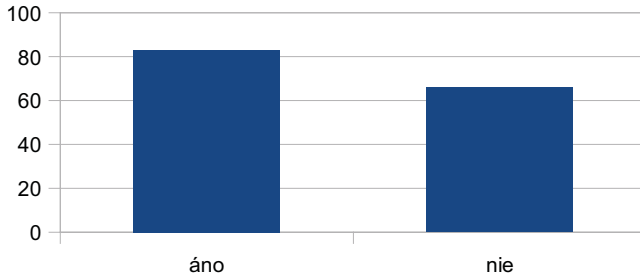
Source: Own processing. N = 149 respondents



Graph 10: The rate of using blogs and comments during visiting news portal

Source: Own processing. N = 149 respondents

Do you use social networks to trackle the visited new s portals?

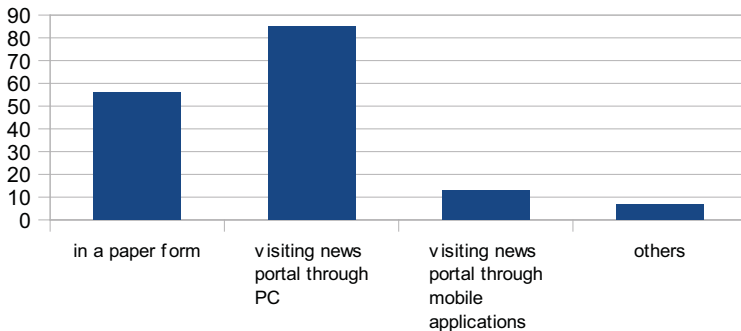


Graph 11: The utilization of social networks content for tracking the news sites

Source: Own processing, N = 149 respondents

Almost 35 % of respondents still best suits reading newspapers or magazines in their paper form, the rest of the respondents prefer so called news sites. However, only slightly more than 13 % prefer reading online editions of newspapers and magazines with using their mobile phones. The results are shown in Graph 12.

Which of the following ing forms of reading periodicals suits you best?



Graph 12: The most preferred form of reading newspapers / magazines

Source: Own processing, N = 161 respondents

Conclusion

Despite many prejudices about the future of print media, they have reported in recent years a significant progress through the innovations. Technologies such as augmented reality or on-line environment pave the way for a new type of content and linking the substance material of print media with the immediacy of the digital world and are bringing a new life into the oldest type of media. Furthermore, these technologies enable the print media to become more attractive, but also interactive and usable.

Interactivity in print media reinforces the experience of reading and allows the reader to engage with the content itself, which was previously not possible. The rate of use of each innovation is not directly proportional to their development. This is confirmed by the results of the empirical survey, according to which readers visiting news portals do not use a number of innovative features that are available. The most used is still the classical form of viewing or visiting web pages of individual titles – with using a personal computer. Visiting the news portals is still in most cases preferred before reading the classical form of newspapers and magazines, and absolutely dominates in comparison with buying the printed versions of periodicals.

From these results we can conclude that innovations in print media must be based primarily on the understanding customer needs. For many of them remains a priority to obtain free and convenient information about current events in society. Newspapers and magazines must therefore better understand the changes in consumer behaviour and find their area of interest that they may be offered.

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NEW MEDIA IN PROMOTION OF POLISH THEATRES AND THEATRICAL PROJECTS – ON THE EXAMPLE OF GLIWICKI TEATR MUZYCZNY

Katarzyna Walotek-Ściańska

Abstract

The paper aims at presenting the possibilities of using the on-line tools in the evaluation of perception of cultural institutions and their promotion. The author presents the results of the research conducted within the research project The analysis of presence and activity of theatres in the Silesian voivodeship in the social media space. The author was the project initiator and manager. It is worth to emphasize that it was an innovative research which has not been conducted on such scale in Poland so far. The paper is a case study.

Key words:

Cultural institution. Gliwicki Teatr Muzyczny. Internet. Marketing. Social media. Theatre.

Introduction

The paper is the proposal of the research analysis of the presence of a cultural institution - a theatre - in the Internet. The author presents a case study. The activity of Gliwicki Teatr Muzyczny in the Internet space has been analysed. The following research methods have been used: social media content analysis, measuring users behaviour on theatres websites (the measurement of the participation in the dialogue and the level of involvement), opinion survey, expert interviews.

According to the research goals set, the results of the final report presented in the paper may become an inspiration for cultural institutions managers to introduce the concepts of social media marketing. They may also be an important source of information for theatre managers. The research methods proposed allow to identify the expectations and habits of the receivers.

The aim of the paper is to indicate the necessity of conscious planning and managing theatre's presence in the network. Introduction of the social media marketing concept in the culture institutions should be well deliberated and it should be carried out in certain stages:

- appointing the social media marketing team;
- planning the social media marketing strategy;
- social media management;
- integration of the social media marketing concept with other processes occurring in an organization.

1 The analysis of the activity of Gliwicki Teatr Muzyczny in the Internet space

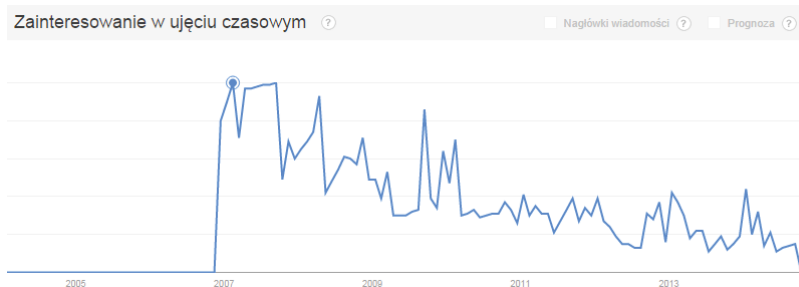
1.1 Visibility in Google search engine

After typing the phrase “Gliwicki Teatr Muzyczny” in Google search engine, 113 000 search results appear (the results were measured directly in the search engine, using the search tools and settings for Poland as the localization). With default settings (and the dates set as “Any time”) the first page that is shown in Google is Gliwicki Teatr Muzyczny official webpage - www.teatr.gliwice.pl Apart from the main page link, the so called Google Maps with the theatre’s address are shown: Nowy Świat 55/57, Gliwice and the phone number. There are also subpages such as: “Repertuar” (Repertoire) , “Historia” (History), “Bilety” (Tickets), “Aktualności” (News), “Kontakt” (Contact) and “Noc w Wenecji” (A Night in Venice). By clicking “more results from teatr.gliwice.pl” we are redirected to the subpages results and bookmarks at www.teatr.gliwice.pl indexed by Google. Till 15.10.2014 Google had indexed 4530 results.

Apart from the text results, after typing the phrase “Gliwicki Teatr Muzyczny” in Google search engine, there is also a possibility to view the photos by means of “See photos” option, redirection to Google Maps with Gliwicki Teatr Muzyczny tagged, “Directions” button (a user is redirected to Google Maps). One can add a review through the “Write a review” button. One can also read reviews and comments of others through trivago.pl By choosing the “Videos” option in Google search engine and entering “Gliwicki Teatr Muzyczny” we can find 3000 results. The first one offered by Google is the Official YouTube Channel of Gliwicki Teatr Muzyczny available at: <http://www.youtube.com/user/GliwickiTeatrMuz>. When browsing Google news, 691 search results will show up after typing the phrase “Gliwicki Teatr Muzyczny”. The latest news is from 9 October 2014 and was published in e-Teatr.pl portal.

1.2 Google search engine – interest in the phrase “Gliwicki Teatr Muzyczny”

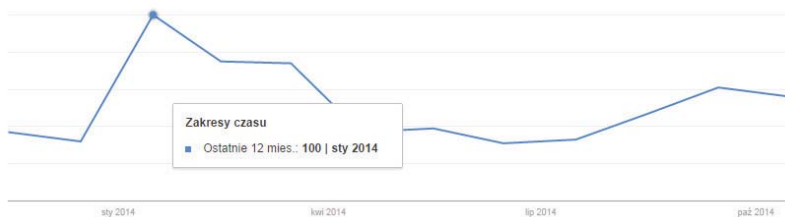
According to Google Trends, the biggest interest in the phrase “Gliwicki Teatr Muzyczny” in regard to time was in February 2007.



Picture 1: Interest in regard to time - Gliwicki Teatr Muzyczny - Google Trends

Source: Google.pl/trends

If in the analysis we consider the areas from which users were searching the topics related with Gliwicki Teatr Muzyczny most often, the city of Gliwice received 100/100 points (which seems logical and justified). In the last 12 months the biggest interest with the phrase “Gliwicki Teatr Muzyczny” took place in January 2014. It dropped down between April and July but it has been increasing again since August.



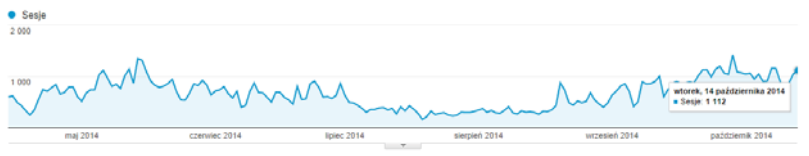
Picture 2: Time-related interest - Gliwicki Teatr Muzyczny - Google Trends last 12 months

Source: Google.pl/trends

1.3 The analysis of traffic on www.teatr.gliwice.pl webpage

Google Analytics was installed for www.teatr.gliwice.pl on 14 April 2014. The first measurement of a session amounted up to 596 but, for example, on 14 October 2014 it was already 1112. Thus, we can conclude that the

number of visitors increases with each month. This tendency has been clearly shown on the graph below.



Picture 3: The number of sessions - www.teatr.gliwice.pl

Source: Google Analytics upon the consent of Gliwicki Teatr Muzyczny

The best month, in this regard, was September 2014 with 26 847 sessions. The worst month was July - 10 403 sessions. The most visits within one hour took place on 14 May 2014 at 21:00 when 137 sessions were recorded on the webpage. The number of all sessions until 14.10.2014 was 120 121 and there were total of 527 246 page views. The average time of a session is 3 minutes 46 seconds. The bounce rate is surprisingly low, namely 35,80 %. Thus, we can state that the webpage of Gliwicki Teatr Muzyczny is visited by persons who were looking for this specific theatre.



Picture 4: Statistical data since 14 April 2014 - www.teatr.gliwice.pl

Source: Google Analytics upon the consent of Gliwicki Teatr Muzyczny

Google Analytics reports that 58,5 % of the sessions was initiated by new users. 41,5 % of the users are the internet users re-visiting Gliwicki Teatr Muzyczny's website. The number of all page views - visits at www.teatr.gliwice.pl amounts up to 527 246. The most page views was recorded on 29 September 2014 - 6770.



Picture 5: The biggest number of page views - www.teatr.gliwice.pl

Source: Google Analytics upon the consent of Gliwicki Teatr Muzyczny

Similar to the sessions, the most page views happened in September 2014. The worst month regarding the number of page views was July 2014. The biggest number of page views within one hour was recorded on 5 October 2014 at 22:00¹.

1.4 Demographic data regarding visitors of www.teatr.gliwice.pl webpage

The vast majority of the users visiting Gliwicki Teatr Muzyczny’s webpage speak Polish (93,1 %). More than 3,5 % are English speaking persons (American English), little over 1 % speak British English. Other languages are German and Russian.

Język	Sesje	% Sesje
1. pl	90 468	75,31%
2. pl-pl	21 371	17,79%
3. en-us	4 403	3,67%
4. en	1 547	1,29%
5. de	761	0,63%
6. de-de	346	0,29%
7. en-gb	346	0,29%
8. ru	160	0,13%
9. es-es	74	0,06%
10. cs	59	0,05%

Picture 6: Language of the www.teatr.gliwice.pl webpage users

Source: Google Analytics upon the consent of Gliwicki Teatr Muzyczny

The most visitors come from Poland (95,94 %), Germans come second, then there is the USA and the United Kingdom. Gliwicki Teatr Muzyczny also records entries from Czech Republic, Slovakia, Russia, France and the Netherlands.

1 Such result could have been influenced by the information about premiers, new theatrical events, Krakowski Salon Poezji in Gliwice (Kraków Poetry Salon) appearing on the webpage.

Kraj/terytorium	Sesje	% Sesje
1. Poland	115 244	95,94%
2. Germany	1 478	1,23%
3. United States	435	0,36%
4. United Kingdom	425	0,35%
5. France	390	0,32%
6. Netherlands	372	0,31%
7. (not set)	239	0,20%
8. Russia	234	0,19%
9. Czech Republic	105	0,09%
10. Slovakia	95	0,08%

Picture 7: Visits in the international aspect – www.teatr.gliwice.pl

Source: Google Analytics upon the consent of Gliwicki Teatr Muzyczny

In Poland, the greatest number of entries is recorded in Gliwice (24,63 %), a little less in Katowice (14,63 %) and Warsaw (14,01 %).

42 909 sessions have been initiated in the Firefox browser (35,72 %), followed by Google Chrome with the results of 38 302 (31,89 %). The results are presented below.

Przeglądarka	Sesje	% Sesje
1. Firefox	42 909	35,72%
2. Chrome	38 302	31,89%
3. Internet Explorer	18 095	15,06%
4. Opera	6 782	5,65%
5. Android Browser	6 698	5,58%
6. Safari	5 794	4,82%
7. Safari (in-app)	379	0,32%
8. Opera Mini	342	0,28%
9. Iron	178	0,15%
10. Maxthon	173	0,14%

Picture 8: Browsers used by visitors – www.teatr.gliwice.pl

Source: Google Analytics upon the consent of Gliwicki Teatr Muzyczny

The vast majority of users -as much as 80,74 % - uses Windows. The other popular operating systems used by the visitors of Gliwicki Teatr Muzyczny’s website are Android and iOS. Total results are presented below.

System operacyjny	Sesje	% Sesje
1. Windows	96 991	80,74%
2. Android	12 931	10,76%
3. iOS	5 013	4,17%
4. Macintosh	2 128	1,77%
5. Windows Phone	1 394	1,16%
6. Linux	1 323	1,10%
7. (not set)	104	0,09%
8. BlackBerry	81	0,07%
9. SymbianOS	57	0,05%
10. Series40	42	0,03%

Picture 9: Operating system used by visitors – www.teatr.gliwice.pl

Source: Google Analytics upon the consent of Gliwicki Teatr Muzyczny

If we consider the mobile traffic, the most users use Android operating system - 12 931 sessions (65,33 %).

System operacyjny	Sesje	% Sesje
1. Android	12 931	65,33%
2. iOS	5 013	25,33%
3. Windows Phone	1 394	7,04%
4. Windows	147	0,74%
5. (not set)	82	0,41%
6. BlackBerry	81	0,41%
7. SymbianOS	57	0,29%
8. Series40	42	0,21%
9. Bada	35	0,18%
10. Samsung	7	0,04%

Picture 10: Operating systems in mobile devices - www.teatr.gliwice.pl

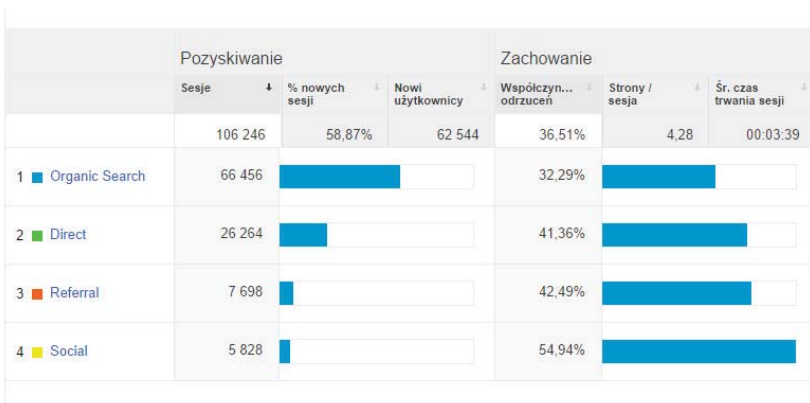
Source: Google Analytics upon the consent of Gliwicki Teatr Muzyczny

During the last month (October 2014) Gliwicki Teatr Muzyczny had 26 847 sessions and 133 107 page views. The average time of a session in September 2014 is longer than the average time of a session measured since the installation of Google Analytics (April 2014) and it was 4 minutes 21 seconds. The biggest group of Gliwicki Teatr Muzyczny's visitors is 25-34 years old (33,50 %), the second group of visitors are people aged 18-24 (27,50 %). Total results are presented below. The

group of male receivers is more numerous (54,15 %), female users constitute accordingly 45,85%.

1.5 Acquiring visitors for www.teatr.gliwice.pl webpage

The most users reach www.teatr.gliwice.pl webpage through the search results with Google search engine, these are the so called organic reach results. 62,5 % (66 456 sessions) of users are the traffic generated by organic search results, 24,7 % (26 264 sessions) are direct results (that is, specific subpages reached by the users), 7,2 % (7 698 sessions) are referral (redirections from certain websites), 5,5 % (5 828 sessions) is the result obtained from social media. The graph below clearly presents how great is the advantage of organic search results in terms of acquiring the users.



Picture 11: Organic search results compared to other channels - www.teatr.gliwice.pl

Source: Google Analytics upon the consent of Gliwicki Teatr Muzyczny

Organic results, as the most popular and the most advantageous source of acquiring users present as follows. 58 645 sessions, that is as much as 88,25 %, are the phrases that could not be identified. It means that in most cases the users did not agree for Google to measure their search. This is disadvantageous from the point of view of a person responsible for the promotion of cultural institution, as he or she cannot identify which phrases, key words are typed the most often. The second position, with the result of barely 1,50 % belongs to the phrase “teatr muzyczny gliwice” (“musical theatre gliwice” - 997 sessions, then there is “gliwicki teatr muzyczny” (“gliwice musical theatre”). The information is interesting as the users type the describing phrase rather than the exact

name of the theatre. What is more important, as much as 60,08 % of those who enter the phrase “teatr muzyczny gliwice” are the new users, so it is not an exception related to a certain month but a rule that works the whole year. It is also worth to notice that the users who typed: www.teatr.gliwice.pl in Google stayed on the webpage the longest, 11 minutes 42 seconds on average. In the direct channel the bookmark [Repertuar.html](#) and [Kontakt.html](#) are the popular subpages.

Referral results present as follows. 1491 sessions from poczta.wp.pl, 1065 from poczta.onet.pl; the rest of the results are presented on the picture below. The most new sessions come from the Polish Wikipedia - 71,61 %.

Źródło	Pozyskiwanie			Zachowanie		
	Sesje	% nowych sesji	Nowi użytkownicy	Współczynnik odrzuceń	Strony / sesja	Śr. czas trwania sesji
	7 698 % całości: 7,25% (106 246)	54,64% Średnia dla witryny: 58,87% (-7,18%)	4 206 % całości: 6,72% (62 544)	42,49% Średnia dla witryny: 36,51% (16,37%)	3,83 Średnia dla witryny: 4,28 (-10,60%)	00:03:08 Średnia dla witryny: 00:03:39 (-14,25%)
1. poczta.wp.pl	1 491 (19,37%)	47,42%	707 (16,81%)	37,09%	4,06	00:03:36
2. poczta.onet.pl	1 065 (13,83%)	44,88%	478 (11,36%)	38,40%	3,98	00:02:56
3. poczta.o2.pl	440 (5,72%)	49,77%	219 (5,21%)	40,45%	3,75	00:02:59
4. gliwice.gazeta.pl	420 (5,46%)	59,29%	249 (5,92%)	41,67%	3,20	00:01:57
5. systembiletowy.pl	345 (4,48%)	8,99%	31 (0,74%)	41,45%	4,72	00:05:12
6. pelniakultury.pl	292 (3,79%)	66,44%	194 (4,61%)	39,38%	4,11	00:04:32
7. e-teatr.pl	189 (2,46%)	64,02%	121 (2,88%)	35,98%	3,78	00:02:31
8. pl.wikipedia.org	155 (2,01%)	71,61%	111 (2,64%)	48,39%	3,51	00:01:56
9. szukaj.wp.pl	148 (1,92%)	62,16%	92 (2,19%)	33,11%	5,49	00:05:07
10. infogliwice.pl	117 (1,52%)	62,39%	73 (1,74%)	31,62%	4,13	00:02:41

Picture 12: Traffic from the referral channel - www.teatr.gliwice.pl

Source: Google Analytics upon the consent of Gliwicki Teatr Muzyczny

10 pages which generated the most sessions for Gliwicki Teatr Muzyczny’s webpage are listed above. The total number of domains is 317. The most entries in one day, as for the referral results, took place on 28 May 2014. The number of session that day was 142.

If we analyse the traffic from community portals, Google Analytics indicates that the most sessions has been generated by Facebook 5 773

(99,06 %), Twitter takes the second location with 35 sessions. The total traffic from social media is presented below.

Sieć społecznościowa	Sesje	Sesje
	5 828 % całości: 5,49% (106 246)	5 828 % całości: 5,49% (106 246)
1. Facebook	5 773	99,06%
2. Twitter	35	0,60%
3. nk.pl	5	0,09%
4. YouTube	4	0,07%
5. Blogger	3	0,05%
6. GoldenLine	3	0,05%
7. WordPress	3	0,05%
8. Google+	1	0,02%
9. Pocket	1	0,02%

Picture 13: The advantage of Facebook over the other social media portals - www.teatr.gliwice.pl

Source: Google Analytics upon the consent of Gliwicki Teatr Muzyczny

Default Channel Grouping	Pozyskiwanie			Zachowanie		
	Sesje	% nowych sesji	Nowi użytkownicy	Współczynnik odrzuceń	Strony / sesja	Śr. czas trwania sesji
	26 847 % całości: 100,00% (26 847)	56,86% Średnia dla witryny: 56,77% (0,15%)	15 264 % całości: 100,15% (15 241)	30,61% Średnia dla witryny: 30,61% (0,00%)	4,96 Średnia dla witryny: 4,96 (0,00%)	00:04:21 Średnia dla witryny: 00:04:21 (0,00%)
1. Organic Search	17 861 (66,53%)	55,74%	9 956 (65,23%)	26,16%	5,36	00:04:38
2. Direct	5 883 (21,91%)	65,34%	3 844 (25,18%)	37,46%	4,27	00:03:57
3. Referral	1 861 (6,93%)	50,89%	947 (6,20%)	38,31%	4,27	00:03:51
4. Social	1 242 (4,63%)	41,63%	517 (3,39%)	50,48%	3,49	00:02:49

Picture 14: The comparison of channels generating website traffic in the last month (September 2014) - www.teatr.gliwice.pl

Source: Google Analytics upon the consent of Gliwicki Teatr Muzyczny

Comparing the sources it turns out that Facebook is the third force in acquiring the users. Moreover, if we consider the so called referrers (that is websites containing the link to Gliwicki Teatr Muzyczny's website),

Facebook will locate on the first place. We do not consider Google search engine results (organic search) we consider only direct entry through the link.

Gliwicki Teatr Muzyczny does not measure conversions, that is, it does not measure certain goals on its website. The example of a goal may be, for example, booking made by a certain user. So, we cannot determine how the users behave on the webpage before they book the tickets, nor through which channel the booking was made. Gliwicki Teatr Muzyczny does not also use paid AdWords campaigns such as sponsored link in Google search engine, remarketing or Video AdWords advertising.

1.6 Users' behavior on www.teatr.gliwice.pl webpage

The vast majority of users open the repertoire bookmark the most often. The most frequent behaviour of Gliwicki Teatr Muzyczny's website users is entering certain subpages, in a certain order:

home page --> repertoire --> home page

Other popular behaviour can be described as follows:

home page --> repertoire --> certain play

repertoire --> home page --> certain play

repertoire --> certain play --> other play

home page --> contact

More behaviour are presented on the graph below. The users' traffic is not complicated, it usually ends with two interactions. What is interesting, people who find contact details right away, e.g. with Google search engine, do not enter other bookmarks. It is similar in case of users reaching information about a certain play. The biggest number of people reach the home page first (106 000 sessions). Second most popular is the "Repertuar" (Repertoire) subpage.



Picture 15: Tracing users movements on the webpage – www.teatr.gliwice.pl

Source: Google Analytics upon the consent of Gliwicki Teatr Muzyczny

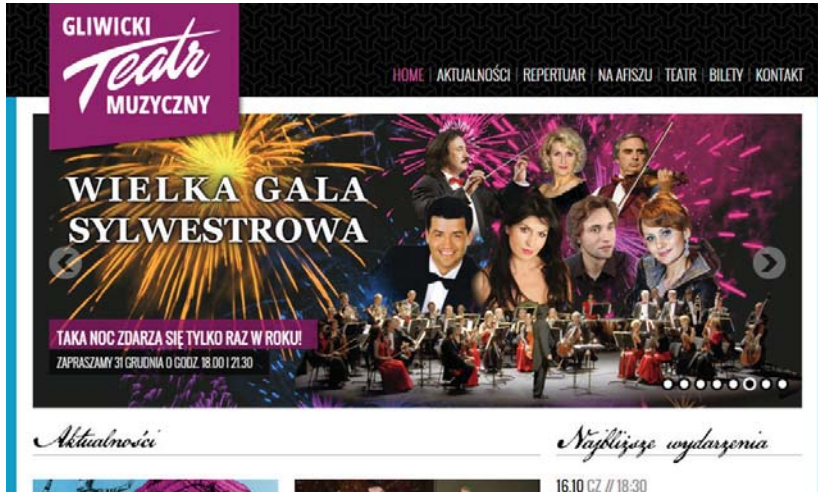
The average time of page download is not the fastest one and it is 8,24 seconds. The shorter time of page download, the better. It has a great impact on indexing of certain subpages in Google search engine. What is interesting is that even at 22:11 (15.10.2014) we can observe certain visitors - 14 people. 86% of them use computer while 14% use mobile phone to browse the website. The most users visiting the website on 15.10.2014 at 22:30 were located in the South of Poland, mainly in the Silesia region.

As for the time spent on the webpage (considering the page views), the biggest number of users spent 181-600 seconds on the website, the second biggest group oscillates around 601-1800 seconds. This is a very good result. The duration of a session is not taken into consideration as the large part of the sessions last below 10 seconds (this is connected with the so called bounce rate). The vast majority of people browsed the website by means of standard computers (desktops), 11,77 % are mobile/smartphone users, 4,51 % are the persons using tablets. The average time spent on the website differs depending on the device which is used to browse the page. Desktop users spent the longest time - 3

minutes 52 seconds, tablet users - 3 minutes 11 seconds and smartphone and mobile users - 2 minutes 14 seconds.

2 The webpage of Gliwicki Teatr Muzyczny

The webpage of Gliwicki Teatr Muzyczny is available at: www.teatr.gliwice.pl



Picture 16: Home page – www.teatr.gliwice.pl

Source: www.teatr.gliwice.pl

It is worth to point out that the theatre webpage is responsive that is, the resolution, panels, content adjust to a certain resolution of a device that is used to browse the site. The most important bookmarks are located at the very top of the page: “Home”, “Aktualności” (News), “Repertuar” (Repertoire), “Na afiszu” (On the Poster), “Teatr” (Theatre), “Bilety” (Tickets) and “Kontakt” (Contact). Below, there is a large slider containing the most interesting information and events. Below the slider we can read the news and see the upcoming events (“Najbliższe wydarzenia”). Then there are the panels: “Sceny teatru” (Theatre scenes), “Cykliczne” (Cyclic), “Kontakt” (Contact) and “Facebook” social media plug. On the right hand side social media icons are added, which redirect to the certain profiles of the theatre. By entering the “Repertuar” (Repertoire) bookmark, we can access the calendar (“Kalendarz”) with the events marked blue. Additionally, information about the certain plays, the prices and tickets

availability are provided. The “Teatr” (Theatre) subpage (apart from presenting the theatre’s history) becomes the marketing tool connected with preparation of the subpage to positioning or SEO (search engine optimization). The bookmark “Bilety” (Tickets), according to its name, provides information about the tickets, special offers and also terms and conditions. The “Kontakt” (Contact) bookmark, apart from the contact details, contains Google maps.

3 Social media

3.1 Facebook

Gliwicki Teatr Muzyczny has its Facebook account accessible at: www.facebook.com/gliwickiteatrmuzyczny

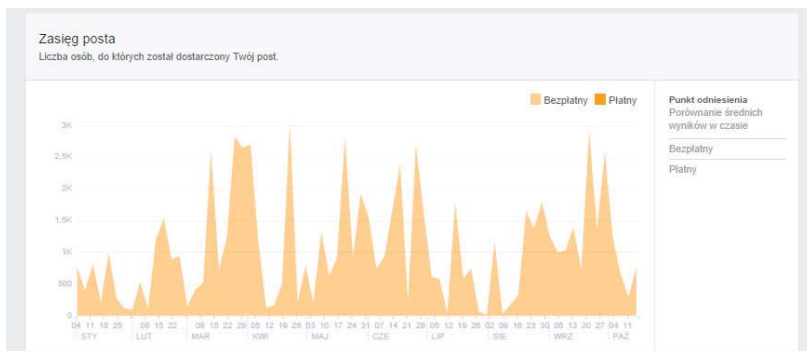


Picture 17: Facebook profile – www.facebook.com/gliwickiteatrmuzyczny
 Source: www.facebook.com/gliwickiteatrmuzyczny

At present (15 October 2014) the number of people who clicked “I like it” amounts up to 6 997. The posts are added very often, sometimes even several times a day. The example post shared on 13 October 2014 gained 13 likes. Its reach was 1 031 receivers. The number of “likes” on Gliwicki Teatr Muzyczny’s profile is constantly growing. Only during the week of research the profile gained 36 new “likes”. The reach of the post was 3 014 people. The first Facebook post was added on 16 February 2012.

The post gained 15 likes, 3 comments and 2 shares. The post reached 843 people. The number of “likes”, comparing to the previous week, had increased by 0,5 %. The total page reach is 3 700 people, whereas the total post reach has been 3 100.

The activity in the week in which the research was conducted (8-15.10.2014) was 107 likes, 10 comments, 28 shares. 370 people reacted, 1 500 people clicked the posts. The post reach has increased significantly from January 2014 to September 2014. Initially, it was about 762 people and in September 2014 it was as much as 2 562 people.



Picture 18: The post reach from January 2014 to September 2014

Source: www.facebook.com/gliwickiteatr muzyczny upon the consent of Gliwicki Teatr Muzyczny





What is interesting, the theatre does not use paid post boosting, to increase the reach. The biggest number of likes on a single day was on 25 March 2014 with the result of 260 likes.



Picture 19: The biggest number of likes on a single day

Source: www.facebook.com/gliwickiteatr muzyczny upon the consent of Gliwicki Teatr Muzyczny

The biggest total reach was 4 372 people. That was on 30 of March 2014. If we consider the time of the day, the best reach takes place at 21:00 and it is 2 652. The posts that had the biggest reach are presented below. The post entered on 12 September 2014 had the biggest reach - 2 800. In turn, the post with the smallest reach was seen by 281 users on 4 September 2014.

Opublikowane	Post	Rodzaj	Grupa docelowa	Zasięg	Aktywność
2014-09-12 09:02	 Zdjęcia z próby do premiery (11.09.2014 r.) Fot.: Mirosława Łukaszek			2.8K 	15K 258 
2014-08-29 18:04	 "I HAVE A DREAM" zaprasza do GTM!			2.6K 	201 33 
2014-09-28 19:54	 "I HAVE A DREAM" - videorelacja Mirka Riedla i ekipy TVS. :)			2.4K 	152 17 
2014-08-01 11:32	 Rusza PARKOWE LATO w Gliwicach. Zapraszamy na wakacyjne koncerty w sobotnie wieczory sierpnia. Wstęp			2.1K 	136 16 
2014-09-08 17:05	 PREMIERA musicalu "MIŁOŚĆ CZYNI CUDA" w Ruinach Teatru Victoria już w najbliższą sobotę, 13 września.			2K 	126 35 
2014-08-27 10:52	 We wrześniu w GTM aż dwie PREMIERY! Zapraszamy!			1.9K 	97 21 
2014-09-24 20:30	 W Gliwicach "I Have a Dream", w Warszawie "Mamma Mia"!			1.9K 	175 34 
2014-07-21 18:43	 Pierwszy autobus "złapany" przez panią Annę z Gliwic. Autorka zdjęcia napisała nam: "Dzisiaj koło 11-stej idąc ul. Dworcową w			1.7K 	241 4 
2014-09-19 11:14	 Fot.: Tomasz Zakrzewski / www.zakrzewski.art.pl /			1.7K 	16.2K 185 

Picture 20: The posts with the biggest reach

Source: www.facebook.com/gliwickiteatrmuzyczny upon the consent of Gliwicki Teatr Muzyczny

The post generating the biggest activity was added on 9 September 2014, gained 16 000 likes. 65 % of the people who like this page are women. The age of both, male and female readers is 25-34 years. The majority if fans come from Poland. However, there are also fans from the United Kingdom, Germany, USA, Italy etc. The biggest number of fans (6 410) speak Polish. Gliwicki Teatr Muzyczny has more reach and a greater number of fans than, for example, The Stanisław Wyspiański Teatr Śląski or The Silesian Opera but less than The Studio Theatre or Teatr Rozrywki.

3.2 Twitter

Gliwicki Teatr Muzyczny has its Twitter account accessible at: <https://twitter.com/GTMGliwice>



Picture 21: Twitter account of Gliwicki Teatr Muzyczny

Source: <https://twitter.com/GTMGliwice>

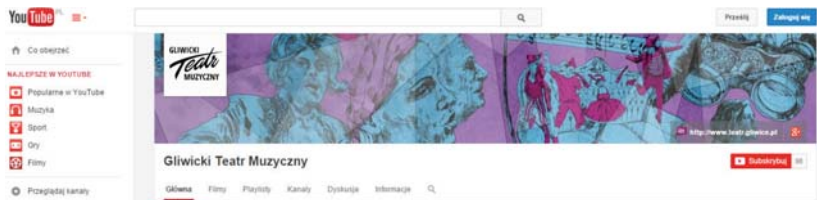
Gliwicki Teatr Muzyczny has added 82 photographs to its profile (since October 2014). The account is linked with the theatre’s official website. The theatre address has also been added. The number of the so called tweets, at the time of research on 16.10.2014 at 5:30 amounts up to 198. Tweets are added up-to date, practically every day. The last one was added 20 hours ago (16.10.2014 at 9:00).

The first tweet was added on the 20 May 2014:

3.3 YouTube

Gliwicki Teatr Muzyczny has its YouTube channel. It is available at:

<http://www.youtube.com/user/GliwickiTeatrMuz>



Picture 22: YouTube channel

Source: <http://www.youtube.com/user/GliwickiTeatrMuz>

The number of the subscribers is 98. The first video added to YouTube by Gliwicki Teatr Muzyczny was uploaded 6 years ago. The video was 1 minute 50 seconds long. “CARMEN na DVD - Gliwicki Teatr Muzyczny (GTM)” (“CARMEN on DVD - Gliwicki Teatr Muzyczny”). The video has been viewed 5 314 times, 11 people gave it “thumbs up” and 2 gave it “thumbs down”. The latest video, in turn, was added on 8 September 2014 and it has been having 1 564 openings so far. Is is a 25 second

video “MIŁOŚĆ CZYNI CUDA - musical - Gliwicki Teatr Muzyczny (GTM)” (“LOVE WORKS WONDERS - musical - Gliwicki Teatr Muzyczny”).

3.4 Google+

Gliwicki Teatr Muzyczny has its Google+ account available at: <https://plus.google.com/111688972827496416723>

The profile has acquired 5 observers and has been viewed 1 546 times.



Picture 23: Google+ account - Gliwicki Teatr Muzyczny

Source: <https://plus.google.com/111688972827496416723>

The profile has not been updated till recently. The first post was added on 13 January 2014. Two next posts were sent already on 13 October 2014.

Summary

Gliwicki Teatr Muzyczny uses many sources to contact its target receivers. The management team is aware that social media are extremely important. The most useful social media, due to the traffic on the theatre’s home page, is Facebook.

If Gliwicki Teatr Muzyczny increased the reach of its posts by low-cost post advertising both, the reach and the number of “likes” would increase significantly. The theatre also uses Twitter which is a very popular portal in Poland and around the world. What is more, since 2008 the theatre also has its own YouTube channel. Gliwicki Teatr Muzyczny uses Google Analytics for measuring traffic. Thanks to that, the theatre marketing

team knows very well where the users come from and are able to analyse their behaviour. Definitely, Google generates the most traffic on the theatre's webpage, specifically, through organic search results.

Gliwicki Teatr Muzyczny does not use paid advertising such as sponsored links and, indeed, it seems unnecessary. However, it would be advisable to invest in the so called remarketing that is, tracking advertisement. Then, the number of entries through the Referral channel (redirections from the certain pages) would increase.

The analysis of the presence of cultural institutions within the network, conducted similarly to the one presented in the paper, allows to obtain information about the receivers (where they come from, what age they are, which devices they use). It also allows for regular tracing the interest in the theatre. We can determine which events, premiers, plays trigger the increased traffic in the social media area. We know what gains the biggest number of "likes". Thanks to that, we can prepare such offer that will raise interest of many receivers.

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Green Innovations



Nowadays, 'green innovations' is a very frequently used term. The society is well aware of the necessity of their realization, customers turn their attention to 'greener' products, and business organizations strive to realize their activities in more ecological ways, implement environmentally friendly approaches to production processes and other business practices. Green innovations may exist in various forms. However, the key idea of their existence is always associated with positive changes of our environment. Currently, these changes, whether related to products, processes or procedures, are extremely important. The essential parts of the whole eco-innovation process are change in thinking and attitude, as well as orientation of business inventions toward the efforts to contribute to protecting our environment and saving energies and resources, where - besides gaining profit - the struggle for preserving sustainable development is also the priority. The fourth section dedicated to green innovations provides the conference attendees with a space to discuss the need to solve the issues of environment, with emphasis on suggesting possible solutions. Various points of view and interdisciplinary approaches are welcome, including the terms of economy, philosophy, but - most importantly - marketing communication.



GREEN INNOVATIONS AND THEIR IMPLEMENTATION IN THE SLOVAK SMEs

Anna Zaušková – Zuzana Bezáčková

Abstract

The constant growth of production and consumption negatively affects the environment. In the context of these effects can be stated that eco-innovation are very important in means of ensuring sustainable economic development. Governments of the European Union seek effective ways to combat climate change and other negative impacts on the environment. They realize that eco-innovation contribute is important to increase awareness and need for environmental protection. They are also an opportunity for eco-innovation segment of small and medium enterprises, in the form of new possibilities expanding production and increasing the competitiveness of enterprises. The paper presents partial results of the research, which was devoted to the green innovation in Slovakia SMEs.

Key words:

Eco-innovation. Green innovation. Quantitative research. Slovak SMEs segment. Sustainable development.

1 Assessment of eco-innovative performance of the Slovak republic

Ecoinnovation Observatory annually carries out evaluation of eco-innovation performance across the European Union. Slovakia has improved its position in 2013, but in spite of this fact, it still remains a country with low eco-innovation performance. We are in 25th place (out of 28) in the European Union. We achieve approximately 1/3 level leaders in eco-innovation. Statistics and studies show that we have almost no significant markets or eco-innovation activities in the field of eco-innovation performance. In the 2013 we can see, that the eco-innovation index of Slovak republic decline, although in the overall assessment of the EU countries have improved by 1 ranking when compared to 2012. The eco-innovation index for the year 2014 absent, as well as the available analyses do not yet exist, so we can work with data for the 2010 – 2013.¹

1 *Scoreboard View*. [online] Available at: <<http://database.eco-innovation.eu/>> [5.9.2014].

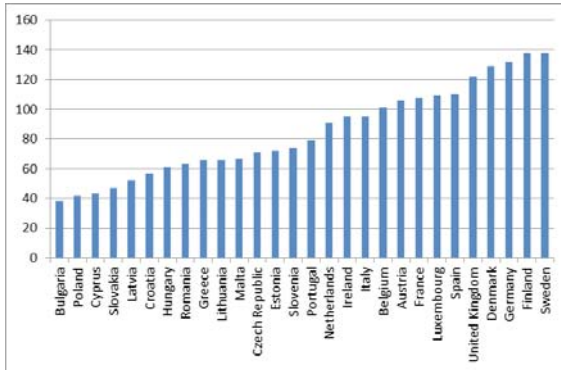


Chart 1: Eco-innovation index - 2013

Source: Eco –innovation index. In *ECCOINNOVATION OBSERVATORY* [online] Available at: <<http://database.eco-innovation.eu/>> [20.10.2014].

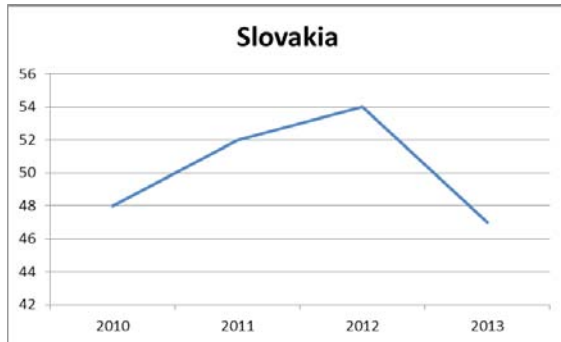


Chart 2: Eco-innovation index – Slovak republic - 2013

Source: Eco-innovation index – Slovak republic. In *ECCOINNOVATION OBSERVATORY*. [online]. Available at: <<http://database.eco-innovation.eu/>> [20.09.2014].

Preparation, implementation and evaluation of the research

Considering the results of the eco-innovation performance in Slovakia, we decided to realize research, which focused on eco-innovation process in the Slovak enterprises.

2 Selection of the most appropriate enterprises

For research, we selected SMEs because they have the greatest potential for innovation, high flexibility, such as responding to the market situation.

Similarly, the role of these enterprises is crucial in the European economy. They provide jobs, are stimulators of competition and employment. Their function is undeniable in maintaining existing jobs and creating new jobs. Their flexibility and ability to adapt to changing conditions or market fluctuations is indisputable². On the other hand, these companies have in most cases sufficient funds to implement innovation. A good solution is official support, together with the instruments of the European Union (structural, Community and FPs)³. Also, according to the Innovation Strategy of the SR for 2014 - 2020, Slovakia has proven potential for innovation, growth which it is necessary to stimulate and support. The question is, what kind of state support can be expected in the next period. There are a number of small and medium-sized, high-growth companies with the potential to become a leader in a particular area of business where there is a lot of new ideas. But without the active support they can be transformed into new products, patents, competitive advantages and jobs very hardly⁴. Also according to the Statistical Office of the Slovak Republic ⁵ small and medium-sized enterprises are a majority of Slovak business community - 71.4%. The latest available data (2014) shows, that the total number of enterprises is 628,569.

In the Slovakia some prospects were recorded in the renewable energy sector, and also in the field of energy efficiency in the construction industry. Slovak natural conditions are particularly suitable for the development of the use of hydropower and biomass use. The problem is that „eco-innovation” is not explicitly included in the key strategic documents of Slovak republic. Eco-innovation is primarily aimed at saving energy and promoting renewable energy. Also customers want products which are delivered to the right place at the right time. They also have special requirements concerning quality and environmentally-friendly products.⁶ Financial support depends primarily from EU structural funds,

2 LULIAKOVÁ, I.: *Využitie marketingu v malých a stredných podnikoch na Slovensku*. [online]. Available at: <http://alternativa.sk/uploads/tx_clanok/Luliakova_PP.pdf> [20.9.2014].

3 ZAUŠKOVÁ, A., LOUČANOVÁ, E.: *Inovačný manažment*. Zvolen : Technická univerzita vo Zvolene, 2008, p. 91.

4 *Innovation strategy for the years 2014 -2020*. [online] Available at: <<http://lt.justice.gov.sk>> [14.10.2014].

5 *Statistic of enterprises*. [online] Available at: <<http://portal.statistisc.sk>> [5.9.2014].

6 FIDLEROVÁ, H., FIDLER, M.: *Model of environmental logistics of the enterprise*. In Annals of DAAAM and Proceedings of DAAAM Symposium, 2008, Vol. 19, No.1, Annals of DAAAM for 2008 & Proceedings of the

and is fragmented into a number of operational programs.⁷ Another problem is to create multiple projects simultaneously and to create professional project management framework. That's why it is important to optimize the innovation processes in enterprises.⁸

2.1 The preparatory phase of research

In 2014, we conducted research, which focused on small and medium enterprises in Slovakia and the implementation of eco-innovation during the years 2012 - 2014. First, we have conducted pre-research, which showed us the direction, which should further our research go. An important research tool was a questionnaire. It was a non-experimental research, we didn't change the situation or circumstances and the research was planned in detail.

The questionnaire was designed as follows:

Introduction - the respondent was informed about the aim and objectives of research questions:

- Closed issues;
- Half-open issues;
- Open issues;
- Identifying issues.

In the formulation of questions we tried to avoid leading questions or time-consuming issues. This questionnaire was designed to confirm the assumptions and enabled us to statistically evaluate the area of implementation of eco-innovation in Slovakia segment small and medium-sized enterprises. A similar database of enterprises or conducted research in Slovakia still doesn't exist. In the European assessment and allocation Eco-Innovation Scoreboard were made some studies, the assessment aims to capture the different aspects of eco-innovation, using 16 indicators grouped into five thematic areas: eco-innovation inputs, eco-innovation activities, eco-innovation outputs, resource efficiency and socio-economic outcomes. The questionnaire

19th International DAAAM Symposium „Intelligent Manufacturing & Automation: Focus on Next Generation of Intelligent Systems and Solutions“, Trnava, Slovakia.

7 *Country Reports*. [online]. Available at: <<http://www.eco-innovation.eu>> [14.10.2014].

8 MIKLOŠÍK, A.: *Selected Aspects of Systemic Approach to Project Management*. In Actual Problems of Economics, 2014, Vol. 155, No. 5, p. 195.

shows the extent to which the Member States are carried out in a variety of sizes eco-innovation compared to the EU average and also highlights their strengths and weaknesses. European detecting and determining the Eco-Innovation Scoreboard runs from 2010 annually.

Sample size calculation was set at 384 companies. We managed to ensure collection of 396 questionnaires, so the number is sufficient for carrying out research and draw relevant conclusions of the research. The method of statistical inference allows us to extend the knowledge gained from the sample to the universe.

We collected our data during the period September-November 2014. During this period, research was carried out, and our intention was to obtain the minimum required number of questionnaires /384/. Questionnaires were distributed in paper form and electronically. Selection of SMEs was random, not controlled in terms of choice of enterprises according to the criteria. The only criterion at this stage was the size of the company, it had to be strictly 0 – 249 employees. The legal form of the business has not been limited.

2.2 Evaluations of the Research

Interpretation of measured and calculated values is the culmination of the quantitative research. Evaluation and the results are also the subject of this contribution.

Table 1: Legal form of business enterprise

Legal form of business enterprise	Frequency	Relative frequency	Rrelative frequency [%]	Cumulative frequency
Private limited company	250	0,631313131	63,13 %	250
Self-employed person	86	0,217171717	21,72 %	336
Joint-stock company	38	0,095959596	9,60 %	374
Cooperative	4	0,01010101	1,01 %	378
General partnership	6	0,015151515	1,52 %	384
State enterprise	10	0,025252525	2,53 %	394
Self-employed farmer	2	0,005050505	0,51 %	396
Sum	396	1	100,00 %	

Source: Own processing

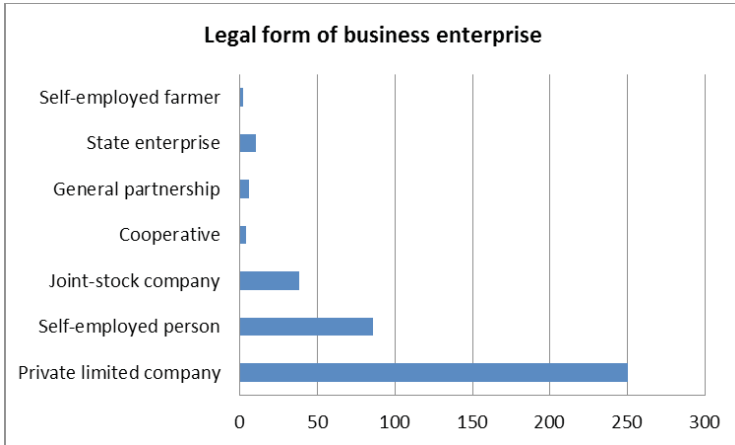


Chart 3: Legal form of business enterprise

Source: Own processing

We drive-screened set of statistics and qualitative characters by two variants (did you realize a green innovation? YES, NO), then they can be divided into two groups. One group consists of those who responded yes. These are the companies that implemented green innovation and on the other side, there are the companies, which did not implement the green innovation. This is a dichotomous classification and dichotomous qualitative character.

As we examined the dependence between qualitative features which acquire more levels to the pivot, so we proceeded to construct pivot tables. Then we verify that there is a statistically significant relationship between ourselves observed features, namely between the legal form of the company and the implementation of green innovation. We used chi-square test for PivotTable $k \times m$.

Background:

We have set the null hypothesis - H_0 and the alternative hypothesis H_A .

H_0 : The characters A and B are independent - for our case the null hypothesis can be written as follows: There is not any dependence between the implementation of green innovation and legal form of enterprise.

H_A : There is a relationship between the characters A and B - for our case: There is a correlation between the legal form of the enterprise and the implementation of green innovation.

We observe two qualitative features A – realization of a green innovation and B - the legal form of the company. The A /A₁-A_k/ has 2 levels /A₁, A₂/, the sign B /B₁-B_m/ has 7 levels - B₁ - B₇. The results of observations, we entered into a pivot table, which generally has the following form:

Table 2: Pivot table

$A \setminus B$	B_1	B_2	...	B_m	f_i^A
A_1	$f_{11}(o_{11})$	$f_{12}(o_{12})$...	$f_{1m}(o_{1m})$	f_1^A
A_2	$f_{21}(o_{21})$	$f_{22}(o_{22})$...	$f_{2m}(o_{2m})$	f_2^A
\vdots	\vdots	\vdots	\vdots	\vdots	\vdots
A_k	$f_{k1}(o_{k1})$	$f_{k2}(o_{k2})$...	$f_{km}(o_{km})$	f_k^A
f_j^B	f_1^B	f_2^B	...	f_m^B	n

Source: MARKECHOVÁ, D., TIRPÁKOVÁ, A., STEHLÍKOVÁ, B.: *Základy štatistiky pre pedagógov*. Nitra : UKF, 2011, p. 300.

F_{ij} values are empirical frequency /we got them in research/ and o_{ij} is the expected frequency. Consequently, according to mathematical relationships, we calculated the expected frequency.

We tested the hypothesis H_0 . The characters A, B we considered independent. For testing criterion we chose chi-square, which is given by:

$$\chi^2 = \sum_{i=1}^k \sum_{j=1}^m \frac{(f_{ij} - o_{ij})^2}{o_{ij}}$$

The chi-square has a distribution with the number of degrees of freedom $r = (k-1).(m-1)$ where the hypothesis H_0 we consider as a true. Tested hypothesis is rejected at level α if the tested criteria exceeds:

$$\chi_{\alpha}^2(r).$$

Critical value is from the table of critical values for a given number of degrees of freedom. So we have compiled a pivot table showing the observed frequencies.

Table 3: Implementation of eco-innovation - contingency table

Did you implement in the period 2012 - 2014 in your company green innovation?	Joint-stock company	Cooperative	Private limited company	Self-employed farmer	State enterprise	General partnership	Self-employed person	sum
yes	30	0	86	0	4	0	16	136
no	8	4	164	2	6	6	70	260
sum	38	4	250	2	10	6	86	396

Source: Own processing

We test the hypothesis H_0 of independence observed characters A, B at the chosen significance level $\alpha = 0.01$.

We calculated the value of the expected frequencies according to the relation:

$$o_{ij} = \frac{f_i^A \cdot f_j^B}{n} \quad \text{pre } i = 1,2,\dots,k, j = 1,2,\dots,m.$$

Value of the expected frequencies o_{ij} shows table:

Table 4: Implementation of green innovation - the expected frequency

	Joint-stock company	Cooperative	Private limited company	Self-employed farmer	State enterprise	General partnership	Self-employed person	sum
áno	30 (15,46)	0 (1,37)	86 (85,85)	0 (0,68)	4 (3,43)	0 (2,06)	16 (29,53)	136
nie	8 (24,94)	4 (2,62)	164 (164,14)	2 (1,31)	6 (6,56)	6 (3,93)	70 (56,46)	260
sum	38	4	250	2	10	6	86	396

Source: Own processing

The calculated value of the expected frequencies, we entered into a pivot table / in brackets /:

Table 5: Implementation of Green Innovation - contingency table with expected frequencies

	Joint-stock company	Cooperative	Private limited company	Self-employed farmer	State enterprise	General partnership	Self-employed person	sum
yes	13,05050505	1,373737374	85,85858586	0,686869	3,434343	2,060606	29,53535	136
no	24,94949495	2,626262626	164,1414141	1,313131	6,565657	3,939394	56,46465	260
sum	38	4	250	2	10	6	86	396

Source: Own processing

We calculated the value of chi-square test criteria:

$$\chi^2 = \sum_{i=1}^k \sum_{j=1}^m \frac{(f_{ij} - o_{ij})^2}{o_{ij}}$$

Table 6: Calculation of the chi-square

22,01335335	1,373737374	0,000232917	0,686869	0,093167	2,060606	6,202932
11,51467714	0,718570319	0,000121834	0,359285	0,048733	1,077855	3,244611

Source: Own processing

The value of statistics chi - square test is then $\chi^2 = 49.39475$

Consequently, we compared the value with the chi-square critical value we have obtained from the table. The critical value was determined on the significance level $\alpha = 0.01$ and at a value

$$r = (k - 1) \cdot (m-1) = (2-1) \cdot (7-1) = 6$$

Then the critical value of chi-square, $\chi_{\alpha}^2 = 16,812$

After comparing we get:

If $\chi^2 > \chi_{\alpha}^2$, reject H_0

If $49.39475 > 16,812$, reject H_0 .

Chi-square test

The result of chi-square test is a P-Value - the probability that the observed differences arose by chance. The updated data from a pivot table and the table of frequencies is expected probability P-Value as follows:

$$p = 0.0000000062154229906$$

If $p < 0.01$, H_0 is rejected at significance level $\alpha = 0.01$.

$$0.0000000062154229906 < 0.01$$

H_0 is rejected.

There is a relationship between the characters A and B - for our case: There is a correlation between the legal form of the company and the implementation of green innovation.

Other results we present only by a chart overview:

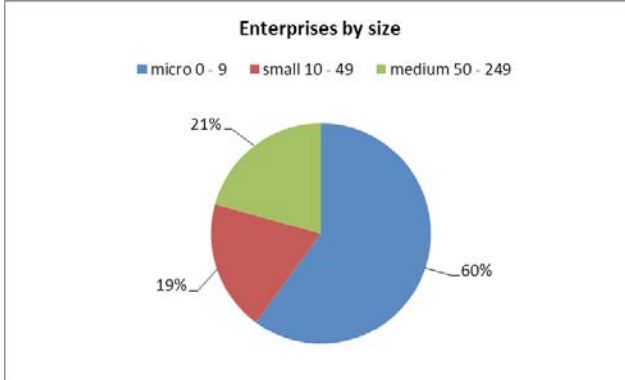


Chart 4: Types of enterprise by size

Source: Own processing

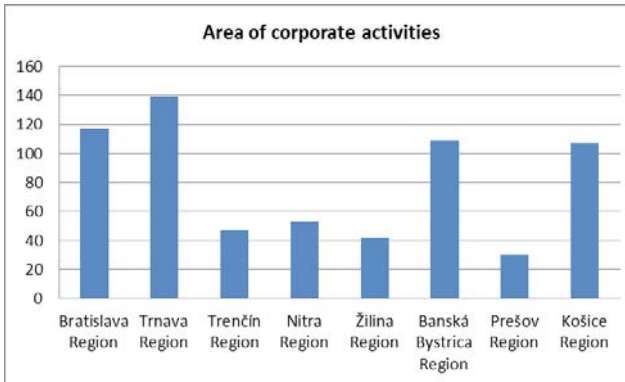


Chart 5: Area of corporate activities

Source: Own processing

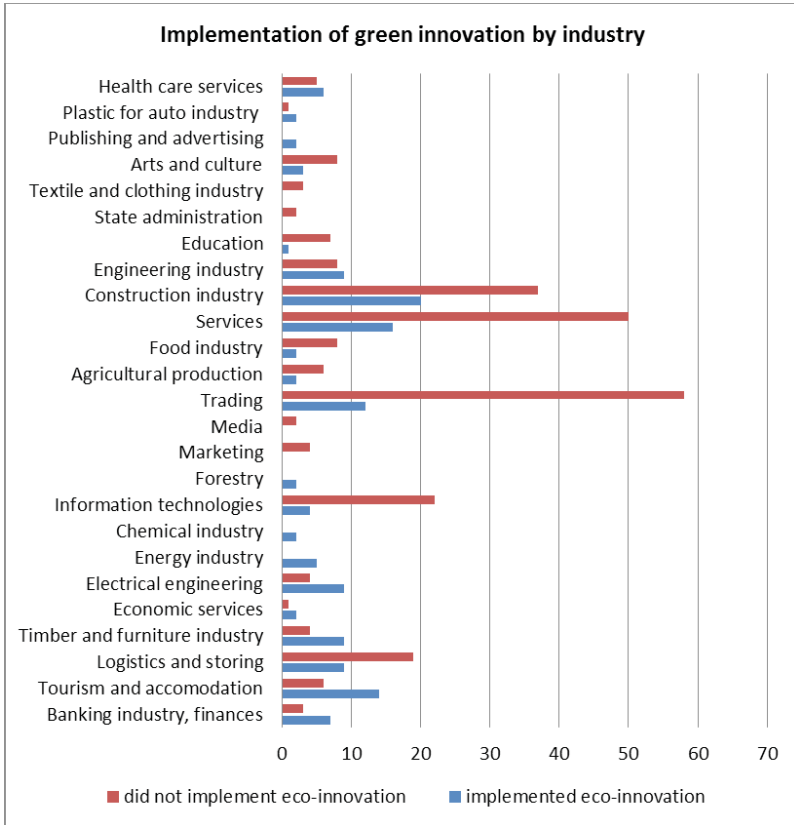


Chart 6: Implementation of green innovation by industry

Source: Own processing

Through the chi-square method, we therefore confirmed several significant dependences:

1. There is a relationship between the legal form of the company and the implementation of green innovation.
2. There is a relationship between company size and the implementation of green innovation.
3. There is a relationship between specific field /industry/ of the enterprises and implementation of green innovation.

Conclusion

Green innovation is a very specific form of innovation, but it is necessary for our further existence on Earth. The positive is that we do not need to argue the implementation of green innovation. The question is rather a problem of barriers, which in many economically weaker countries origins. In Slovakia the knowledge of the concept of green considerable innovation, business innovation implemented, demonstrating our quantitative research. However, their implementation is affected by many influences that reduce the percentage of completed green innovations.

Our quantitative research shows that the Slovak business environment implementation of green innovation in the segment of micro, small and medium-sized enterprises is affected by:

- legal forms,
- company size,
- the industry in which it operates.

Implementation of quantitative research provides an important statement on the implementation of green innovation in Slovakia. Consider the most important finding that 35% of micro, small and medium-sized enterprises implemented green innovation in the period 2012-2014 and also the findings of those additions that through statistical methods we will further investigate and draw further conclusions.

Acknowledgement: This article has been elaborated within the project VEGA 1/0640/12 - "Phygital Concept and Its Use in Sustainable Integrated Environmental Management of Businesses".

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SUPPORT OF GREEN INNOVATION THROUGH ONLINE COMMUNICATION TOOLS

Lukáš Grib – Anna Zaušková

Abstract

Green, often called eco-innovation seems to be the „medicine“ for solution of unfavourable situation in all fields of industry and in business environment, but they must be supported by communication strategy, which will directs customer to the right way, builds ecological awareness in it, helps him to decide for the right commodities, which will in accordance with sustainable development. On the other hand, company stands, which should not to underrate conscious customers and also focus on communication, which convinces the customers about it that her ecological products are the right alternative to common products. The paper focuses on the importance of marketing support of green innovation in the online.

Key words:

Innovation. Eco-innovation. Green innovation. Online marketing. Online communication tools.

Introduction

Theorists Fussler and James defined concept of eco-innovation already in 1996, nevertheless much earlier, individuals – consumers, but also representatives of gradually evolving industry aware of the need for environmental behaviour, the need for changes in business environment to ensure the sustainable development. Therefore, it is necessary not only to think of this but to begin act essentially, in order to slow down the direction of the Earth to exhaustion of resources, the great climate changes, unlimited consumption and endless devastation of nature. The state of the Earth's ecosystems is deteriorating rapidly, which attracted the attention not only of scientists. Reduce the negative impact of industry and business is a challenge for many companies in various sectors. Improved efficiency of resource use, return on investment, increase sales, development of new markets, improving corporate image, product differentiation and better competitive advantage, these are examples of benefits that companies can get in integrating environmental sustainability of business. Development of new called green products and effective marketing communication, which is focused on these innovation, these are important factors of success.

1 Green innovation

A long-term sustainability of the economic system depends not only on the ability of quantitative economic growth, but it is necessary to focus on the ecological aspects and sustainable development. Therefore, in recent years innovation and ecology have been linked increasingly. For these innovation the new name was created – eco-innovation or else environmental and green innovation. There is a number of definitions of eco-innovation, which differ mainly according to what purpose they serve. Here are some of them:

- „*Environmental innovation are the new and improved processes, equipment, products, technology and management systems that remove or reduce adverse impacts on the environment*“¹
- „*Eco-innovation are the all steps of relevant actors to develop new ideas, behaviour, products and processes, use and implement them and that contribute to environmental damage, or to the achievement of environmental objectives*“²
- „*Green innovation is any form of innovation that seeks to on demonstrable progress towards the goal of sustainable development by reducing the impact on the environment or achieving a more responsible use of natural resources, including energy*“³
- „*Environmental innovation is an innovation that used to prevention or reduction of human impacts on the environment, removes damages, or diagnoses and monitors environmental problem*“⁴

Green innovation include all innovation, which have a positive impacts on the environment, no matter how, whether this effect was the main aim of innovation. These include process, products and organizational innovation. Organizational innovation do not reduce impacts on the environmental directly, but facilitate the implementation of technical environmental innovation in firms. Processes innovation is defined as

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- 1 KEMP, R., ARUNDEL, A.: *Survey indicators for Environmental Innovation*. Oslo : Step group, 1998. [online]. Available at: <<http://www.survey.nifu.no/step/old/Projectarea/IDEA/Idea8.pdf>> [10.10.2014].
 - 2 KLEMMER, P., LEHR, U.: *Environmental Innovation*. Berlin : Analytica-Verlag, 1999, p. 13.
 - 3 *Competitiveness and Innovation Framework Programme*. [online]. Available at: <http://www.ec.europa.eu/cip/eip/eco-innovation/index_en.htm> [10.10.2014].
 - 4 MARKUSSON, N.: *Drivers of environmental innovation*. Stockholm : VINNOVA, 2001, p. 32.

an improvement in the production process, which results in reducing the impact on the environment, for example closed loop for solvents, recycling of materials, or filters. The main impact on the environment of many products based on their use (for example fuel consumption and CO₂ emissions from cars). Therefore, product innovation focuses on reducing impacts on the environment when product is registering during its life cycle. Green innovation is different from other innovation. In addition to producing effect typical for most research and development activities, which also produce positive outcomes per se, they decrease external environmental costs of production, or products.⁵ Initiative to introduction of new green innovation can give any entity on the market – for example, a scientist who wants to transfer results of his research to practice, competition, suppliers etc. It may be also government, which by new legislation imposes to economic entities responsibilities in the environment, while giving new claims for business in the environment. As the company initiates green innovation, it is to convince the customer of the need and usefulness of a new product.⁶ Customer can be for company valuable source of information about the needs and market niches.

Emphasis on a friendly approach to the environment is constantly mingled over all aspects of life. Businesses innovate production technologies in order to reduce their harmfulness. More and more products have been produced from the eco-materials, so that their production is the least harmful to the environment.⁷

In the creation of green innovation, cooperation is important between enterprises of different industries, thus may to create new, interesting and creative solutions. The partnership between companies from different sectors allows access to new knowledge and its transfer creates fertile ground for innovation.⁸

5 BERNAUER, T., ENGELS, S.: *Explaining Green Innovation*. Zurich : Universitat Zurich, 2006, p. 3.

6 RIGGS, W., HIPPEL, E.: *Incentives to innovate and the sources of innovation: the case of scientific instruments*. In *Research Policy*, 1994, Vol. 4, No. 23, p. 460.

7 PETRÍKOVÁ, K., BORSEKOVÁ K.: *Aspekty zeleného marketingu ako súčasti marketingu územia*. In RAJČÁK, M., KOLLÁROVÁ, D. (eds.): *Trvalo udržateľný rozvoj regiónov a podnikov pomocou inovatívnych a zelených technológií*. Trnava : Fakulta masmediálnej komunikácie UCM v Trnave, 2012, p. 261.

8 BEZÁKOVÁ, Z., ZAUŠKOVÁ, A.: *Zelené inovácie – výzva pre trvalo udržateľný*

The main principles to be followed in order to ensure not only green innovation, but also suitable production are:⁹

- efficient use of materials and raw materials;
- non-use of materials that are harmful to the environment;
- minimize emissions;
- minimize energy consumption;
- re-use of materials, components and energy;
- reduce of waste and create opportunities for its easy processing and disposal.

2 Slovakia in the process of implementing green innovation

Eco-innovation policy in Slovakia, as well as all national innovation policy, which is part of, suffers from deficits in many areas that prevent the expected use of its potential as an economic development factor. Slovakia is among the countries with low eco-innovation performance. We are in 24th place (out of 27) in the European Union. We achieve approximately 1/3 level of leaders in eco-innovation. Statistics and studies show that we have almost no significant markets, or areas of eco-innovation. Some prospects were recorded in the renewable energy sector, and also in the field of energy efficiency in the building sector. Our natural conditions are especially appropriate for the development of the use of hydropower and biomass. The problem is that eco-innovation is not explicitly included in the key strategic documents. Financial support depends primarily on EU Structural Funds and it is fragmented into a number of operational programs.¹⁰ We give attention to Chart 1 that shows the position of Slovakia in the EU in the context of eco-innovation performance.

rozvoj Slovenska. In RAJČÁK, M., KOLLÁROVÁ, D. (eds.): *Trvalo udržateľný rozvoj regiónov a podnikov pomocou inovatívnych a zelených technológií*.

Trnava : Fakulta masmediálnej komunikácie UCM v Trnave, 2012, p. 45.

9 *Marketing business strategy*. [online]. Available at: <<http://www.people.vslib.cz>> [10.10.2014].

10 *Country reports*. [online]. Available at: <<http://www.eco-innovation.eu>> [10.10.2014].

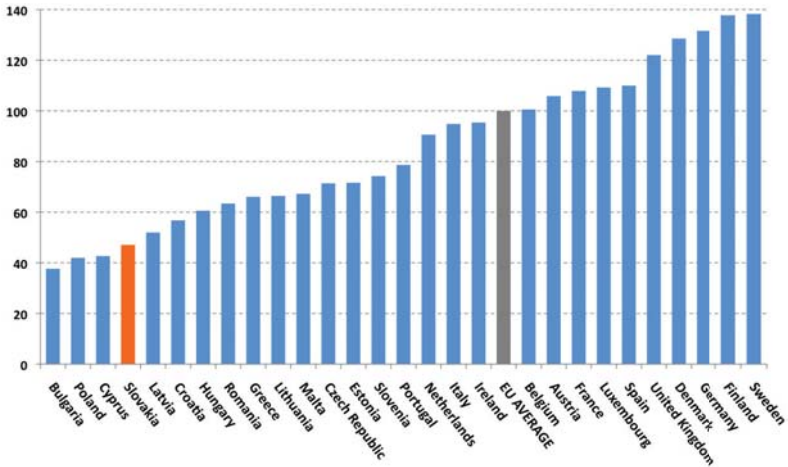


Chart 4: The position of Slovakia – eco-innovation performance

Source: EU Eco-Innovation Scoreboard 2013. [online]. Available at: <<http://www.eco-innovation.eu>> [10.10.2014]

2.1 The role of communication in green innovation

A key role of the company that introduces green innovation, whether in the form of innovative technologies, or new organic product, possibly offers innovative environmental services, is to:

- inform about existence of an innovative product;
- increase brand awareness, product;
- promote the popularity of eco-innovative, green product, mainly because of its benefits to the environment, and thus raise indirectly the environmental awareness of customer;
- strengthen preferences;
- consolidate the conviction that it is right to choose the product because it is beneficial to the environment;
- support the purchase.

Green communication policy is a bearer of the environmental resolution referring to environmental aspects related to the production, packaging, distribution, use or consumption, or disposing of products. An environmental resolution may be in any medium, including packaging,

labelling, promotional materials, radio, television, in digital or electronic media such as e-mail, phone or the Internet.¹¹

The environmental resolution may be applied to the environmental benefits of a product or service. It can relate to a single attribute of the product, such as chemical composition, or the product may be recyclable, emissions and impact on specific environment (air, water, ground), the type of raw material used in the product, and other attributes that affect the environment. The environmental resolution may contain information about the mission of the company, its values, or manufacturing process affecting the environment. All types of advertising with that environmental resolution must be overall assessed and evaluated with regard to the interpretation of the communicated message to consumers. Advertisers should be aware that the true argument about partial characteristic of the product cannot be generalized to the whole product because mislead consumer.¹²

International Chamber of Commerce (ICC) promotes high standards of business ethics through the development and dissemination of codes and guidelines for responsible marketing and advertising communication. ICC Code in generally requires that the environmental resolutions in marketing communication legal, honest and truthful. It should be based on relevant scientific facts about the actual use, operation, or disposal of the advertised product. In addition, the communication should be prepared in regard to social and professional responsibility and also must be in accordance with the principles of fair competition that are generally acceptable in business relationships.

This situation is increasingly recognized by the consumers and they adapt their purchasing behaviour, with an increasing demand for environmentally friendly products. If we want to achieve equilibrium of our resources in the future, products and services must become environmentally friendly as well as businesses. The sooner businesses adapt to this trend, the more their potential will increase for future

11 BORGULA, M.: Ekologický marketing: príležitosť pre inovácie. In DRÁBIK, P., ČERVENKA P., JANSOVÁ, P. (eds.): *Vedecké state Obchodnej fakulty 2011*. Bratislava : Vydavateľstvo EKONÓM, 2011, p. 2. [online]. Available at: <http://www.of.euba.sk/zbornik2011/ZBORNIK%20VEDECKYCH%20STATI%202011PDF/KMR/BORGU%C4%BDA_M_KMR.pdf> [10.10.2014].

12 Ibidem, p. 4.

markets. Marketing strategy is an effective tool to achieve this goal for them.¹³

3 Marketing communication in the implementation of green innovation

Marketing communication plays an important role in the process of implementing green innovation. Enlightenment and dissemination of information is essential in building environmental awareness. Its mission is distributed by forms of marketing communication that are not harmful to the environment, do not require excessive consumption of materials. Especially personal communication, organizing environmentally oriented events and use of the Internet as a communication channel have significant position.

Companies use marketing tools, which are well established for other products, in implementing environmentally friendly products. A key role is to build confidence that the products and services bring measurable benefits to the environment and are equally well usable while profitable than used a product previously that was not environmentally significant and beneficial.

To achieve success in the advertising campaign helps not only a brief statement of the properties, which a product contributes to reducing the negative environmental impact, but also to explain how this fact will be reflected in the environment and in the lives of individuals, or companies.¹⁴

Environmental topics provide very good opportunities for informative and emotional marketing communication. More and more often, efforts to green marketing communication is called „greenwashing“, especially where a product that can be sized as a green, but not it. Therefore, the consumers are becoming to environmental advertising campaigns

13 Ibidem, p. 5.

14 PROKOPOVIČ, M.: Zelený marketing a zelené inovácie. In RAJČÁK, M., KOLLÁROVÁ, D. (eds.): *Trvalo udržateľný rozvoj regiónov a podnikov pomocou inovatívnych a zelených technológií*. Trnava : Fakulta masmediálnej komunikácie UCM v Trnave, 2012, p. 297.

sceptical. Marketing communication focused on the environmental attributes of products, should:¹⁵

- convince that the promoted product properties have a real impact on the environment;
- give details concerning the properties of green product;
- provide context so that the consumer is able to form an opinion and compare the arguments;
- define all the technical products;
- explain the benefits, because consumers have limited understanding of environmental issues.

4 Greenwashing – green marketing communication

Definition – greenwashing, is known from the 80s, since the companies began to try to use the topics of environment and ecology to their own visibility through marketing tools. This phenomenon is usually referred to as a responsible marketing. Following the growing trend of greenwashing, the web under the name GreenWashing Index was established in 2008 and it helps to evaluate individuals ads from the perspective of an objective assessment of the green advertising. The motto of the site is slogan “Help keep advertising honest” where users evaluate individual ads in terms of veracity that resound in advertising and also evaluate whether the company some facts will not hide designedly, or vice versa, adds wrongly.¹⁶

15 Ibidem, p. 299.

16 ČANÍK, P.: *Greenwashing Index: Čistě ekologicky nebo čisté PR?* [online]. Available at: <<http://www.canik.cz/2008/02/17/greenwashing-index-ciste-ekologicky-nebo-ciste-pr/>>. [10.10.2014].



Picture 1: Website GreenWashingIndex.com

Source: Logo of GreenWashingIndex. [online] Available at: <<http://www.greenwashingindex.com>> [17.01.2014].

5 Green online marketing

Companies shift their marketing spending to the online gradually. Why? Because it is place where people go for the latest information, entertainment, go to buy here etc. – they go here just keep.¹⁷ There are several agencies that offer creation of website and implementation of online marketing activities to the environmentally minded companies with green or sustainable initiatives. These agencies constantly monitor trends that move the world, and offer online marketing activities and opportunities for individual firms designed to individual firms to present properly in the business environment. These agencies also use and implement a number of methods, tools and techniques of online marketing, including, for example:

- Search engine optimization (SEO) – need to optimize caused by the enormous increase of websites on the Internet. SEO can be understood as a set of practices that make the website arranged and adapted to standards. In particular to the keyword analysis, editing on-page factors and texts (copywriting), creating backlinks (linkbuilding), clean coding of websites and compliance with W3C standards. It is a long process at it is required constant adjustment

¹⁷ *Green marketing with Internet marketing solutions.* [online]. Available at: <<http://www.thinkgreenmedia.com/>> [11.10.2014].

and continuous monitoring during optimization.¹⁸ It is important for companies order to find out their products, services and brands that reflect the green and environmental initiatives.

- Search engine marketing (SEM) – SEM utilizes the potential of search engines to display ads, or specific websites of the client, based on user’s search of the specific keywords.¹⁹ SEM includes banners, pay-per-click (PPC) advertising and other forms of online advertising.
- Blogging – blog may be given to the green, environmental, ecological products, services and brands that will reflect the eco-innovation initiative of individual subjects.
- Web design – being able to properly present on the Internet may determine the success or failure of the green action through the online, in the end. It is important to have an attractive online look.
- Online press releases – when the green message is created it is important that this message gets into world. Press release can help this, because well written press release, which is tailored to the target group, can gain positive attention and raise awareness and reputation.
- Social media – social media used to cluster and develop social contacts. Their advantage is that their content can be created, edited and commented by each registered user. Visitors interaction is possible being the added value of social media. Social media provide great scope for creativity and ideas.
- Email marketing – like other marketing activities as well as email marketing needs to be done to maximize the return on investment in the implementation of green marketing communication.

6 Zelená pošta – Green innovation for a better future

Zelená pošta s.r.o. (Green Post) provides solutions for the electronic distribution of documents, innovative postal services and the transformation of paper communications. Started as a startup project, the company focuses on lowering costs and increasing comfort for users of electronic communication. Ambition of the company is to deliver efficient solutions for business operations and contribute to the environmental protection. The company tries to make sure that the

18 *SEO optimization*. [online]. Available at: <<http://www.optimalizaciaseo.sk/>> [11.10.2014].

19 *Search engine marketing*. [online]. Available at: <http://www.mediaguru.cz/medialni-slovník/sem-search-marketing/> [11.10.2014].

modern technologies contribute to a better future for us all! Aim of the green innovation is to contribute to protecting the environment and streamline business.

Some studies have shown that paper consumption in offices increases annually by 20%. Every worker, mainly with the printing of paper invoices, documents and confirmations, consumes an average of 20 sheets of paper each day. It is necessary not to forget that every tonne of recycled paper or unused and electronically distributed paper saves 17 trees.²⁰

Beginning of the company was not easy – great idea, enthusiasm, the first mobile application, lack of development capacity and support departments. The problems that had been associated with an overall product placement on the market began to add to this difficult start subsequently. Because essentially there was no competition in Slovakia, excluding the actual development of the functional part had to “boil the water” marketing and business objectives. Market segmentation and different approaches to customer tuned constantly, website provided for a few times, behaviour of site visitors was analysed and tested. Since Green Post offers a kind of multiplatform dispatch of consignments, being intended for a wide range of market, there was developed online sending, windows application and mobile application in parallel. In terms of development, the biggest challenge was to create the application for bulk mail where the functionality is the most comprehensive.

Today, through Green Post there have been sent more than 180,000 letters. Green Post is now conceived-to bring help and save time and finances for large corporations and individuals. It serves the sender and receiver of a mail. It can carry out the registered items. The added value is the existence of mobile application and send paper mail by mobile phone or tablet, it was imaginable hardly recently.

This green innovation, except operating online, it is also supported by online communication tools. It has created a complete web page, whose web design was implemented by digital agency Vibration. Green post carries out its online communication activities even on the social network (Facebook and YouTube). Green Post creates or shares posts to Facebook concerning events around the Green Post, while regards contributions

20 *A green future*. [online]. Available at: <<https://www.zelenaposta.sk/about-us>> [11.10.2014].

Green Post in principle. There are also users reviews concerning the particular service. On YouTube there are stored own videos, whose message is designed to inform visitors on YouTube about the existence of this project and offer company services, and persuade each visitors to try out this service in an interesting way. This project is also supported by the mobile application, which is available on Google Play and App Store.

After the release of Application store, Slovak Telekom continues in searching applications that help their customers in their businesses. Under the new competition Business Wall of Fame covered by group Deutsche Telekom, which took place in six countries, Telekom selected applications that can simplify business for SMEs. The professional jury selected the winner from the competitors who received the most votes from public and businesses. Green Post application won the first prize allowing online sending common mail without the need to go to post office. Entrepreneurs may have to print, pack and bring consignments to the post office through mobile application.²¹



Picture 2: Cover photo of fanpage Green Post on Facebook

Source: Cover photo. In: Facebook.com. [online]. Available at: <<http://www.facebook.com/zelenaposta.sk>> [14.10.2014].

21 *Competition the best business application*. [online]. Available at: <<http://www.wallofbusiness.com/sk/slovakia/app/www-zelenaposta-sk>> [14.10.2014].

Conclusion

Environment despite all efforts is increasingly threatened by a much higher pace than expected. To counter this threat, the need for a systematic and coherent action on the European and global level is to be taken and acted now.²² Green innovation today are already used by large companies that can reuse for example components and energy, respectively create products that reduce consumption. Of course global aim is to bring the green innovation to everyday life of companies, as well as society. Effective marketing communication aimed at these innovation – these are important factors for success.

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22 *Environmental technologies and eco-innovation offer solutions and opportunities*. [online]. Available at: <<http://www.enviromagazin.sk>> [10.10.2014].

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GREEN MARKETING AS A TOOL FOR MARKET PENETRATION

Jakub Hollý

Abstract

Green marketing is closely related to corporate social responsibility. Ethics, moral principles, and social responsibility are the terms on which modern society shows significant interest and have generally very positive image. The organizations are also aware of this, especially organizations, which activities directly or indirectly pollutes the environment, and that is why they are trying to compensate their negative impact. Social responsibility has long become a kind of tool to improve the reputation of organizations. This post is about how to create an organization which will be green by its nature and the ratio of the negative impact on society will be compensated in all respects to 100%. The main aim of this work is to show socially responsible company that is trying to protect environment, create a positive values, to educate, to support traditional and domestic production, also to help young and creative people to become visible and promote their work, as well as helping people who need help the most. All this in the background of regional print and electronic journal, which aim is to systematically create quality media content and the last but not least earning money from advertising to all activities above. Secondary aim of this work is to study the behaviour of advertisers in connection with the project to support the environment.

Key words:

Advertiser. Behaviour. Electronic media. Green marketing. Social responsibility. Print.

Introduction

Innovation in the context of development should be defined broadly as the commercialization of new ways to solve problems through improvements in technology, with a wide interpretation of technology as encompassing product, process, organizational, and also marketing improvements.¹

Green innovations are most frequently in high-income countries, few in developing countries but growing. Slovakia is proudly presenting itself as a country with potential. It is peculiar, vital, diverse and these characteristics are referred as only basic definitions, that can be found

1 DUTZ, M. P., SHARMA, S.: *Green Growth, Technology and Innovation*. The World Bank, 2012, p. 1.

in ideological concept of Presentation of Slovakia, made by Ministry of Foreign Affairs of Slovakia. Full definitions are much more extensive. Problem is the way how Slovakia is trying to improve its own position in the ranking of global most favourite countries. Slovakia has made same mistakes as many countries before. Making new slogan and visual identity it simply does not work. The reality is that not enough to talk, because only important thing is what Slovakia is really doing and not what says is doing. As Simon Anholt (independent political advisor) said in an interview for the Faculty of Mass Media Communication, University of SS. Cyril and Methodius in Trnava (2014), „the only way a country can increase its ranking in the position of favourite countries, is to make good. Good for all of us, good for humanity and the only way it is possible to realize this idea, is to start from each other“. Green innovation is a good way to start and whereas the impulse does not come from the state, must come from below, from citizens, from companies and organizations. This work offers insight into irresponsible companies, but also on one social responsible company which is prime example of making good as Simon Anholt said.² This work also offers a view of advertisers behaviour in relation to social responsible activities. Research on this topic provided by Adbird.sk is described in chapter 6. But first of all, it is important to describe some terms, to understand the overall issue.

1 Green marketing and greenwashing

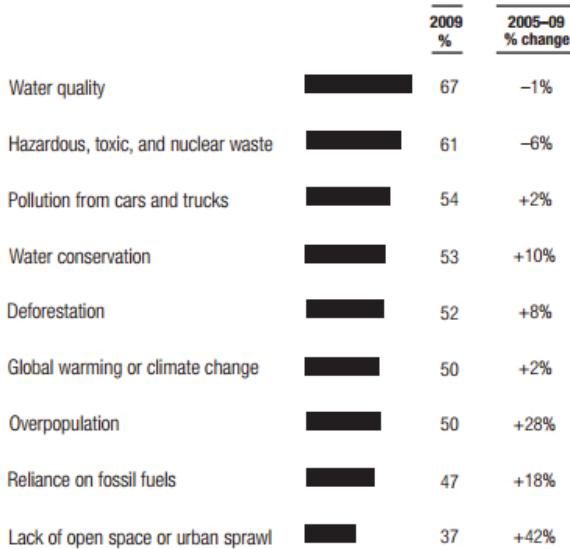
1.1 Green marketing

The marketing of products that are presumed to be environmentally safe. Also known as environmental marketing and ecological marketing. *Green marketing should include considerations of green processes in all aspects of the marketing mix.*³ It is the marketing of products and companies that promote the environment in some substantial way. Some definitions look for environmentally “safe” or “sustainable” production while others are trying to reduce a company’s “carbon footprint”, it all depends on the character of the company. *Back in the 1960s, trying to lead an environmentally conscious lifestyle, and especially integrating green into one’s shopping, was a very fringe phenomenon. But it’s now*

2 ANHOLT, S.: *Nation branding*. 2014. [online]. Available at: <www.brandingslovenska.com> [27.10.2014].

3 WHITE, S.: *Defining green marketing*. 2010. [online]. Available at: <<http://dstevenwhite.com/2010/08/04/defining-green-marketing/>> [27.10.2014].

*decidedly mainstream – and changing the rules of the marketing game in a very big way.*⁴ During the years, green marketing has changed. More people are worried about environment, than ever before.



Picture 1 : List of top environmental issues

Source: OTTMAN, J.: *The New Rules of Green Marketing: Strategies, Tools, and Inspiration for Sustainable Branding*. Ottman consulting, 2011, p. 1.

1.2 Greenwashing

Easiest explanation of this term is if some firms are creating an impression of transparency and ecology while masking their true negative influence. Another explanation: Greenwashing is technique characterized by the fact, that companies while advertising their product show one positive side for the environment, but the number of negative stays concealed, or just shows false claims without evidence. People nowadays place their hope in the green innovations that address both considered major problems, namely climate change and the economic crisis. *Companies have faced growing pressure over the past decade to report more information about their environmental impacts. A growing number of stakeholders—including investors, consumers, governments, and corporate customers—*

⁴ OTTMAN, J.: *The New Rules of Green Marketing: Strategies, Tools, and Inspiration for Sustainable Branding*. Ottman consulting, 2011, p. 1.

are concerned that assessing organizational performance requires a more holistic picture than financial indicators can provide, and have increasingly sought to convince companies to disclose information about their environmental and social performance⁵. As a result of this trend, the number of companies worldwide that have voluntarily issued corporate environmental or sustainability reports has increased dramatically. Scrutiny of environmental claims will be positive only as long as it manages to discourage greenwashing while simultaneously encouraging more and more green product innovation and commercialization. There is a short description of biggest „greenwashing sins“ created by Terrachoice and Underwriters Laboratories. They made a research, consisted of 4 744 products and they defined the list of 7 greenwashing sins.

7 top greenwashing sins⁶:

- **Sin of the Hidden Trade-off:** committed by suggesting a product is “green” based on an unreasonably narrow set of attributes without attention to other important environmental issues. Paper, for example, is not necessarily environmentally-preferable just because it comes from a sustainably-harvested forest. Other important environmental issues in the paper-making process, including energy, greenhouse gas emissions, and water and air pollution, may be equally or more significant.
- **Sin of No Proof:** committed by an environmental claim that cannot be substantiated by easily accessible supporting information or by a reliable third-party certification. Common examples are tissue products that claim various percentages of post-consumer recycled content without providing any evidence.
- **Sin of Vagueness:** committed by every claim that is so poorly defined or broad that its real meaning is likely to be misunderstood by the consumer. “All-natural” is an example. Arsenic, uranium, mercury, and formaldehyde are all naturally occurring, and poisonous. “All natural” isn’t necessarily “green”.
- **Sin of Irrelevance:** committed by making an environmental claim that may be truthful, but is unimportant or unhelpful for consumers seeking environmentally preferable products. “CFC-free” is a

5 MARQUIS, Ch., TOFFEL, M.: *Scrutiny, Norms, and Selective Disclosure: A Global Study of Greenwashing*. Boston : Harvard Business School, 2014, p. 5.

6 *The sins of greenwashing home and family edition*. 2010. [online]. Available at: <<http://sinsofgreenwashing.org/index35c6.pdf>> [27.10.2014].

common example, since it is a frequent claim despite the fact that CFCs are banned by law.

- **Sin of Lesser of Two Evils:** committed by claims that may be true within the product category, but that risk distracting the consumer from the greater environmental impacts of the category as a whole. Organic cigarettes might be an example of this category as might be fuel-efficient sport-utility vehicles.
- **Sin of Fibbing:** the least frequent Sin, is committed by making environmental claims that are simply false. The most common examples were products falsely claiming to be Energy Star certified or registered.
- **Sin of Worshiping False Labels:** The Sin of Worshiping False Labels is committed by a product that, through either words or images, gives the impression of third-party endorsement where no such endorsement actually exists; fake labels, in other words.

Green washing is a persistent problem, but according to research from Underwriters laboratories, It is still significant, but it is declining every year.

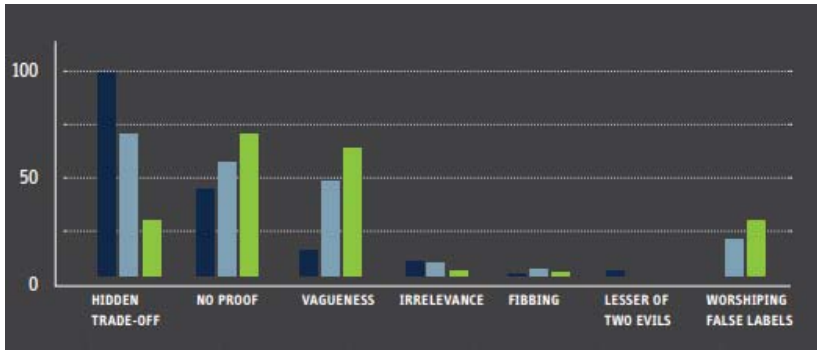


Chart 1: Percentages of occurrence of sins in 2007, 2009, 2010

Source: The sins of greenwashing. Available at: <<http://sinsofgreenwashing.org/index35c6.pdf>> [27.10.2014].

2 Defining the issue

Taking into account the characteristics defined by „Terrachoice“, we can find an example of each issue in specific sectors. There is just few of them: Toys and baby products, house cleaning products, buildings, construction products, electronics and much more. There is no institution in Slovakia,

able to fully supervise misleading advertising, only if the product is toxic, directly dangerous or morally inappropriate. Road to full-fledged control of greenwashing is long and maybe never ending, but every person and every company have ability to start from itself. One of the help tools is legitimization of green standards and that is one of coming products of the company described in chapter 4.

2.1 Presentation of green company AdBird.sk

Founders of the company AdBird.sk, are persons who are not indifferent to the ethical, social and moral aspects of human life. The goal of their business is not materially fulfilment of personal desires and wishes, but particularly the effort to bring to Slovakia strong and principled an entrepreneurial entity carrying positive values, to educate, to help young and creative people to be visible, as well as help people who need help the most. They are disgusted at trends of contemporary life, especially intolerance, ignorance, selfishness and general moral decline of human society. The company tried to penetrate a market with a product of regional magazine about society, history, regions, social responsibility, culture, science and social section.

2.2 Aims of the company

- The aim of the project was to create serious journal, which does not encourage negative mood, but positively stimulates reader to deal with issues that upholds level, the level of general education, as well as national pride and social responsible behaviour.
- Encouraging Slovak companies to socially responsible behaviour. Fixed set amount (3 %) of all its financial revenue will company pay for charitable purposes, respect the principles of transparency, direct targeting and periodicity.
- Reduce the incidence of greenwashing in Slovakia
- Compensate for any adverse impacts on society or the environment. For example negative impact is magazine itself, because it is printed on paper. Compensation is planting trees and activities aimed at cleaning the environment.
- Creating Adbird.sk the cluster of social responsibility, which will bring together companies in regions that are interested in creating positive value for society and elimination, respectively reduce the negative impacts of their influence.

- Support of retail, traditional production and domestic production, which are nowadays greatly downtrodden by large retail chains. Retail stores will be in our magazine special place for contextual advertising and PR articles and other advertising. The aim of the company is to highlight the quality of domestic production and the benefits of buying in retail stores.
- Advancing the level of media content. Nowadays people are interested in the boulevard, cheap fun, sex, scandals and political anti campaign and Slovak media usually supports this trend with the same cheap topics. The aim of the journal is by using interactive projects, to attract the attention of recipients on topics that inform them objectively and informatively enrich them. Some of the topics will be the environment, green marketing and greenwashing, which is part of one all section.
- Support active high school students in the region, but especially students of Slovak universities in promoting their creative ideas, as well as the involvement of these students in developing a high-quality media content of the magazine.
- Provision of professional practice from the media, artistic and marketing area for active students of high schools and universities and supporting the students in their next career building. (intervention in all regions will go to the hundreds of students from dozens of schools).
- Provision of professional practice from the media, artistic and marketing area for active students of high schools and universities and support the students in their next professional career. (by intervention in all regions will go to hundreds of students from dozens of schools).
- Promotion of culture, sports, and social life in the regions.
- Increasing employment in the regions.
- Promotion of the attractiveness of Slovak regions in the tourism sector.

2.3 Outputs

Project outputs will be a real tool for creating positive principles in the social life of regions of Slovakia and also in the environmental field.

- Creating a print magazine based on fortnightly periodicity and of sufficient amount necessary to ensure a direct hit of every business subject and household in the region. (e.g. the Orava region, it is 40,000 households). Distribution of this magazine will be provided

free of charge to all households, with guaranteed delivery by Slovak post.

- Creating online magazine identical name, together with the print magazine will provide media space for supporting projects and external subjects.
- Removal of greenwashing
- Creating AdBird.sk cluster, bringing together socially responsible companies in regions, and any other organizations and associations in the regions.

This project failed on its first try. Advertisers had no interest in publishing in the magazine, even though they were aware of the activities related to the magazine. After first failure, the founders stopped for a while, trying to find out what is the problem. They realized, that problem is market does not know them, they are invisible and nobody trusts that their motives are higher and good, but what is most important, they could not see any profit that could AdBird.sk brought to them. After first failure, company started a research. Its aim was to determine what impact have positive image of the company to advertisers, who are indispensable for the company. During two months situation changed rapidly.

3 PR: activities designed to increase interest of advertisers

Company decided to realize this few objectives to build positive image:

Objective 1: Organize a meeting with all dominant social responsible persons in target region

The activity was concert of classical music and sumptuous banquet in a spectacular area of the Orava castle for the best socially responsible businessmen of the region. Capacity was filled to 110 per cent and guests refrain until midnight even though it was Sunday and assumptions were that they should not remain longer than until 10pm.

Objective 2: Getting the attention of socially responsible entrepreneurs from target region.

Vernissage of art photography and classical music concert with reception in modern spaces of Art gallery. Financial yield was intended to support own environmental project (green project).

Objective 3: Organizing region-wide green project to prove, that company is not only talking, but also acting.

Cleaning the surrounding of watercourses and cultivation of environment in all villages and cities in Orava region.

First two activities are already successfully implemented, according to the criteria of success both hit 100 %. Third activity is still in progress, so it cannot be counted in this research, at least not completely, only partially. After finishing all of them, company will ask advertisers again about their interest of publication of their advertisement.

4 Research

Assumption: target market (advertisers) will react positively to the intensive building of PR activities connected with social responsibility and the environment, creating a positive image and impression of universal acceptance.

AdBird.sk have owned database of 1317 firms in target region. 243 of them were active in publishing advertisements in other newspapers during 3 months of research. During first unsuccessful attempt, when product was totally unknown, AdBird.sk asked 80 companies whether they intend to publish the advertisement in their magazine for a symbolic price. Just 7 of them were interested. After two support actions described in chapter 5, AdBird.sk did not need to ask because guests decided to have advertisement in magazine, so company has no problem to stack empty pages. Company decided to issue the magazine in beta in smaller circulation, just for delivering it to all active companies in region, but with no charge for advertisers. After a preliminary survey of interest for advertisement in magazine in full circulation, AdBird was successfully to more than 100%. All 14 of the addressed respondents agreed to publish advertising for full price in magazine.

AdBird.sk needs 14 advertisers, to successfully fulfil the required amount of advertising.

First attempt: 7 companies (out of 80) would like to advertise in magazine.

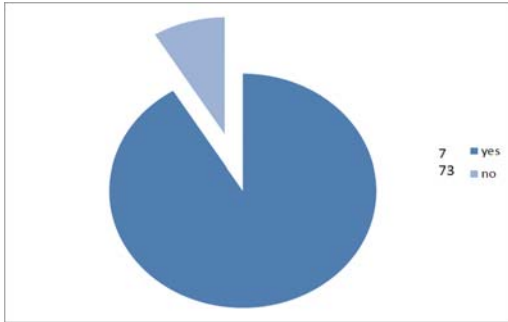


Chart 2: Interest of companies after first attempt, when the company was unknown

Source: Internal database of AdBird.sk

Second attempt: AdBird.sk organized two PR activities for socially responsible people and owners of responsible companies. The aim of these activities was to increase interest from the external environment and present the goals of the company. After performing these two actions, the behaviour of advertisers changed immediately. Interest of advertisers exceeded 120 % compared to first attempt.

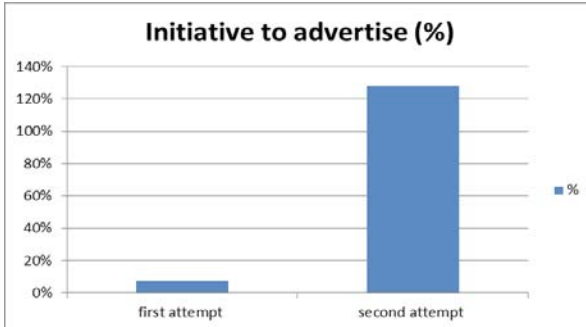


Chart 3: Initiative of companies to advertise in magazine (first and second attempt)

Source: Internal database of AdBird.sk

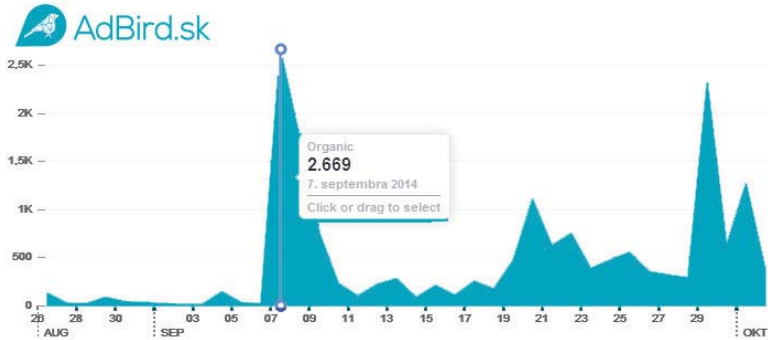


Chart 4: Frequency of attendance of AdBird.sk FB page in connection with PR activities

Source: Internal database of AdBird.sk

Conclusion

On the example of a young company, we have seen rapid changes in the behaviour of the target group, where were confronted with socially responsible activities, or simply people who are socially responsible. Green marketing is not just a good thing to help the environment and nature, but also a powerful PR tool for companies that want to improve their image in the market, just like our company successfully did. Other companies are also aware of this fact, but they often misuse it to unfair practices as greenwashing described in chapter 2. There is just one recommendation for all of them. Saying something is not making the words to become reality, it is necessary to act if you want to see real results.

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ENVIRONMENTAL MANAGEMENT AND GREEN INNOVATION IN BUSINESSES

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Abstract

The paper deals with environmental management and green innovation in small and medium-sized firms. Overall economic growth of the world economy meets in recent decades with limits of natural environment. Environmental management and green innovation help to companies to reduce negative impact of their production, consumption and protect the environment. Because of the increasing consumer demand of green products, green innovation shift from role of required innovation to role of necessary innovation. That is why we can deem the implementation of environmental management and green innovation as tool of increasing business competitiveness. The paper examines the definition of environmental management and green innovation. It points out what are motivations and barriers of implementation green innovation in small and medium-sized firms and through what program of European Union helps financially to such firms in Slovakia to the implementation of green innovation.

Key words:

Company. Environmental management. European Union. Green innovation. Green management. Innovation.

Introduction

In last decades the overall economic growth of the world's economy have been clashing with environmental limits. The most significant environmental problems which are related to the economic activity include climate change, degeneration and soil erosion, biodiversity, water and air pollution, or gradual contamination of resources. Sustainable environment, elimination and prevention of adverse effects of economic activity on individual components are becoming an inseparable element of every economic policy and a factor which significantly influences long-term competitiveness of individual economies. These worries about the future of environment are then translated into the content of innovative policies, where ecological innovations (green innovations) start to play an important role. Thus, companies implement environmental management and green innovations into its manufacturing processes.¹

1 JECK, T.: *Ekologické inovácie: teoretické a hospodárstvo-politické súvislosti*.

1 Environmental management

Environmental management is linked to social responsibility of businesses and constitutes part of the overall managerial system. It follows the norm ISO 14001. Tran says, that environmental management is not a concept which describes new style of running business but a style, which describes construction (construction process) of making business.² We can say, that it is a managerial style focused on acquiring, heading, using of competent and talented employees in order to generate profit in the interest of the company.

Environmental management is an intentional approach towards protection of the environment with regard to business, as companies try to incorporate this into their life strategy. Many companies assume that their suppliers will choose a reliable approach towards protection of the environment and many times they also require for their suppliers to have a system of environmental management incorporated as part of their business activity. (<http://ec.europa.eu>, 2012).

The system of environmental management is one of the most known and valuable instruments for all types of businesses as it allows them to unify environmental objectives with their activities. It also represents a valuable instrument of communication, which creates ethical relations of trust and credibility among business partners, customers and company.³

The goal of integrated managerial system is integrated planning, implementation and evaluation of activities from different points of view, as health, security, environment and quality. It can lead to new operational objectives and approaches focused on processes' optimization.

Bratislava : Ekonomický ústav SAV, 2012, p. 216. [online]. Available at: <<http://www.ekonom.sav.sk/sk/publikacie/>-> [17.10.2014].

2 KOLLÁR, V., BROKEŠ, P.: *Environmentálny manažment*. Bratislava : Sprint, 2005, p. 16.

3 Ibidem

2 Examples of environmental management application in practice

We can find one of the examples of how to develop a green image based on true facts in the company Dell, which is on the 4th place in the ranking of renewable energy users among American corporations. Dell's headquarters uses 100 % of renewable energy. In 2010, all the desktop computers and laptop used 25% less energy. In 2008, its carbon footprint reached zero. Moreover, Dell was one of the few companies in the field, which was taking back used products for the purpose of recycling.

As our next example, we can mention green strategy of Coca Cola company, which in 2009 started to fill its drinks into so called plant bottles. At first, they used these ecological bottles only in Canada and the US but later in other countries as well. Its innovative material is recyclable and by 30% contains of plant basis. Aim of the company is to continue these innovations and gradually produce bottles only from the plant-based waste.

Some companies developed its green strategy on using renewable sources of energy. For example, SunChips company, producing salty snacks, has used its brand name and uses solar energy for its packages. Thanks to sun, it produces millions of packages for its snacks every day.

Green marketing is an essential tool for influencing consumption towards responsible environmental behaviour. Nevertheless, reaching higher environmental efficiency requires using all available tools of traditional marketing – price, communication, distribution. Only then, the green marketing can be a source of competitive advantage. It's important to mention, that green marketing makes sense only when it's followed by changes in the company values.

According to Bednárík, we can see green marketing as one of the new trends in marketing, which plays key role in relation of marketing and environmental protection and creation, and has become a significant tool of sustainable development and socially responsible business.⁴ Change of the company to „green“ brings it a competitive advantage. Green management is new brand strategy for installing good reputation in highly competitive business environment.

4 BEDNÁRIK, J., GUBRICKÁ, I.: *Personálny manažment v kontexte trvalo udržateľného rozvoja*. Trnava : Univerzita sv. Cyrila a Metoda, 2013, p. 86.

3 Green innovations

Every company which wants to act socially responsible, has to carry out its business activity in accordance with sustainable development through which it tries to protect the environment, and decrease its own negative impacts on the environment. Sustainable development has not only environmental but also economic and social dimension. Nowadays, the issue of sustainable development is a dominant goal of the EU, which tries to motivate business entities to introduce different green innovations (synonym of sustainable development innovations, ecological innovations, eco-innovations) to the market and thus create preconditions for competitiveness of European companies.⁵

Notion of green innovations (eco-innovations) refers to innovative products, processes or organizational innovations which ensure decreasing of environmental costs, increased acceptance by the society and contribute towards sustainable development. This term is used frequently in relation to „eco-effectivity“ and „eco-design“ and covers as well relating ideas ranging from technological breakthroughs, which are environmental friendly, to socially acceptable innovative methods towards sustainability.⁶

According to Bezáková and Zaušková, green innovations cover innovations aimed at significant or proven progress leading towards the goal of sustainable development, through reduction of environmental impacts or aimed at reaching higher effectiveness and responsibility when using natural resources, including energy.⁷ It can be green innovations within the product (product or service), process, marketing changes or organizational changes.

5 *Trvalo udržateľné a zodpovedné podnikanie*. Brusel : Európska komisia GR pre podnikanie a priemysel, 2013.[online]. Available at: <http://ec.europa.eu/enterprise/policies/sustainable-business/index_sk.htm> [4.1.2013].

6 LOUČANOVÁ, E., TREBUŇA, P.: *Eko-inovácie ako nástroj konkurencieschopnosti*. Zvolen : Technická univerzita Zvolen, 2014. [online]. Available at: <<http://www.sjf.tuke.sk/transferinovacii/pages/archiv/transfer/29-2014/pdf/076-080.pdf>> [17.10.2014].

7 BEZÁKOVÁ, Z., ZAUŠKOVÁ, A.: Zelené inovácie – výzva pre trvalo udržateľný rozvoj Slovenska. In *Trvalo udržateľný rozvoj regiónov a podnikov pomocou inovatívnych a zelených technológií: Zborník príspevkov z medzinárodnej vedeckej konferencie*. Trnava : Fakulta masmediálnej komunikácie UCM, 2012, p. 45-55.

4 Motivation and barriers of implementing green innovations in small and middle-sized companies

The way of understanding green innovations exceeds economic dimension. Reason for that, is their interrelation with positive externalities of environmental field, by which the society-wide costs are decreasing and benefits of sustainable development are increasing. However, in real market environment these positive externalities are often not taken into account by appropriate method. Even though, emergence and development of green innovations may be considered as an evident positive act from the society-wide point of view, though the company looking at it from the economic point of view, may not consider it as the most advantageous behaviour possibility on the microeconomic level (decision making of individual companies).

Green innovations of products, technologies are a demanding process which is time and financially consuming. Each company, which tries to implement green innovation is exposed to high business risk that the innovation will not be successful.⁸

So far, green innovations have been penetrating our markets relatively slowly, except renewable resources, because of the policy focused on energy and climate, which put emphasis on renewable resources. Among other barriers for implementing green innovations are disability of market prices to accurately mirror environmental benefits and costs; infrastructural and behavioural restrictions; harmful impulses and rigid economic structures. Poor awareness and confidence in the markets can be stated as other obstacles as well. As many of these obstacles are similar, they tend to be much more serious for businesses implementing green innovations. Survey, which was done by Eurobarometer organization, offers an overview of perceived barriers in the field of green innovations. The research, through which question of how business entities perceive barriers in implementing green innovations on the market was answered, was held in small and middle-sized companies. (<http://eur-lex.europa.eu>, 2013).⁹ On the Graph 1 below, we can see barriers

8 MUSIL, M.: *Pilotní průzkum potenciálu a bariér rozvoje ekoinovací u malých a středních podniků v ČR*. Praha : Integra Consulting Services, 2008. [online]. Available at: <http://www.integranet.cz/dokumenty/5-soubor-64-Ekoinovace_studie_zaverecna_zprava_final.pdf> [17.10.2014].

9 *Inovácie pre udržateľnú budúcnosť - Akčný plán ekologických inovácií (EkoAP)*. Brusel : Európska komisia, 2011. [online]. Available at: <<http://>

of faster implementation and development of ecological innovations for companies and on the Graph 2, we can see the driving forces which could accelerate implementation and development of green innovations in the company.

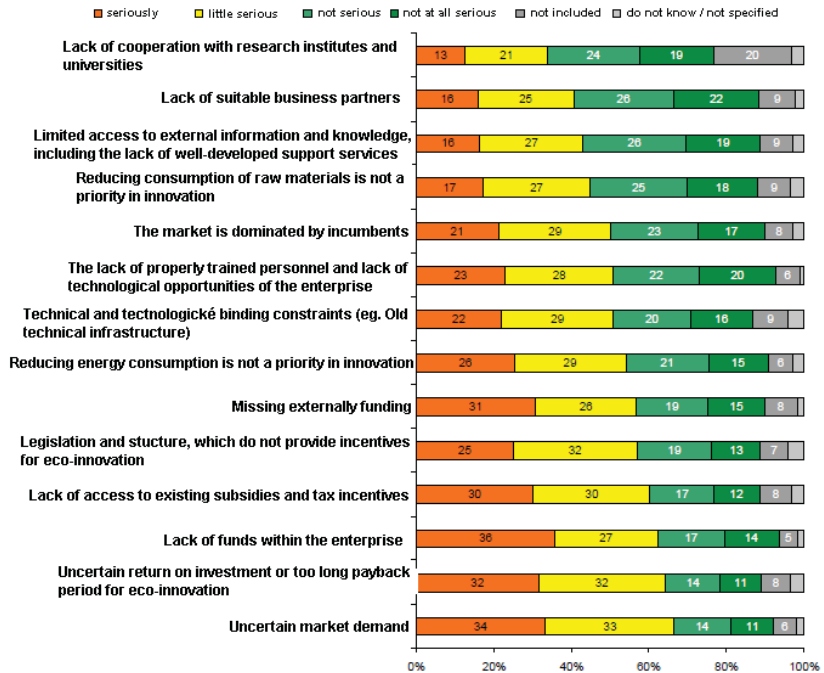


Chart 1: Barriers of faster implementation and development of ecological innovations of the company

Source: <http://eur-ex.europa.eu>

The research showed that small and middle-sized companies see the biggest obstacles of implementing green innovations in unstable demand on the market and return on investments, when they are not sure if it's appropriate to invest financial resources into green innovations and whether these will return afterwards.

Furthermore, Eurobarometer research offers good point of view on driving forces in implementing and development of green innovations for small and middle-sized companies.

eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0899:FIN:SK:PDF [17.10.2014].

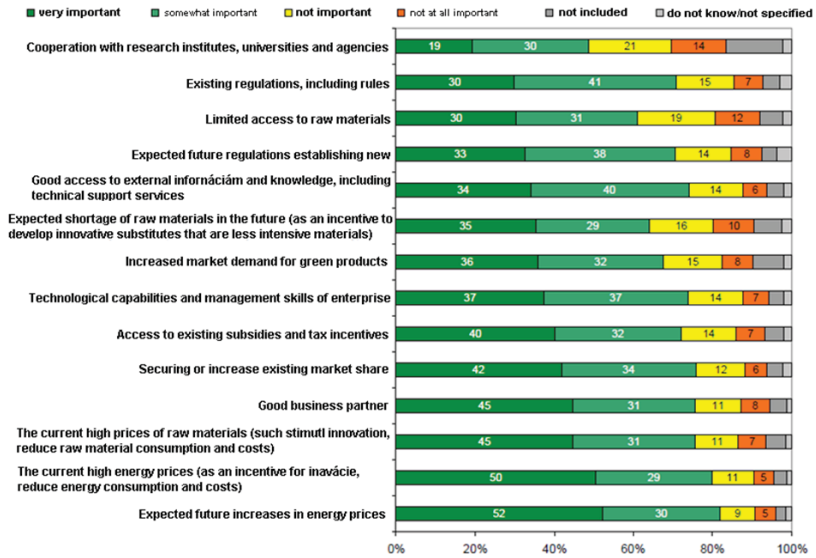


Chart 2: Driving forces, which could accelerate implementation and development of green innovations
 Source: <http://eur-lex.europa.eu>

Through the research we found out that small and middle-sized companies see the driving force of implementing green innovations in accepted regulations and norms, forcing them to implement it in order to get rid of different fines for non-compliance with regulations, and as another driving force they see the access to information.¹⁰

5 Possibilities of green innovations’ financing in small and middle-sized companies in Slovakia

The EU brings long-term cooperation for implementing green innovations in Slovakia within the framework of Competitiveness and Economic Growth programme, while the goal of the support is to keep and develop competitive and effective potential of energy production, industrial production as well as the potential of tourism and other selected services in the conditions of sustainable development, and thus effectively contribute towards increasing economic performance of the SR. This programme’s priority is innovation and growth of competitiveness and

10 Ibidem

undergoing action is also the support of innovations' and technological transfers' implementation. Eligible candidates for the Support of Innovations' and Technological Transfers' Implementation are micro, small and middle-sized companies and one of the eligible activities are tangible and intangible investments in purchase of technologies designed for effective evaluation of natural resources, with the main aim of decreasing negative impact on the environment.¹¹

6 Green – Innovation Index

Since 2010, eco-innovative productivity of EU member states started to be monitored as the green-innovation index, within the Eco-Innovation Observatory project, has been qualified. This index evaluates and compares national economies' efficiency in the field of green innovations. Green-innovation index is constituted of five spheres:

- green-innovative inputs – when calculating this index it looks at governmental investments into environmental and energetic research and development, green risky capital, workforce in field of science and development;
- green-innovative activities – it's about implementing innovative activities through which material, energetic heftiness in the company is decreased, businesses with a system of environmental management;
- green-innovative outputs – here patents and academic articles, which relate to green innovations are grouped, as well as covering of green-innovations in mass media;
- environmental results – we put here material consumption, water, energy consumption, and intensity of greenhouse gas emission;
- socio-economic results – there are three indicators in this sphere: export, employment and sales in green sector.¹²

11 *Operačný program Konkurencieschopnosť a hospodársky rast*. Bratislava : Ministerstvo hospodárstva Slovenskej republiky, 2012. [online]. Available at: <<http://www.mhsr.sk/operacny-program-6352/128037s>> [17.10.2014].

12 LOUČANOVÁ, E., TREBUŇA, P.: *Ekoinovácie ako nástroj konkurencieschopnosti*. Zvolen : Technická univerzita, 2014. [online]. Available at: <<http://www.sjf.tuke.sk/transferinovacii/pages/archiv/transfer/29-2014/pdf/076-080.pdf>> [17.10.2014].

The evaluation of Slovak Republic based on the green index is not very positive. For 2013, Slovakia found itself in the group of economies, which do not reach high level of green innovative index and it has the fourth worst position. Countries, which have the best index are Sweden, Finland, Denmark and Germany, as you can see in the Chart 3.

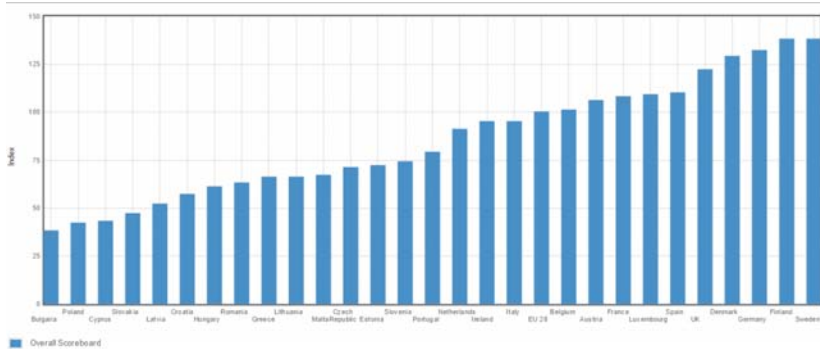


Chart 3: Green - Innovation Index

Source: <http://database.eco-innovation.eu>

Conclusion

Environmental management and green innovations contribute to decreasing negative impacts of production and consumption in the society, and thus protect the environment. Because of ever increasing demand of consumers for green products, green innovations shift from the position of required innovations to the position of necessary innovations. That is why we can consider implementing environmental management and green innovations as a tool for increasing competitiveness of the company, since these innovations too are crucial for sustainability of further development. The research made by EU barometer found out, that legal regulations, legislation presents a certain pressure for small and middle-sized companies to implement green innovations into their processes. However, we can say that more companies in greater extend start to implement environmental management and green innovations voluntarily. These businesses wish to protect our environment by their voluntary activities. From the point of view of green innovations, small and middle-sized companies in Slovakia mostly do waste and materials recycling, they use sewages and try to bring energy friendly products to their customers. According to green innovation index, which is conducted

every year by Eco-Innovation Observatory, for the year 2013 businesses in Slovakia are on the fourth worst place in implementing green innovations within the EU. That's why the EU is also trying to help small and middle-sized businesses in Slovakia in implementing green innovations, as it realizes that implementing these kind of initiatives is not cheap for the companies. Companies are financed within the operational programme Competitiveness and Economic Growth. Thus, it depends only on our companies if they will implement green innovations and then try to get refinancing of their innovations within the EU programme.

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GREEN MARKETING AS OPPORTUNITY FOR INNOVATION

Lucia Szkuráková – Jaroslav Bednárík

Abstract

The study deals with the issue of green marketing in a company. The aim of the paper is to outline a practical view of the opportunity for implementing green marketing in corporate practice. In the first part of the paper we discussed the issue of green marketing, basic definitions of green marketing, as well as green marketing mix. Further, we defined the importance of the green marketing for the company. The second part of the paper was focused on practical application of green marketing as an opportunity for innovation in a company, where we described the methodology and individual steps of the innovation project, which are the analysis of potential of perspective markets, analysis of competition, definition of values for customer, development of the product, package of the product, testing of the product and introducing the product to the public.

Key words:

Ecological marketing. Healthy and sustainable life style. Green marketing. Green marketing mix. Green washing. Sustainable marketing.

Introduction

In contemporary fast-moving times, consumers often do not put sufficient emphasis to what may be the consequences of their own consuming behaviour in relation to the environment, which may have an impact on rationalization of economic processes related to the achievement of permanently sustainable development. It is these factors – like deteriorating quality of the environment, population growth and the associated storage loss of non-renewable sources - which put pressure on the economy. Therefore, in this paper we focused on green marketing, which extends the traditional marketing approach with the field of social responsibility, which is mainly in developed and prosperous companies more widespread. Green marketing focuses its scope mainly on environmentally friendly products, whereas there are products placed on the market and their demand is supported by education of consumers and also by communicating their ecological elements. Since we assumed that our resources are only in limited quantities, our duty is to dispose them carefully. This assumption implies that the importance of green marketing will grow when compared to the traditional approach to

marketing. The aim of this paper is to provide a practical insight into the possibility of implementation of green marketing in business practice.

1 Definition of green marketing issues

The roots of green marketing can be found in the 1970th, when its origin was closely related to the growing wave of concern about the state of the environment as a result of extreme industrial production in problem sectors. Since then, the concept of green marketing has undergone extensive development and today it is primarily a response to current environmental movements, while focusing on meeting emerging consumer needs and seeking opportunities to effectively incorporate environmental principles into marketing activities of the company. The concept of ecological marketing encompasses not only building a good company image. In particular, it means a commitment of the company to conduct business in such a way that the company itself should secure economic development and at the same time it should be aware of the importance of behaviour towards the environment.¹

Currently, there are many definitions for green marketing. Dubey in his publication states that „*green (environmental) marketing includes all activities aimed at satisfying human needs and desires with minimal impact on the natural environment.*“²

Miles and Covin perceive green marketing as „*the adaptation of traditional marketing, which implements environmental aspects in the development, production and implementation of the product, price, promotion and distribution.*“³

According to Grant, green marketing seeks to highlight the need to minimize the harmful impact and adverse impact, which appear in meeting human needs. As in meeting human needs there comes to higher energy consumption and environment consumption, there also

1 CHLEBÍK, R.: *Environmentální marketing*. [online]. Available at: <<http://www.ekologika.sk/environmentalny-marketing.html>> [1.11.2014].

2 DUBEY, P.: *Recycling Businesses: Cases of Strategic Choice for Green Marketing In Japan*. In IIMB Management Review, 2008, Vol. 20, p. 3.

3 MILES, M. P., COVIN, J. G.: *Environmental Marketing: A Source of Reputational, Competitive, and Financial Advantage*. In Journal of Business Ethics, 2000, Vol. 2, No. 3, p. 299.

grows the demand for more careful approach to the environment. However, this does not mean to immediately eliminate any negative consequences.⁴ Green marketing is based on the idea of environmental protection and maintenance of non-renewable sources. It is part of a new marketing approach, which does not orientate only on adjustment and improvement of contemporary marketing thought and practice, but it looks for challenges and provides different, sustainable position. It refers to the process, within which there are realized products on the market on the basis of the fact of what their benefit to the environment is. A prerequisite of ecological marketing is that potential buyers should perceive environmental attributes of the product for a particular benefit, especially for the society as a whole. Green marketing does not represent only a specific product communication, but it includes for example product adjustment, production process changes, changes in the packaging etc. Thus, it consists of all activities that are involved in the production and that contribute to the exchange intended to satisfy human needs in such a way that their accomplishments have only a minimally detrimental impact on the natural environment.

1.1 Green marketing mix

Permanently sustainable business development belongs to a holistic concept, which is why many companies reject to adopt it, which is ultimately reflected in the separation of environmental aspects from corporate social responsibility. Green marketing requires conscious, open and targeted approach to environmental and social problems, whereas it takes into account all stakeholders of the company. Companies that opted for the introduction of environmental strategies are forced to think about what the overall effect of launching the program focused on environmentally friendly product or service will be. Media often pay attention mainly to non-commercial corporate activities and to the company as a whole. This results into the fact that there grows the need to necessarily consider what the environmental and social impacts of the products and services are in their entire life-cycle – i.e. from procuring materials, production, distribution to consumption and disposal of the product. It means that it is necessary to re-evaluate all aspects of marketing mix tools, despite that fact that the emphasis on the mix as a whole will vary depending on the company, its product and service offerings, the surrender of the markets etc.

4 GRANT, J.: *The green marketing manifesto*. Hoboken NJ : John Wiley, 2007, p. 20.

In the green marketing mix there are respected following principles of traditional marketing mix 4Ps:

- product;
- price;
- place;
- promotion.⁵

1.1.1 Product

To create a greener economy, there is the need to establish a range of new and particularly greener products and technologies, the so-called green technology. To sustainable solutions there belong for example product changes, changes in services or changes in systems, which have the effect of reducing negative and maximizing positive impacts on sustainability (economic, environmental, social and ethical ones). One of the main recommendations within the production of new products is classified as the concept of design for the environment. Measuring and understanding of ecological properties of the product is essential and applies to all companies regardless of whether they promote green strategies or strategies within the conventional marketing.

A green product should meet a number of attributes that can be divided into two basic categories, which are as follows:

1. Attributes associated with social and environmental impacts of the product, for example efficiency of use of consumed energy, safety and the possibility of recycling. At the end of its life, the product plays an interesting green perspective for the product management. The use of this perspective requires the implementation of at least some or all „5Rs“:
 - Repair – designing the product so that it can be easily and effectively repaired in the future without the need to purchase a new product;
 - Reconditioning – repairing parts from malfunctioning products and their subsequent sale;
 - Reuse – reusing parts of a product, e.g. returnable containers;
 - Recycling – treatment of inevitable waste after using the product and the subsequent production of different or identical products;

5 BEDNÁRIK, J., GUBRICKÁ, I.: *Personálny manažment v kontexte trvalo udržateľného rozvoja*. Trnava : UCM FMK, 2013, p. 88.

- Re-manufacture – collecting of old, used, worn, outdated or otherwise unnecessary products, their subsequent use in the manufacture of new products.
2. Attributes associated with the processes, by which the product was manufactured and also attributes of the company that produces these products.⁶

In the manufacture of green products we should take into account the fact that the product – in addition to being green – should be comparable with competitive products in terms of functionality and price, which is not an easy task for the company. However, it can be minimized the difficulty in the way of packaging with respect to the environment, without demanding bigger financial changes in product characteristics, and without the risk of discouraging consumers.

1.1.2 Price

One of the fundamental bases for determining ecological prices is the knowledge whether in the production of environmental goods there came to the increase of financial costs and to what extent they can be transposed to the customer resp. buyer. Here, it is also necessary to consider how the customer is prepared to accept the resulting price difference in environmentally friendly products. The constant development of new sustainable resources, materials and technologies causes increase in the costs of companies, whether material or financial ones. However, these may be compensated by savings based on lower consumption of materials and energy, packaging reduction, lower cost of waste disposal and finding new markets for by-products and so on.

In the context of sustainability, the progress can be achieved by focusing attention off the costs incurred. For example, low energy bulbs have a higher price, but long-term low operating costs.⁷

A company can choose the method of determining price of an environmental product or ecological service, such as the following ones:

- elite price (high) – is set at the latest products on the market with new technology that brings the customer and the company high environmental benefits. The producer should prefer the quality and environmental features of the products;

6 BAKER, M. J.: *The Marketing Book*. 5th Edition. Burlington : Butterworth – Heinemann, 2003, p. 235.

7 LIESKOVSKÁ, V.: *Zelený marketing*. Bratislava : Ekonóm, 2010, p. 122.

- low penetration price – is often used in organic products, which are sold in large volumes. Such price is used to teach consumers how to use the product and to draw attention to the fact that it can be used as a substitute for other organic products. When a company uses the low penetration price, it often uses the strategy for creating cost advantages, which enables it to provide high level of sales and the high market shares;
- when there appear high costs in production of organic products which can not in any way be passed on to the customer, the company may use a stirred calculation in the sake of a green product. In such a case, the company retains a reasonable price and the costs that are paid in excess are covered from the profits from the sale of another product;
- with price surcharge companies increase the final price of an organic product in proportion to its environmentally added value resulting for the society.⁸

1.1.3 Place (distribution)

The environmental impact of products is largely determined according to the total amount of spent fuel and materials for the transportation of goods to the consumer. Green transport occurs in the implementation of reserve logistics, at which it comes to re-entering of old products an old packages back to the manufacturer for re-processing. In reserve logistics, the major role is played by labelling of products, which is particularly important (when taking into account the logistics) mainly for providing information to consumers, which has the task to inform them and to teach them recycling behaviour. In terms of marketing communication, labelling of products is especially important in informing consumers about compliance with social and environmental standards. According to Bednárík and Gubrická „*distributional logistics is very important in green marketing and the emphasis is also put on ecological packaging.*”⁹

If it is important for the companies to deploy packages that have minimal to no impact on the environment, then an important role for them is played by the development of a system of reverse distribution. Reverse distribution is ensured by companies, as well as authorities of higher territorial units, while its realization is ensured at the participation of

8 HAJNIK, B., RUSKO, M.: *Environmentálne orientovaný personálny manažment v praxi manažéra*. Trnava : SP Synergia, 2004, p. 56.

9 BEDNÁRIK, J., GUBRICKÁ, I.: *Personálny manažment v kontexte trvalo udržateľného rozvoja*. Trnava : UCM FMK, 2013, p. 89.

separate collection of municipal waste at collection sites, collection at electronics retailers or food retailers. It is this system that should be instrumental in ensuring that unnecessary, used and worn packages and products do not end up in places such as public sewers, nature or municipal waste, but that they are used in reprocessing or production. Subsequently, ecological transport should be considered, which requires not only to choose environmentally friendly means of transport, but also the most appropriate mode of transport. As environmental transport can be regarded transport by train and boat, the inappropriate ones include road and air transport. Therefore, „green businesses“ seek to favour rail transport and by road transport they seek to prefer cars with the lowest consumption or cars that use the so called eco-diesel or electric cars.

1.1.4 Promotion (marketing communication)

Marketing communication belongs – when regarding all elements of green marketing mix – to the most controversial ones. Often, the efforts of companies to create green marketing communication is called „greenwashing“, especially if, e.g. publicized product is described as green, but in reality it is not. It is for this reason that consumers are often sceptic to such environmental products.

Suitable marketing communication, which seeks to raise the visibility of the environmental attributes of products, should be governed by the following rules:

- Make sure that the advertised product characteristics have a real impact on the environment;
- Quote the concrete date concerning the green properties of products;
- Provide context so that the consumer could make their own opinions and compare the arguments;
- Explain the benefits, because consumers have limited understanding of environmental issues.¹⁰

Appropriately chosen communication tools can definitely minimize problems in marketing communication of a company. Advertising or advertisements carry the risk of accusations of green washing from serious social and environmental problems, as it is rather difficult to explain such issues within such a narrow space. Sending unsolicited e-mails to consumers entails the risk to designate the senders for spammers. However, sales promotion or sponsorship may be included among the

10 BAKER, M. J.: *The marketing book*. 5th Edition. Burlington : Butterworth – Heinemann, 2003, p. 748.

more reliable communication tools, here we must pay attention to the interaction between the advertised products and sponsored events. Also, public relations seem to be a reliable communication tool. „*An innovative way of using the 4Ps in the area of green marketing encourages customers to buy environmentally friendly products.*“¹¹

1.2 Importance of green marketing for company

At present, companies prefer – in addition to using new opportunities to make profit in the market – liaising with customers, buyers and partners. Within traditional marketing companies used to promote only one - and for them substantial – objective that was to achieve the highest profits with the least effort. Their goal was to obtain as many new customers as possible (but often they overlooked the regular ones), to increase their sales volume and so to provide services to any customers without distinction and targeting a specific audience. However, at modern, sustainable and green understanding of marketing, companies try to retain their loyal customers, build long-term relationships with them and of course they try to increase their customer base. This perception of sustainable marketing is increasingly recognized by consumers themselves and they seek to adapt their purchasing behaviours and decision-making, whereas there grows the demand for organic products. If we want to reach equilibrium with our sources in the near future, our products and services have to become organic, as well as the companies themselves. If the companies manage to identify with this new trend in the near future, there is assumption that their sales potential on the market will grow. The strategy focused on environmental marketing represents for them an effective instrument, due to which they may achieve this objective.

If the company wants its ecological marketing strategy to be successful, it must be first truly environmentally friendly, and it also has to have the intention to educate their customers and to enable them to participate in its implementing.¹² Today, the area of environmental protection belongs to the most studied areas not only in companies, but also in the whole society. The companies begin to think environmentally friendly, which is reflected for example in production when companies

11 BEDNÁRIK, J., GUBRICKÁ, I.: *Personálny manažment v kontexte trvalo udržateľného rozvoja*. Trnava : UCM FMK, 2013, p. 90.

12 VYBÍRALOVÁ, J.: *Životné prostredie a investície*. Bratislava : Ekonóm, 2000, p. 178.

install into their production already used packaging materials, or by-products formed during the previous production and they begin to replace individual materials by such materials, which can be easily recycled. Just such activities can make a company to become a green company, thus environmentally friendly. In recent years, a corporate image has been even more important in relation to the environment, because companies as such record in conscious consumers who are not indifferent to our planet increased interest in organic products. To the main criteria by which companies should be managed in order to ensure the environmentally suitable production but also a perspective environmental marketing strategy we include following:

- Efficient use of materials and raw materials;
- Reduction in the use of materials harmful to the environment;
- Minimizing emissions;
- Reduction in energy consumption;
- Reuse of materials, components and energy;
- Reducing waste and creating opportunities for its easy processing and depreciation.¹³

If we are based on the above assumptions, we can express the opinion that the companies that are trying to focus on the production of organic products friendly to the environment will ultimately have a competitive advantage over companies that will move in the direction of traditional marketing focused only on profit taking and attracting the highest number of customers. At present, however, we can already see the increase of environmentally oriented companies, whose endeavour is to meet the needs and wishes of their regular customers, for example by means of constant communication through social networks. However, we cannot say that all companies are sincere in their respect. Often, we can come across information about deceptive advertisements for products that have been promoted for the purpose of confusing the consumer in that it is an eco-friendly product, whose production has no negative impact on the environment.¹⁴ In the context of the issue of green marketing there have been made many researches. One of them was a research conducted in the USA, which was focused on the field of green marketing under the name „Green marketing: what works and what does not.“ The results of the research showed that more and more consumers perceived the need for the introduction of green marketing practices in corporate practice

13 JEDLIČKA, M.: *Strategický manažment*. Trnava : MAGNA, 2003, p. 47.

14 HAJNIK, B., RUSKO, M.: *Environmentálne orientovaný personálny manažment v praxi manažéra*. Trnava : SP Synergia, 2004, p. 98.

and they prefer products that are e.g. packaged in recyclable materials and the manufacture of these products does not pollute in high level the natural environment. It follows that more and more consumers are more conscious – due to the education of green-oriented marketing.

2 Innovative product model in a selected company

To illustrate green innovation in a company we have chosen from a range of many the companies IPA Slovakia, Ltd. and FOSFA Inc. The company IPA Slovakia, Ltd. is one of the leading companies in central Europe in the field of counselling, education, projecting and research for industry. Its attention is focused on the field of industrial engineering, strategic innovation, restructuring, performance improvement and development of corporate culture. It is a company that is linked to an international network of important partners in the field of research and innovation. It was right this company that was involved in an innovative project of the company FOSFA, Inc. The company FOSFA Inc. may be included in the rankings of the most important manufacturers of detergents and cleaning products in Central Europe. The philosophy of the company is primarily focused on the harmony between man and nature. In 2012 it took the most important decision in its history, which was to produce products with total respect for the environment.

In the same year, there was launched the innovation project, whose aim was to prepare the market for the arrival of fully organic detergents, which due to their high efficiency can be comparable with its quality, and even more efficient than competitive products. At the beginning of the project there was the following vision of the company: *„To become the most important supplier of private brands of detergents in Central and Eastern Europe with the focus on ECO-products“*.¹⁵ The company FOSFA started with the development of new environmentally friendly products. They created a new product line called Feel Eco, whereas it is a new range of ecological detergents and cleaning products.

15 ŠTÍGELOVÁ, M.: *Inovácia ako nástroj dlhodobej perspektívy firmy*. [online]. Available at: <http://archiv.ipaslovakia.sk/UserFiles/File/ZL/Prumyslove%20inzenyrstvi%20casopis/2010_3_Inovcia%20ako%20nstroj%20dlhodobej%20perspektivy%20firmy.pdf> [20.11.2014].

2.1 Product line Feel Eco

Deep respect for nature and respect for the natural environment is the default slogan of the company FOSFA. It was right this slogan that was present at the beginning of the direction of development of a unique product range of detergents and cleaning products. The mere philosophy of the brand expresses values such as respect, esteem and confidence that the company does not consider to be bare phrases. The product range Feel Eco includes laundry detergents, fabric softeners, stain removers, agents for hand dishwashing, and compositions for automatic dishwashers and all-purpose cleaners for cleaning toilets. These cleaners fully correspond to the ecological lifestyle that is increasingly favoured by our generation.

All products of the product line Feel Eco are made of carefully selected materials on the natural base. These materials are very easily biodegradable in the nature. High efficiency and product quality of the brand Feel Eco is supported by testing in independent accredited laboratories, which refutes opinions of many people that ecological resources are not effective compared to conventional detergents. What is more important, no product of Feel Eco has been tested on animals, because this would conflict with the principles and mission of the company.

In the decision-making process on the purchase of household cleaning products, one of the most important criterion if of course the price. Feel Eco products are highly concentrated due to innovative recipes, so you can use a very small amount of the composition while achieving high efficiency standards. In this way, products are slowly consumed; thereby consumers save money as well as our planet.

In the paper there is described the innovative project and methodology, on the basis of which it was solved. Here are individual steps of the project as follows:

- Analysis of potential of prospective markets;
- Analysis of competition;
- Defining value for customer;
- Product development;
- Package development;
- Product testing;

- Introducing the product to the public.¹⁶

2.2 Analysis of potential of prospective markets

The very beginning of the project was focused on the analysis of potential of the markets and potential of competition. The outcome of the executed analysis was the recognition that competition produce products in various quality levels. As the largest competitor may be regarded a Belgian company Ecover, which offers its products in the Slovak and Czech markets. Precisely in this analysis, the company found that ecological detergents are indeed environmentally friendly, but they do not wash in the required quality. However, the product line Feel Eco was not developed only as organic detergent which is environmentally friendly, but its effectiveness should be – according to the claims of the company – at least 20 % higher than it is in the products of the Belgian company.

3 Defining value for customer

When implementing the innovation project, it is necessary first of all to find the desired value for customers, which will be for them to some degree acceptable. Secondly, however, there is a more fundamental aim, which is the reason for which the customers will repeatedly return to the innovative product. As already mentioned above, the essence of sustainable marketing is – contrary to traditional marketing - to obtain stable and loyal customers, and address a new group of customers, who will be happy to return to the given product, which has apart from high quality and efficiency also such benefit that its production, consumption and recyclable parts do not ballast the environment. An innovative team that was responsible for upgrading the product line Feel Eco defined the added value for the customers as Eco – 5 E's:

1. Efficiency
2. Ecology
3. Economy
4. Ethics

16 ŠTÍGELOVÁ, M.: *Inovácia ako nástroj dlhodobej perspektívy firmy*. [online]. Available at: <http://archiv.ipaslovakia.sk/UserFiles/File/ZL/Prumyslove%20inzenyrstvi%20casopis/2010_3_Inovcia%20ako%20nstroj%20dlhodobej%20perspektivy%20firmy.pdf> [20.11.2014].

5. Emotions.¹⁷**4 Product philosophy and development**

The essence of the project was to develop such products, or product line that would be in harmony with nature, it means that the products would be manufactured only from environmentally friendly materials. The aim of this project was not only to orientate to the production process, but also to the packaging material that would be easily recyclable after using the products (i.e. the product packaging together with a label) and to the distribution itself so as to maintain the vision of the company, whose principle is to produce and to distribute products in harmony with the nature.¹⁸

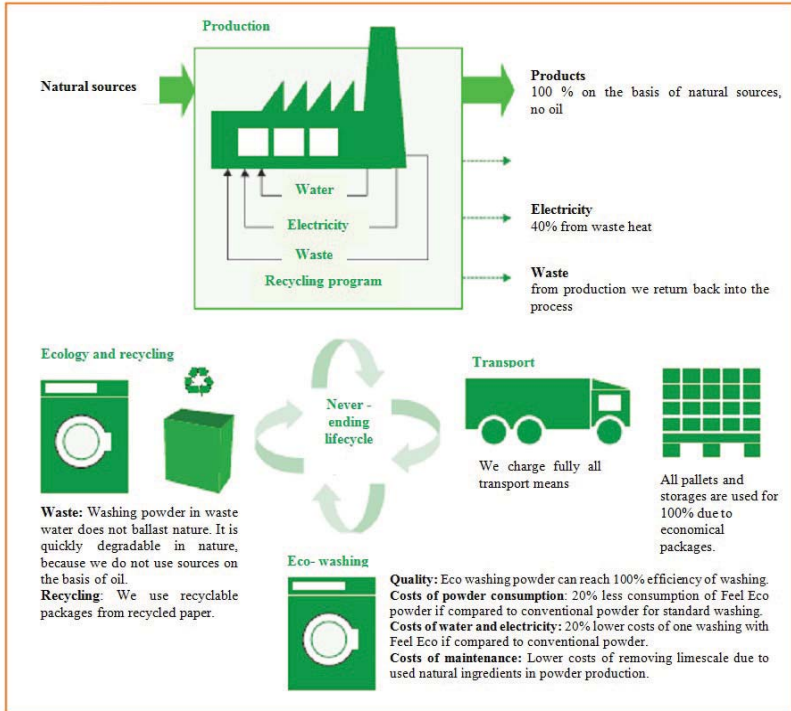
The very formulation of the product before production was first subjected to demanding internal tests. After testing in laboratories, which turned positive results, the tests were repeated also in external conditions in order to achieve relevance and verification of the acquired knowledge. After successful re-testing the product line Feel Eco acquired an eco-label of EU (the flower), which represents for the customer the guarantee of an environmentally friendly product.

Under the phrase „in harmony with the nature“ throughout the life cycle we can understand (Fig. 1) that the materials from which there are made all the products of the product line Feel Eco, are produced exclusively from organic sources, i.e. they are of plant origin from renewable sources. Bottle for detergents and cleaning products are from HDPE – high density polyethylene, labels for all products are made of plastic, making it easier to recycle the whole product, and it means a bottle together with the label. Within distribution, the company seeks to make maximum use of capacity of their pallets, on which the products are transported to the final consumer, and thus not to transport half empty pallets, in which way they seek to minimize the wastage of fuel and air pollution. The company declares when using the detergents also saving water and energy, because due to special technology detergents can be used for washing at low temperatures (30°). Finally, it should be noted that all products from the product line Feel Eco are developed organically, i.e.

17 Ibidem

18 *Hluboký respekt k přírodě a úcta k životnímu prostředí*. [online]. Available at: <<http://www.feeleco.com/o-nas>> [20.11.2014].

that in their manufacture there were not used any harmful substances, but only natural raw materials and that products were not tested on animals, because this is according to the company in contrary to their philosophy.



Picture 1: Life cycle of Feel Eco

Source: Životný cyklus Feel Eco. In: IPASLOVAKIA.SK [online] Available at: <http://archiv.ipaslovakia.sk/UserFiles/File/ZL/Prumyslove%20inzenrstvi%20acasopis/2010_3_Inovcia%20ako%20nstroj%20dlhodobej%20perspektvy%20firmy.pdf> [20.11.2014].

5 Product package

For the company, the package of the whole product line Feel Eco represents its philosophy. Even at first glance, the package of for example washing gel (Fig. 2) shows green leaves and circles, which should illustrate to the customers the life cycle as one that never ends and is continually repeated. The shape of the bottle should in consumers evoke

certain reciprocity so that one part of the circle of one bottle is filled always by the next bottle that stands next to it and this one is filled by another bottle and so on. Similarly, this is also the situation in humans. Always one man is completed by another one, only then they can create a common unit. The packaging of the product is purposely depicted by enlarged structure of a green leaf, which should evoke in the consumers connection with the nature, with something green.



Picture 2: Package of the washing gel Feel Eco

Source: Obal pracieho gélu. In: IPASLOVAKIA.SK [online]. Available at: <http://archiv.ipaslovakia.sk/UserFiles/File/ZL/Prumyslove%20inzenyrstvi%20casopis/2010_3_Inovcia%20ako%20stroj%20dlhodobej%20perspektivy%20firmy.pdf> [20.11.2014].

6 Testing of product by customers in the Czech and Slovak Republics and official presentation of Feel Eco to public

The company proceeded after the completion of the formulation and packaging of all products of the product line Feel Eco to product testing by consumers. The testing was carried out on a sample of 300 customers who were supposed to test the quality and efficiency of washing powders and gels on white linen. After testing the products, there came feedback from the customers, thanks to which it was confirmed to the company that the quality and efficiency they had declared is true. The results of this survey showed the fact that 97% of interested consumers, who piloted the product would welcome this kind of eco-friendly detergents, but the price should be comparable to the price of conventional detergents, which are used in households. The results of the executed survey were the same as the very initial aim of the company, which was to produce

and to distribute such products that are environmentally friendly, but their quality must be at least comparable to that of conventional cleaning products. At the beginning of 2013, therefore, the company introduced the first official presentation of the product line Feel Eco to the public, which was performed at the fair ECOWORLD in Prague and later on Bio summit in Prague. The products of Feel Eco have thus become better known not only to professional public, but also to ordinary consumers and in 2013 the company was awarded the prize Package of the Year 2013 in the category of consumer packaging. Similarly, in this year the products of the product line Feel Eco began to be distributed and to the public they are available on the e-shop www.feeleco.com, as well as in company stores Makro CZ and Metro SK.

Why exactly Feel Eco?

- **Ecology** – all products of the product line Feel Eco are made from natural ingredients, easily degradable in nature;
- **Economy** – all products of Feel Eco are highly concentrated, therefore they do not have to be dosed at higher doses than conventional cleaning products. The company recommends for the washing compositions to omit the pre-wash and to wash already at 30°C, because the household can save costs on energy;
- **Efficiency** – in the context of efficiency **it should be noted that** products of Feel Eco thanks to a specially developed formulation may be dosed at lower doses with high efficiency;
- **Ethics** – the society honours the values such as respect and morality and, accordingly they are trying to behave in this way to their customers as well as to the society as a whole. It is because of this reason that the company does never test their products on animals.¹⁹

Conclusion

At present, green marketing is a very controversial issue, whether in terms of different ways of its interpretation or application into practice. In the last 50 years, we have witnessed innovative advances in technology, products, and markets and also marketing. Nevertheless, the environmental costs

19 ŠTÍGELOVÁ, M.: *Inovácia ako nástroj dlhodobej perspektívy firmy*. [online]. Available at: <http://archiv.ipaslovakia.sk/UserFiles/File/ZL/Prumyslove%20inzenyrstvi%20casopis/2010_3_Inovcia%20ako%20nstroj%20dlhodobej%20perspektivy%20firmy.pdf> [20.11.2014].

of production and consumption have not yet become a part of the cost structures of companies, nor are they reflected in the prices of products. In other words, society and the natural environment continue to subsidize excessive consumption and productions. Green marketing is therefore an essential tool in influencing consumption towards responsible behaviour to the natural environment. Reaching a greater environmental performance requires to go beyond the product orientation and eco labels, and thus to use all available tools of the conventional marketing such as price, promotion and place. For only then green marketing may become a source of competitive advantage of a company. However, it is important to note that green marketing is relevant only if it is accompanied by changes in corporate values, strategies, regulation, investment; political systems, education and last but not last in the trade and consumer behaviour. If we take into account the above mentioned trends, the practical benefits of the implementation of green marketing in the company is evident and constantly growing in importance.

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REGIONAL FOOD AS EXPRESSION OF IDENTITY AND SUSTAINABILITY IN REGIONAL DEVELOPMENT

Pavla Varvažovská – Martina Jarkovská

Abstract

The popularity of regional food in the Czech Republic has an increasing trend. There is an increase in a number of end consumers for whom a price is not a priority, but who prioritise quality and origin. Consumers purchasing products carrying a regional trademark as well as their manufacturers belong to a particular region (identity). Regional brands contribute to sustainable development in the region in three areas: economic, environmental and social. For producers it means a higher added value and strengthening their promotion and advertising. The aim of this paper is to find out how respondents perceive regional food and, subsequently, to suggest possibilities of its use in the context of sustainable development in the region. The discussion of the results provides conclusions for practical application.

Key words:

Identity. Region. Regional development. Regional food. Regional product. Regional policy. Sustainability. Tourism.

Introduction

The popularity of regional food in the Czech Republic (CZ) has an increasing tendency. There are an increasing number of end consumers for whom a price is not a priority, but who prioritise quality and origin. In the CZ a producer is not obliged to indicate the origin of a product on its cover. The mark “regional food” thus helps consumers reveal the origin of the food. The use of regional trademarks (RT) in the CZ is of significance especially for producers and for an area where a product was produced. Consumers who buy products with such regional trademarks and producers of those products thus create the so-called solidarity with a particular region. Regional trademarks contribute to sustainable development in a particular region in three areas: economic, environmental and social. The economic area includes the recovery of rural areas and their consequent development. It helps maintain job opportunities in a region and prevents the outflow of its inhabitants to big cities. For producers it means a higher added value and the strengthening of their promotion and advertising. The social area can be understood as the coherence of local inhabitants with the region there are

proud of. Within the social area there is an efficient cooperation between local businessmen, local administration, non-profit organisations and other institutions. In terms of eco-friendliness or in the environmental area, this means an environment-friendly production. It involves the principle of local foodstuffs use, including their consumption, which curtails transport and transfer distances. Regional marking in this area helps perceive the coherency of natural, cultural, as well as social and economic sites of the region. The regional marking thus contributes to the sustainability of tourism. The marking has a positive impact on an overall development of the region, which is further contributed to by preserved traditions and crafts.

Regional food is characterised as food grown and produced in a given region.¹ The goal of the regional food is to develop small- and medium-sized companies focused on the production using traditional local raw materials. Moreover, it takes into account an increasing interest in quality foodstuffs. Already in 2010, under the auspices of the Ministry of Agriculture, the Regional Food contest began. The mark Regional Food (RF) is awarded to the best and most quality farm and food products in a region. The awarded product must be successfully selected by a committee in a regional contest. The aim of the Regional Food project is to motivate local producers as well as potential customers to look up such marked goods in stores and at farmer's markets. A direct sale of such foods in business parlours of their producers is not uncommon. The mark Regional Food (Figure 1) is the guarantee of local production combined with quality, local foodstuffs and recipes.²



Picture 1: Logo indicating award-winning products in Regional Food contest

Source: www.eagri.cz

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- 1 CANAVARI, M.: *Food Supply Networks*. Wallingford : CABI Publishing, 2011, p. 272.
 - 2 *Regional Food. Trademark Regional Food Awards the Best Products From Each Region*. [online]. Available at: <<http://eagri.cz/public/web/regionalni-potraviny/o-projektu/>> [29.9.2014].

The foodstuffs carry a logo which is in its lower part completed with the name of the region they come from. A considerable advantage of local products is their distributional channels. As opposed to imported foodstuffs, RF has a significantly shorter distribution period which influences its freshness, colour, scent and especially its taste. Another advantage of purchasing regional foodstuffs (and RP) is the support of local farmers and producers. Prosperous farmers and regional product and food sellers thus support employment in the region. The support of regional food sale is secured by various marketing tools whose aim is to motivate consumers to buy it. In January 2014, lots were drawn in a competition where contestants competed to stay at Czech chalets and cottages, which motivated consumers to buy. This activity also enhanced local tourism. For producers in food industry and farming, the logo Regional Food is optional. The trademark can be obtained by a farmer as well as food producer whose number of employees does not exceed 250. If producers decide to sign their products in the competition to be awarded the mark, they must follow a valid methodology and rules which are binding for the trademark award. The methodology according to which the trademark Regional Food was awarded in 2014 is available at web pages www.eagri.cz. The rules are divided into general and specific. The general rules are the same for all regions of the Czech Republic without exception. The specific (regional) rules are determined by each region in particular; however they cannot be in dispute with the general rules.

Gastronomic tourism, sometimes called gourmand tourism or gastro-tourism, is usually defined as a specific form of tourism. As its name suggests, it concerns tasting culinary delights of a particular region. Gastro-tourism does not offer participants the tasting of specific dishes only; it also focuses on the cognition of foreign countries, districts and regions from the perspective of gastronomy. Products are offered with specific properties of the locality, be it the composition of the dish or the culture of dining in the area. The gastro-tourism creates opportunities for the development of tourism especially in rural areas where it is usually combined with agro-tourism. Hall and Mitchell (2005) mention that in gastro-tourism food and drinks are the most important in terms of overall attractiveness of the locality and touristic impressions.³ In the Czech Republic there exists a project performed in the cooperation between The Czech Association of Hotels and Restaurants and The Czech Association of Chefs and Confectioners, supported by the Ministry of

3 *Gastro-tourism*. [online]. Available at: <<http://artslexikon.cz/index.php/Gastro-tourismus>> [29.9.2014].

Regional Development to promote tourism. The project is called Czech Specials.

1 Aim and Methodology

The aim of the paper is to find out how respondents perceive regional foodstuffs and, subsequently, to suggest possibilities of regional foodstuffs use in the context of a regional development. A quantitative survey using a questionnaire was aimed at the attitude and opinion of regional food consumers in relation with tourism in the South-Bohemian region. A standardised questionnaire was used for the field collection of necessary data. The elicited data were analysed using mathematical-statistic methods whose findings brought new facts concerning the given issue. The South-Bohemian Centre of Tourism and Regional Office of South Bohemia (department of marketing and external relations) support tourism in the region. Another significant role in the support of tourism is indisputably played by development agencies - Šumava regional development agency, awarding trademark "Šumava Original Product". Besides the awarded "Regional Food" and the regional trademark "TASTES GOOD, As South Bohemia" ("CHUTNÁ HEZKY, Jihočesky."), in South Bohemia we can also come across the trademark "PRÁCHEŇSKO Regional Product" and "ŠUMAVA – Regional Product".

For the purpose of the field survey, questions and hypotheses were stated verifying dependence between respondents' education and their purchases of regional foodstuffs. As regards the survey questions, most of the respondents found out about the Regional Food from the press. More than one half of the addressed knew at least one Regional Food or one producer of RF in South Bohemia. The respondents further answered that they sought the gastronomic tourism in South Bohemia only a little. Instead they preferred other forms of spending their free time in the region. The stated hypotheses for verifying the dependence of qualitative characters were as follows: Is there dependence between the knowledge of the Regional Food and its purchase? Is there dependence between the respondents' highest achieved education and their satisfaction with the RP offer on the market?

2 Results and Discussion

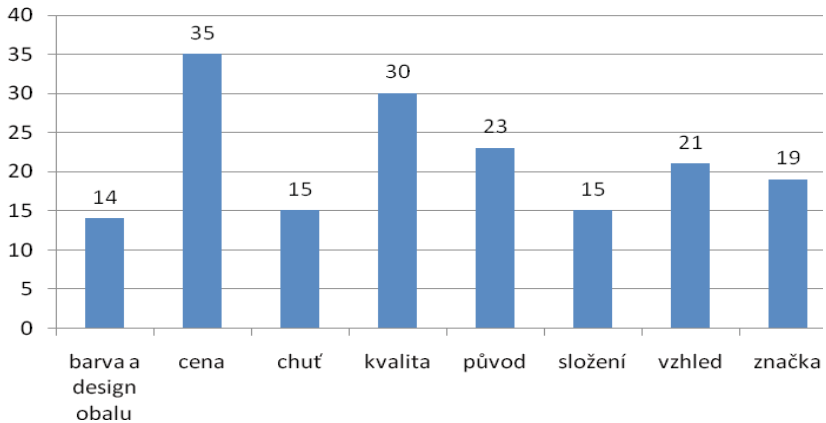
The field survey took place from the 6th till 21st March, 2014, in the form of questioning outside Terno and Globus shopping centres in České Budějovice and near the shop of the producer awarded the Regional Food – Blatensko Fish, Ltd. (Blatenská ryba, spol. s r. o.) in Blatná and near the delicatessen shop U Mlsouna in Blatná, where the products of Mr. Libor Novák are sold. The questionnaire survey also took place outside the shops Coop Strakonice and Coop Písek. In total 200 respondents were addressed, out of which 28 refused to take part in the survey. Answers from 172 were obtained altogether. Out of 172 respondents 115 were women and 57 were men. The women prevailed in number over the men. Such a result may be influenced by the fact that women shop for groceries more than men. The age structure of the respondents varied. They were mostly in the age of 30 to 40 (59 respondents), the second most frequented groups were respondents in the age from 41 to 59 (54 respondents). The third largest group was presented by the respondents from 18 to 29 years of age (41 respondents). The least numerous group was represented by people over 60 (18 persons). Based on their education, the respondents were in sociological research represented as follows: elementary education was represented by 35 respondents, i.e. 20.4 %; secondary school education with a school-leaving examination was represented by 54 addressed persons, i.e. 31.4 % respondents. Apprentice education was represented by 41 respondents, i.e. 23.8 %. 42 respondents mentioned as their highest achieved education university which accounted for 24.4 % of the total of the returned questionnaires. The economic activity of the respondents was as follows: working (114), maternity/parent leave (21), retired (14), students (10), unemployed (9) and other (4). The elicited structure of the respondents' households and their monthly expenditures for the household is presented in Table 1.

Table 1: Respondents' monthly expenditures in relation to household structures

Expenditures spent on groceries	I live with friends	I live alone	I live with a partner/no children	Family of 4 members	Family of more than 4 members	Two-generation family (parents, children + grandparents)
CZK 1001 - 3000	0	12	8	15	0	0
CZK 3001 - 5000	3	0	3	23	15	0
CZK 5001 - 7000	0	0	0	23	19	17
More than CZK 7000 CZK	0	0	0	6	24	4
Respondents in total	3	12	11	67	58	21

Source: Own processing

The most often mentioned criterion in the choice of foodstuffs was a price followed by quality and origin in the third place (Graph 1).



Graph 1: Criteria affecting the purchase of foodstuffs

Legend: (from left to right) package colour and design, price, taste, quality, origin, composition, appearance, trademark

Source: Own processing

The questionnaire was created with a possibility to evaluate the respondents' awareness of RP/Regional Food and their relation to tourism in South Bohemia. Most often, the respondents connected RF

with regional origin and local production. The second most frequent answer was the support of local entrepreneurs and producers. The third answer was awarded quality foodstuffs and last answer was their difference from other regions and their uniqueness. A dominating source from where the respondents knew about the existence of Regional Food was the press followed by shops where such information was provided directly by the sellers. Thus question 1 was confirmed. A great significance of regional support is emphasised by local commercial media that try to get the existence of original foodstuffs of the region to the cognizance of the respondents. The most frequent respondents' answer to the question where they met with regional food/Regional Food was at the supermarket followed by farmer's markets and hypermarket on the third place. A favourable result of question 12 confirmed the research question 2, i.e. the respondents knew the awarded Regional Foods or RF. The knowledge of a producer or RP was mentioned by 155 respondents which accounted for 90.12% of the total number of respondents. Of the total number 17 respondents did not know the answer, which accounted for 9.88% who neither knew the producer nor RP. As for the survey question 13, 140 respondents answered that they bought regional foodstuffs and RP while 32 respondents did not buy such labelled food. The negative answer definitely included even those who in the previous question mentioned that they did not know any RP or a producer. To evaluate question 15, the answers of 14 respondents were analysed only whose answers to question 13 were that they did buy Regional Foods. Answers to question 16 contained various associations connected with South Bohemia. The following table presents a summary of the respondents' answers. The answers were classified into clear categories – the majority of the respondents mentioned fish, carp, a pond region. In relation to question 19 the following data were analysed: 159 respondents came into contact with RP and regional food promotion at cultural events or exhibitions held in South Bohemia. The remaining 11 respondents mentioned that they did not meet with such promotion. The answers to question 20 revealed that the respondents liked to connect their visit to the locality with the tasting of local products. This was mentioned by 151 respondents, which accounted for 88.83 %. 19 respondents, i.e. 11.17%, did not like experimenting while tasting local food.

Due to a limited length of the paper the calculation was performed for the test of the first hypothesis only, however, a test for the second hypothesis can be calculated in a similar way.

Is there dependence between the knowledge of Regional Food and its purchase? To find out whether there was the dependency between the knowledge of RP and its purchase the χ^2 test for independence was applied. The range of the set is higher than 40, i.e. the range of the tested set was 172 respondents.

H₀ There is no dependency between the mentioned characters, i.e. there is no dependency between the knowledge of RP and its purchase.

H₁ There is dependency between the mentioned characters, i.e. there is dependency between the knowledge of RP and its purchase.

Table 2: Association Table

RP Knowledge	RP Purchase		Total
	Yes	No	
Yes	133	22	155
No	7	10	17
Total	140	32	172

Source: Own processing

$$\chi^2 = \frac{n(ad - bc)^2}{(a + b)(a + c)(b + d)(c + d)} = \frac{172(1330 - 154)^2}{17 \times 140 \times 32 \times 172} = 18,16$$

The tables mention a critical value $\chi^2_{0,05} = 3.841$ $\chi^2 > \chi^2_{0,05}$ $18.16 > 3.841$
 H₀ is refuted and the alternative hypothesis H₁ is accepted.

To determine the dependency the association coefficient is applied

$$|V| = \sqrt{\frac{\chi^2}{n}} = \sqrt{\frac{18,16}{172}} = 0.32$$

The dependency between variables is direct and medium-dependent.

Consumers are influenced by advertising, especially by information in flyers, on the Internet, on TV, at the venue of product sale etc. Easily accessible information on RF and products in information brochures, flyers, and advertising campaigns (provided by both the third party or food or product producers themselves) tells consumers why this very product is different from others. Therefore it cannot be disputed that

purchasing foodstuffs and products is affected by shoppers' knowledge and awareness they have about them.

Is there dependence between the satisfaction with RP offer on the market and the highest achieved education? To verify the hypothesis it was important to consider the fact that such verification would include 140 respondents only. 32 respondents mentioned that they did not buy RP and therefore were excluded from further observations.

H₀ There is no statistically significant dependency between the offer on the market and the highest achieved education.

H₁ There is statistically significant dependency between the RP offer and the highest achieved education.

There is statistically significant dependency between the satisfaction with the RP offer on the market and the highest achieved education which can be designated as mild or medium dependency.

The highest achieved education influences not only the way products on the market are perceived but also life values, feelings, expectations, opinions and, last but not least, needs and their satisfaction. What one person regards as standard does not have to be regarded as standard by others. Education, hand in hand with awareness, therefore plays an important role in satisfying one's own needs. Subjective opinions on satisfying one's needs are different for each and every individual.

The significance of Regional Food contest provides consumers with the information that products were made in a region –they were produced from local raw materials and very often it was the residents of the region who contributed to their production. Such products very often follow certain regional recipes or traditions. However, it is both the awarded products and products not certified and labelled with RP trademark that bring positives to a region. Similar to RP, regional products are specific for their origin, tradition and production. Both concepts of regional products and foodstuffs provide a region with job opportunities, production and, therefore, prosperity. For a region such prosperous farm producers and foodstuff producers present the creation of jobs, which helps maintain the level of unemployment at an appropriate level. Awarding RP trademark aims at the promotion and support of small and medium-sized businesses. Another role of RP and regional products

is to acquaint consumers with quality, tasty and, in particular, Czech foodstuffs which, thanks to short distribution channels, preserve their freshness and nutritious values. Taking into account European regions, regions in the Czech Republic or regions worldwide, each region has its specific products and foodstuffs.

Accommodation and catering providers as well as other business entities are dependent on the infrastructure of tourism which creates the so-called multiplier effect. Tourism has both positive and negative impact on the environment. It improves the standard of living as taxes from businesses are used in local infrastructure and services. It helps create and maintain the feeling of solidarity with local natural, cultural and gastronomic heritage. Tourism is a very dynamically developing branch where it is more than necessary to “move with the times” and provide tourists and visitors with products in demand. In order to revive and diversify local tourism, various cultural and other events take place. Among other ways how to boost and diversify local tourism belong local and regional products or Regional Foods. These are authentic products which are not available everywhere. Many a time, tourists find their very production an unforgettable experience. Excursions to production manufactories connected with product tasting are touristic attractions.

Conclusion

The South-Bohemian Centre of Tourism, operating in South Bohemia, offers on its websites or in hard copy brochures tips for trips exploring the beauty and experiences of South Bohemia. In the catalogue of gastronomic products the portal South Bohemia offers the tour of České Budějovice brewery or Třeboň ponds harvesting. However, it does not mention regional or Regional Foods that would help tourists realize why these foodstuffs are the best of the region. The field survey revealed that the gastronomic tourism in South Bohemia did not belong among the most frequent activities and that the respondents did not like tasting dishes prepared from local products. They preferred dishes they had already tasted in the past. Such solidarity with the region must be supported by connecting different products of tourism. Tourism thus plays an inherent role in regional development. It generates revenues of local economies. Building the infrastructure of tourism goes hand in hand with building the infrastructure for the residents in the area and region. Other sectors of national economy are dependent on tourism as well.

The development of culture, local solidarity and other development factors has both positive and negative impacts on environment. A fashionable trend in tourism is sustainable development and eco-tourism. Improving the involvement of regional products, foods and awarded Regional Foods in tourism has its pitfalls. One of the pitfalls for setting up such a tour operator or travel agency is high initial investments and compliance with applicable standards of legislation. The second proposed variant making regional products and Regional Foods more attractive and improving their involvement in tourism and is creating adventure packages offering visitors and tourists sightseeing, culture, natural attractions or actively spent holidays as well as tasting local cuisine prepared mainly from local products. The adventure packages could also involve other regions within cross-border cooperation. Appropriately selected marketing promotion of the region should maintain originality, tradition, and solidarity with the region and thus create unforgettable experiences.

Regional products and Regional Foods support the region in terms of its job opportunities and generate revenues whose taxes are received by local budgets that finance further regional development. Local action groups (LAGs) could also take part in creating programmes including activities within tourism related to RP and regional products and foods; in other words a successfully selected product of tourism whose multiplier effect would bring both income and the development to a region.

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Consumer Privacy Innovations



The fifth section is an output of Project VEGA 1/0558/12 titled Research on factors influencing the selection and implementation of integrated marketing communication tools with regard to safety of information and customer protection. The essential issues addressed through the project include: aspects of the security of information for marketing communication, using the tools of integrated marketing communication in order to ensure the safety of information and customer protection in business practice, improving the safety policy related to business information in the context of marketing communication, updating and improving the customer protection and satisfaction code, as well as assessment, evaluation, selection, and implementation of integrated marketing communication tools using optimal software solutions with respect to the safety of information and customer security in business activities. Although the section focuses on project participants and their scientific contributions, any other attendees interested in the given issues are welcome to share their findings and opinions.



INFORMATION SECURITY POLICY OF ORGANIZATION IN RELATION TO MARKETING COMMUNICATION

Luboslav Blišák – Jarmila Šalgovičová

Abstract

Currently, anybody may face security threats. All entities which keep or process sensitive data are potential targets. Threat of sensitive information leak is a complex issue. In this contribution, we deal with information security policy regarding the protection of customers and individual companies against threats associated with the leakage of sensitive information. We discuss the way-outs and legislative standards, and provide practical examples of dealing with violations to sensitive information, resulting in the damage to clients and the harm of goodwill. The last part of the article submits the proposals on how to reduce the risk of hacking threats to information databases, unauthorized access to sensitive personal data, secrets and patents, which might increase credibility of the organizations via applying moderate communication strategy.

Key words:

Consumer protection. Credibility. Information security. Ethical approach. Legislation. Threats.

Introduction

Data traffic grows together with importance and volume of transferred information each year. Number of internet users, means of communication and social network accounts grows. Daily over 150 million tweets are posted and 3 trillion Youtube videos are watched. According to website Internetlivestats.com there is over 3 billion internet users.¹ Regarding increasing amount of digital content and use of electronic communication we have taken in account increasing risk of security threats.

Everyone who protects very confidential and strategic information may be affected, starting from ordinary consumers, small local organizations, large global corporations, industrial companies, banking institutions, government organizations up to the security agencies. The risk of information leakage is permanently topical regardless of the place; it is essential how the organization is prepared for such attacks.

1 *Internet users in the world.* [online]. Available at: <www.internetlivestats.com/internet-users/> [14.11.2014].

It depends mainly on the other party who wants to attack, the way of attack (a simple one in case of poor security, or sophisticated, in case of the excellent security) and whether the attack is worth the effort, its traceability and subsequent consequences. Information that is strategic, sensitive, related to know-how, specifying the segments and target groups may be very attractive for a potential attacker. It is similar to stealing a car: the one, who wants to do it, will always find a way; it just depends on the time devoted to it, the number of obstacles to be overcome and protection of attacker from tracing.

Information security policy is closely linked to the quality management system. **Quality management** involves a large number of controlled processes related to the customer needs and expectations, technological progress and increasing competition. Organisations have to adapt to the changing conditions by constantly improving their products and processes. According to the Standard ISO 9000: 2005, Quality management systems - Fundamentals and vocabulary: *“Utilisation of quality management system stimulates organizations to analyse customer requirements. The system defines the processes that contribute to the design of a product acceptable to the customer, and maintains these processes under control. Quality management can provide a framework for continual improvement in order to increase the probability of achieving customer satisfaction and the satisfaction of other interested parties. It ensures the organization and its customers that the organization is able to provide products that consistently meet the requirements.”*²

Information security policy of an organization can be seen as a system of the management and control processes and regulations designed to implement security features inside and outside the organization, regarding the specific features, nature and operations of the entity in accordance with its principles. It is necessary to define individual levels of protection in the management process, and, based on the importance and level of information, assign responsibilities and competences within the process of management and control. According to Strnád, security policy is defined as *“a system of basic objectives, principles and obligations used to ensure security, and a kind of security documentation elaborated for individual information systems in the company.”*³

2 STN EN ISO 9000:2005. *Systémy manažérstva kvality. Základy a slovník.*

3 STRNÁD, O.: *Bezpečnosť a manažment informačných systémov.* Bratislava : STU v Bratislave, 2009, p. 11.

Introduction of the information security system provides organization with several advantages, comprising the mapping of the structure, increased credibility, monitoring of safety risks and active risk-related protection, development and improvement of internal processes, lower costs for the maintenance and improvement of process efficiency, and easier adaptation to legislative regulations.

It should be kept in mind that implementation of any system is a continuous process, not a one-off project, otherwise there is a risk that investment will probably not return.⁴ The process obviously requires careful analysis, preparation and monitoring of the various levels of security, with the participation of experts in information security.

1 Organization's approach and customer's opinion

Companies and organizations work with various data such as studies, statistics, strategies, information on the economic operations, results and accounting, information on the target groups and their buying behaviour, competition, databases, patents, private data, passwords etc. Based on the size of organization and number of processes, the data is regularly re-used and updated. Information belongs to the most important company assets. Its value is hardly quantifiable, depending mainly on the size of the company, its market position, turnover, number of competitors and their strengths. Various companies accept different trade regulations, subject primarily to the European directives and regulations, national legislation as well as market specifications. The strictest safety criteria must comply with the governmental and security authorities along with banking institutions, which are governed by the strict legislation, regulations of the Ministry of Interior, Ministry of Finance, National Bank of Slovakia regulations, and directives of the ECB (European Central Bank) and EP (European Parliament). The well-known corporations such as retail chains and Telekom operators, i.e. the companies working regularly with lots of data and various databases, are also subject to legislative standards. In addition, they have their own protective elements, certified ISMS (Information Security Management System)⁵, or even their own security departments.

4 BOGDANOVSKÁ, G.: *Bezpečnosť informácií – Jej dôležitosť a možnosti zabezpečenia*. Košice : Fakulta BERG, TU Košice. [online]. Available at: <<http://katedry.fmmi.vsb.cz/639/qmag/mj57-cz.pdf>> [10.1.2015].

5 STRNÁD, O.: *Bezpečnosť a manažment informačných systémov*. Bratislava : STU v Bratislave, 2009, p. 76.

There are many other ways and methods which protect organizations against information leakage and industrial espionage. In addition to its value, information also means the risk of leakage and loss of reputation of the institution, which might ultimately mean huge losses. Besides a sophisticated attack via the Internet, there may be a simple theft of an information carrier, human error, or a targeted defraud of an employee for the purpose of further trading. It is up to each organization how it will tackle the potential threats of hacker attacks. Even without a causing direct damage due to the loss of information, such attacks can seriously disturb the clients.

The ways of protection against security violations depend mainly on the performance and scope of the organization's activities. Mostly, they comprise the systems, regulations and measures, technical safety and contracts of employment, including the ban of proliferation of commercial and other sensitive data. Smaller and larger companies operating under competitive forces use employment programmes that monitor employee activities and handling data. Level of the programmes depends on several factors, especially financial ones. To be positively perceived by clients, companies protect themselves by Codes of Ethics where they pledge to respect the principles of using and handling information and databases. That means they accept the elements of social corporate responsibility. It should be noted, however, that the Code of Ethics containing such commitments is not obvious in all organizations.

Some organizations and companies respect the Act No. 122/2013 Coll. on the Privacy Act and Section 7 of Act No. 428/2002 Coll. on granting the consent for processing personal data and protection of personal data as a part of their general and business conditions. The above-mentioned Code of Ethics and well information security are deployed e.g. in Slovnaft a. s. or in the Slovak Information Service (Slovak Safety Agency). One of the most elaborate Codes of Ethics is used in Slovak Telekom a. s.:

Information about processing of personal data - Slovak Telekom, a. s. accentuate on the protection of personal data, the largest special emphasis on privacy and security of personal data of customers. The exact definition of personal data is given in Section 3 of Act No. 122/2013 Coll. personal data protection. Use of personal data be could determined and identified by a specific person. Personal information include:

- title;
- name;

- date of birth;
- Social Security number;
- ID card;
- passport or other identify document;
- contact as address, phone number, e-mail address, or Facebook account.⁶

Slovak Telekom may serve as an example of personal data protection via implementing a total security system which guarantees the maximum privacy of customers. The security system is strictly controlled according to the ISO series 27000 Standards. Slovak Telekom is certified for the Information Security Management System by an international audit certification authority. The high quality of the system is annually reviewed by a renowned international audit firm. A security project and measures to protect personal data were elaborated in accordance with the current legislation in the technical, organizational and personnel fields in order to support the information system of personal data, which comprises the Security Section defining the mandatory security mechanisms and security measures to ensure the high level of security in accordance with ISO 27002: 2005. Security mechanisms and security measures are implemented in the system prior to its piloting, and their effectiveness is verified in the course of testing. Their purpose is to prevent leakage or unauthorized alteration of personal data and to ensure that personal data is not accessible to any unauthorized personnel.

Personal data of customers is accessible only to authorized personnel who are instructed in detail on the protection of personal data and its processing. Repeated training of authorized persons is carried out by experts in the field of personal data protection. Strict compliance with the security measures for personal data protection is controlled by an elaborate system within the certified information security management system in Slovak Telekom.⁷

The information security is briefly mentioned e.g. in the Codes of Ethics of the Slovak Republic Ministry of Interior, in The Slovak Advertising Standards Council, and Orange Slovakia a. s.

6 *Právne informácie*. [online]. Available at: <www.telekom.sk/o-spolocnosti/pravne-informacie> [15.12.2014].

7 Ibidem

Code of Ethics – Handling of confidential information

While performing professional duties, employees may come across non-public information belonging to the company or its partner companies. Non-public information includes any personal or confidential information entrusted by customers, suppliers or employees. It also includes customer groups, finance, product development and marketing strategy, sales prices, unpublished financial results, changes in the groups of shareholders, management or board of directors, as well as any information on signing and termination of important commercial contracts, mergers, corporate acquisitions, sales or liquidation. Company employees may not communicate the confidential information outside the company or use it for the purposes other than the work within the company. In particular, it is forbidden to use such information for:

- trading with the shares of France Telekom or other publicly traded companies, either directly or through intermediaries;
- advising other members inside or outside the company in trading with the shares prior to the publication of such information;
- Certain employees of the company must also comply with additional rules of the Code for Equity Trading.⁸

Customer attitude to the security of personal data is clear. Nobody orders products and services while knowing that their personal information will be shared uncontrollably. However, databases are being commonly shared in the current practice. Unknown companies frequently contact us to offer their products/services. Is it due to the information leakage? Who provided the information? Do companies trade with information? And what is actually the behaviour of people on the Internet? Do people know security policies? Do they enter their personal data when logging in the websites of the unknown and known companies e.g. at registration to new services through the discount portals, when communicating via the forms, or communicating with service providers over the Internet and chatting on the social networks?

People's awareness of information security is various, especially with regard to two demographic factors: age and education. In addition, the user is strongly dependent on the level of empirical knowledge. Who of the Internet users has a complicated password? How many users are connected via a secure network and use encryption to secure the Wi-

8 *Etický kódex – Zaobchádzanie s dôvernými informáciami.* [online]. Available at: <<https://www.orange.sk/onas/spolocenska-zodpovednost/dokumenty/eticky-kodex/>> [17.12.2014].

Fi router from hacking? How many users own the latest version of an effective antivirus system? How many people have generated several mail accounts for the purpose of registration of new services, and an account for different promotional materials, advertising, newsletters, and so on. In March 2014, the Slovak Banking Association issued a warning regarding the enormous increase of so called “phishing” attacks, when user computers were attacked owing to insufficient security level. Users frequently do not notice a suspicious link and click through to a risky website which pretends to be a banking institution. The attacker then has an easy access to the users’ data. Security of mobile phones is often minimal and the cases of hacking keep increasing. Security of organizations and the Internet users is vulnerable. It is therefore important to introduce the trainings aimed at increasing the security awareness of ordinary users.

2 Legislative protection

Security of personal data protection is supported by the key Act No. 122/2013 Coll. on personal data protection. Other important documents covering specific areas of information security and cardinally affecting the information protection and security are for example:

Constitutional Act No. 460/1992 Coll., Constitution of the Slovak Republic as amended;

- Act No. 128/2002 on the governmental inspection of internal market regarding customer protection;
- Act No. 395/2002 Coll. on archives and filing departments;
- Act No. 22/2004 Coll. on electronic business;
- Act No. 215/2004 Coll. on protection of classified information;
- Act No. 275/2006 Coll. on information systems of public administration;
- Act No. 250/2007 Coll. on consumer protection;
- Decree of the Slovak Republic government No. 570/2008 – National strategy for information security in the SR;
- Regulation No. 164/2013 Coll. on the range and documentation of security measures;
- Other acts regarding information security, free access to information, electronic communication and related methodology directives, as well as 27000 international standards of information technology,

security techniques and information security management systems.⁹

Below is the list of selected legal amendments enacted by the European legislation bodies:

Directive of the European Parliament and Council 95/46/EHS on protection of physical entities in processing personal data (transposed into the Act No. 428/2002 Coll.);

CETS 185 of 2001, agreement on cybercrime (Council of Europe);

Directive of the European Parliament and Council 2002/58/ES on processing personal information and privacy protection in the sector of electronic communication (transposed into the Act No. 610/2003 Coll.);

These standards, laws and directives indicate that enormous effort has been made in the recent years to reduce the risk of hacking threats to information databases.

3 Examples of information leakage from several domestic and foreign companies

There are many examples of serious information leakage mostly related to the size and name of the organization, which have raised awareness of the general public. However, the real number of leaks and hacking into systems and databases must be definitely higher; many of them just have not been publicized in order to spare reputation of organization.

The most common leaks appear particularly due to ineffective security or human error. They concern both small and large organizations. Activities of Edward J. Snowden who revealed practices of the American NSA institution, or Julian P. Assange who represents the “WikiLeaks.com” portal can be considered information leakage. Deliberate leaks occur also during the current Ukrainian crisis, when the opposition learns about the activities, defensive and offensive positions and measures of the other party. Big fuss was stirred by the activities of the American intelligence services (especially the CIA) that tapped communication of the top government officials in Germany (e.g. Angela Merkel, the German Chancellor). The event resulted into the reduced confidence and strained

⁹ *Národný právny rámec – Právna úprava ochrany osobných údajov.* [online]. Available at: <<http://www.dataprotection.gov.sk/uoou/sk/node/163>> [18.12.2014].

relations. Both parties, however, try to mitigate the unfavourable impact preferably by open communication.

In 2012, the ESET press release reported a leakage of details from the payment system for the Visa and MasterCard credit cards. The incident allegedly affected more than 56,000 accounts; 876 of them were used for a certain form of fraud. In 2012, data leaked also from the portals of LinkedIn and Yahoo!¹⁰

Recent events are another example of virtual threats. In connection with the attack on French satirical magazine Charlie Hebdo well-known hacker group Anonymous attacked websites of radical Islamic groups. Another event was leak of Björk's new album days before official release. Madonna's album Rebel Heart was planned for release in March 2015, however it was leaked in December 2014.¹¹

Last year, the European Commission proposed new rules for the protection of know-how and business secrets from their unlawful acquisition. Reportedly, *"in the past ten years, one of the five companies in the Union encountered at least one attempt of stealing their business secrets. According to another recent study, this number keeps increasing. The number of companies that reported the theft of information, increased from 18 % in 2012 to 25 % in 2013."*¹²

There is another problem which occurs increasingly. Dismissed employees who had an access to lots of data want revenge for the dismissal. *"More than 60% out of 950 respondents who were made redundant in the past 12 months confirmed they had stolen some important data from the company. According to the independent surveys (Gartner, Ernst & Young, KPMG), 75 % of managers are concerned of the potential revenge of former employees."*

10 *Kyberzločin v roku 2013: Nárast mobilných hrozieb, hacktivizmus, cloud a únik informácií.* [online]. Available at: <<http://www.eset.com/sk/o-nas/press-centrum/tlacove-spravy/article/kyberzlocin-v-roku-2013-narast-mobilnych-hrozieb-hacktivizmus-cloud-a-unik-informacii/>> [18.12.2014].

11 *Album Björk sa dostal na internet pred oficiálnym vydaním.* [online]. Available at: <<http://www.tyzden.sk/zaujímavosti/hudba-album-bjork-sa-dostal-na-internet-pred-oficialnym-vydanim-2.html>> [26.11.2014].

12 *Počítačová kriminalita a priemyselná špionáž: Brusel chce chrániť obchodné tajomstvo dôraznejšie.* [online]. Available at: <<http://www.aktuality.sk/clanok/241092/pocitacova-kriminalita-a-priemyselna-spionaz-brusel-chce-chranit-obchodne-tajomstvo-doraznejsie/>> [18.12.2014].

*Regarding the above-mentioned, the fact that only 26 % of the companies have implemented the measures minimizing such risks is alarming.*¹³

It is very difficult to battle the information leakage in such a situation, since the affected party may not learn about the leak. The effective measures are as follows: adoption of strict rules and laws in the company, acquisition of sophisticated software, and storing all data on separate servers (not on other media).

Information leaks are common also in the Slovak organizations and companies. The well-known hacking into information systems includes the case of the National Bank of Slovakia (NBS) which had its internal system insufficiently secured by a simple password “nbs123”. Several institutions have suffered the leakage and losses of data. The loss of the USB information carriers from the Armed Forces received much publicity: *“According to the SME newspaper, the leaked information contained the internal data about hundred military police officers who should deal with infringements of their colleagues, and also protect other soldiers in Afghanistan. The key contained large electronic files and personal data, such as addresses and social security numbers.”*¹⁴ The leak occurred even in the Police Forces in 2011; there was a leak of so called “mafia lists”. Positive fact is that the offenders in the last two cases were revealed and punished.

A few years ago, Slovakia faced hacking into the “Azet.sk” (local communication portal/ social Network). The case illustrates (similarly to the interception of communications of German politicians) how to apply the marketing communications if prevention and security fail, and how crisis communication, active communication with the media in particular, can mitigate unfavourable impact of such failure: *“We confirm that an unknown attacker hacked the Azet system. Fortunately, no theft of personal photographs, emails and personal messages has occurred. The hacker accessed one of the databases with the passwords in an illegible*

13 *Ochrana citlivých informácií pred únikom z firmy: Ako predišť pomste bývalých zamestnancov.* [online]. Available at: <<http://www.itnews.sk/tituly/infoware/2014-03-11/c162029-ochrana-citlivych-informacii-pred-unikom-z-firmy-ako-predist-pomste-byvalych-zamestnancov>> [16.12.2014].

14 *Dvoh vojakov v kauze stratených USB kľúčov finančne potrestali.* [online]. Available at: <<http://spravy.pravda.sk/domace/clanok/167243-dvoh-vojakov-v-kauze-stratenych-usb-klucov-financne-potrestali/>> [18.12.2014].

encrypted form. We can assure all the users that the passwords cannot be misused for accessing the user accounts.”¹⁵

4 Role of marketing communication in the frame of information security policy on the levels of users and organisation

Marketing communication plays two roles in the above-mentioned area:

- implementation of communication with the aim of minimising the options of information leakage;
- communication as a part of mitigation process.

The primary role of communication covers:

- the Code of Ethics in the organization, defining responsible handling sensitive information while clarifying the issues of fundamental processes (example of Slovak Telekom);
- the projects raising the user levels and improving the awareness of risks among the Internet users, in the Internet banking, as well as clarification of some information collection practices, which should provide the users with better secured important information, online accounts and bank accounts (appropriate as an activity of the organization with the CSR elements);
- the increase of security awareness within teaching at the secondary and tertiary education institutions (besides highly specialized IT studies); studies at the UCM FMK (University of SS Cyril and Methodius, Faculty of Mass-media Communication) also offer opportunities for improving awareness of security issues, prevention and mitigation both within the marketing and mass media communication-related subjects, or during so-called “The Science and Technology Week”;
- continuous process monitoring improvement of the security and safety measures at various levels of the organization and delegation of the measures within the company internal communication, the raise of the awareness, the raise of the standards for information handling;
- the development of new monitoring systems such as “SIEM” (Security Information and Event Management) technology;¹⁶

15 *Azet.sk hacknutý*. Available at: <<http://www.itnews.sk/spravy/bezpecnost/2010-01-04/c131080-azet.sk-hacknuty>> [17.12.2014].

16 *Ako zabrániť úniku citlivých informácií zvnútra firmy?* [online]. Available at: <<http://www.itnews.sk/tituly/infore/2013-12-10/c160383-ako>>

- training on various levels of organization on how the information security affects marketing and status of the organization in terms of the first (direct) contact with clients, trainings for different levels of management with the emphasis on interconnectivity, interoperability and staff management in determining the security level of each data;
- preparedness of the organization and management for possible crises, simulation, solutions and practices of crisis communications are an important basis for mitigation, handling the situation and gaining time or the favour of the media and the public.

Communication regarding security policy in the organization must be moderate and very sensitive. It should be noted that, along with attracting attention to company and favourable response of public, a stronger, purposeful communication might also attract the attention of hackers and saboteurs, which could increase the risk of exposure to the threat of attacks by providing the attackers with the advantage of being informed in advance about the level of security in the company. It is therefore important rather not to draw attention to the company, since, as we mentioned above, if an expert wants to get information, it is just a matter of time and effort spent to protect oneself from being traced.

The other role of communication comprises:

- crisis communication after the problem emergence and its disclosure to the public; ideally, the activities should be managed based on the results achieved in simulating individual situations and standards of crisis communication; a well-managed crisis communication may distinctly help organization to tackle the problem;
- open communication is a sign of problem-solving and mitigation for the media and the public in case of unexpected problems; such type of controlled communication management for the purpose of mitigating the impact is currently in progress in resolving the dispute between the United States of America and Germany in the case of interception.

Conclusion

The contribution deals with the security information policy regarding the organisation and customers. It presents legislative protection as one of three major factors of the information leakage prevention. Another factor is the security inside the company and increased security awareness are the other two factors, particularly in terms of the common users. The contribution also discusses communication used as a preventive factor, and crisis communication as an effective element of moderating the consequences of crisis.

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INFORMATION SECURITY ITS TRENDS AND INNOVATIONS

Silvia Klinčėková

Abstract

The paper presents actual trends and innovations in the information security. The first chapter with title History of information security describes historical background and brings briefly overview. It further deals with the current state of information security. It has been considered by experts and professionals that more investment will be made in security and privacy field in the future. Protection of personal data, cloud, big data and BYOD are the latest trends and innovation in this field. The effort of this article is emphasized its currentness and importance of this topic.

Key words:

Information security. Personal data. Pseudonymous data. Trends.

1 Information security

The current dynamic and rapid development of information technologies and related disciplines (information security) have become more and more the subject of discussions in professional and general public. The presence of information and communication technologies is necessary condition for the existence and development of the various organizations. Society of the 21st century can be characterized as an information society in which have information and communication unimaginable importance. Therefore, the importance of the protection and security of information and sensitive data have been increasing rapidly. The proper functioning of society depends on information and security. Despite of serious damages, its impact or disablement have serious implications and consequences for the functioning of the overall information security. Security is a basic and natural human need of the whole post-modern society. This fact is crucial in the present of globalization, internetization and the development of various information technologies. Therefore, we can consider that information security is the protection of information during the whole life cycle, from its creation to removal. Based on ISO/IEC 27002:2007 the information security is based on confidentiality, integrity, availability of information and in addition may also apply to other properties, such as authenticity, traceability, impossibility of

denying responsibility and reliability.¹ Nowadays we often encounter with terminology for instance information, information security, privacy policy and technology.

1.1 History of information security

Information security attracts attention of more and more people. Therefore, it is necessary to understand the overall concept of historical development. Its history is very rich and dense, the paper will focus only on the most important milestones and facts. Originally, this discipline was identified as a computer security, today it is often used a term of **information security**.

In the late of 60s were the first efforts and the ambitions of systematic security solution. In this period the operating system MULTICS (Multiplexed Information and Computing Service) was created and also a professional organization of auditors EDP (Electronic Data Process) was found, today's ISACA (Information Systems Audit and Control Association), which has 200 representants in 82 countries worldwide. It focuses on management, audit, IT governance and security.

In 1970 in the United States the professional work was published, it addressed the questions and the issue of security and computer systems. This event can be considered as a creation of information security as a separate discipline. A year later (1971) appeared even the advertising of the first personal computer. A new era of usage the computers started, the purpose of use the computers not only in an environment of large companies or organizations. In 1973 the National Bureau of Standards launched a procedure for encryption system. It was a breakthrough year. These 70 years have been rich in other events, especially in understanding the „*philosophy of cryptography*“. At the end of the decade, it has appeared interesting technical works about the evaluation of the security and computer systems.

80 years have been rich in organizing the first conferences, symposiums and professional meetings conducted in the US and Europe. In this time the first communities such as (Committee on Security and Protection in Information Processing Systems) and clubs (Chaos Computer Club) were formed. It is the largest European organization of hackers based

1 ISO/IEC 27002:2007 Information technology – Security techniques – Code of practice for information security management.

in Germany. During this period the first professional journals and publications were published - Computers & Security, 2600: The Hacker Quarterly, Virus Bulletin and Phrack. As the first professional forum of electronic was Virus-L. It was a time when the wave of various computer viruses were made. Brain was the first computer virus which came from Pakistan. The another virus was called Vienna or false alarm/report, *virus hoax*“ also got an attention of mass media. These years are known as the „golden age“ according to the criteria of safety evaluation of computer systems (Orange Book).

In the early 90s the discipline of information security began to develop rapidly. It is also worth to mention the author of programme **PGP (Pretty Good Privacy) - Phil Zimmerman**. PGP is a computer program that provides encryption and decryption of data and secure the cryptographic privacy and verification of data communication. This program is use in a large enterprises which work with a huge amounts of sensitive information and data. It is a period with a rapid development and media coverage of computer viruses. This continued with organizing of conferences, with the emergence of institutions dealing with information security. In 1993 held **DEFCON** known as one of the largest hacking action. The important role in this period had also **Information Technology Security Evaluation Criteria (ITSEC)**. The new approach of safety was appeared and it is called multilateral security.

1.2 The current situation in information security

Increasingly, we are witnesses of serious, sophisticated and targeted cyber crime cases such as data theft, intrusion into the privacy of users, penetration of systems or misuse of encryption for illegal activities. Companies should protect the information and make sure that the information is visible only for person:

- who is authorized to handle it;
- who create, change or delete it;
- be aware where to find the information;
- it is used by proper person – it means that it is in the „right hands“.

Gartner assumes that in 2017 will be an average annual growth of at least 9 % of the market segment of information security. Investment in information security will continue to remain a priority in the future. According to the recommendations of Gartner, the companies should invest 4 % to 7 % of their IT budget to safety. The practical experience

also suggests that 5 – 20 % of the budget should be focused on testing the safety and risk reduction.²

Cyber security strategy (information) security can be identified into five following priorities:³

- achievement of resistance to cyber attacks;
- significantly reducing and eliminating cybercrime;
- developing a security and cyber defence;
- development of industrial and technological resources;
- policy of international cyberspace and promoting the values of the company.

The latest **Global Information Security Survey** realized by **Ernst & Young** in March 2014 claimed that cyber attacks have increased significantly over the past years. The new risks have been occurred which jeopardy the existence of organizations and companies in the market. In that context we distinguish three areas:⁴

- Improve - it is a current state. During the previous year, the company recorded significant progress in improving protection against the cyber attacks. Even though the environment remains very reactive.
- Expand - dominant and leading organizations use courageous steps in the fight against cyber threats. They are more active in identifying known and unknown risks. There is a space for expansion of security measures.
- Innovate - organization striving for innovation in information security must set up a new role of competence. These organizations must evaluate review and revision information security at regular intervals in order to be better prepared. In the future, it should not be about technology vs. safety respectively security vs. privacy. The aim should be technology, security and privacy. The organizations will have to do something more to achieve it. There is a gap for innovation and implementation of new principles of data protection

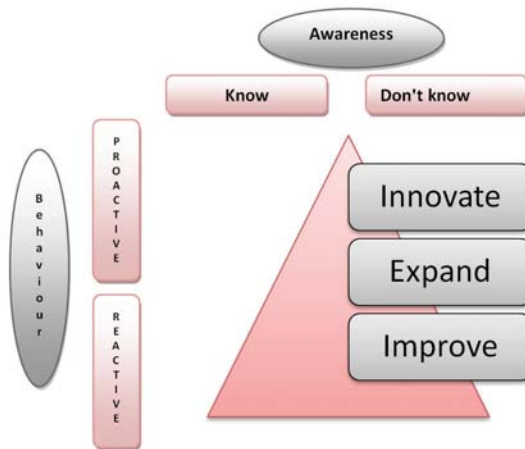
2 LACKO, L.: *Trendy a riešenia informačnej bezpečnosti*. [online]. Available at: <<http://www.itnews.sk/2013-10-04/c159081-trendy-a-riesenia-informacnej-bezpecnosti>> [4.10.2014].

3 KOPAČIK, I.: *Informačná bezpečnosť aktuálny stav a trendy*. [online]. Available at: <http://www.avad.sk/userfile/list/files/Ivan_Kopacik_Oracle_11032013_02.pdf> [4.10.2014].

4 *Security and Privacy Trends 2014*. [online] Available at: <<http://www.isaca.org/chapters1/phoenix/events/Documents/2013-GISS-Privacy.pdf>> [4.10.2014].

and security. This will require a fundamental change in dogma and in the perception of security and privacy.

We have been living in a time where the needs of our society increased the value of the information when we compared it with previous centuries. Globalization has greatly contributed to shaping the **global information society**. We can consider that the emerging information society is global. Globalization can be also considered as a process where its drive force is liberalization and technological progress. Current society passes through transformation which is conditioned by the technological boom, technological progress and satiation of information. This has resulted in the transition so-called **information society**. This recent dynamic development of information technology and shaping the information society are considered as the main factors of the globalization process. Globalization contributes significantly to the formation of the concept of management thinking, creating new challenges and opportunities that are affected by the massive support of information and communication technologies.



Picture 1: Innovate, expand and improve

Source: Own processing

The experts and professionals from the field of information security predict that by 2020, 75 % of the budget will be devoted to the rapid detection and response approaches, as compared with less than 10 % in 2012. „Information security must evolve from just an IT project to the

*core of critical business decisions. You must protect enterprise data from compromise and drive innovation at the same time.*⁵

2 Current trends in information security

Information security reacts strongly to recent changes made by the society: hacktivism, abuse of IT, organized crime, social media, cloud, big data, mobile technologies, BYOD (Bring Your Own Device), virtualization, RFID (Radio-frequency identification) and QR (Quick Response) codes and others.

Dr. Herbert Hugh Thompson⁶ thinks that the idea of safety provides the value that in the business is used the secure technology for the consumers, known as **BYOD - Bring Your Own Device**. It presents that people can use consumer and commercial services of **cloud**. On the other hand, there is a **big data** and **data analytics** that offer the promise of security which made it measurable. This may contribute to the real truth about the safety. If we look at the issue in this way, then we could argue that this is perhaps the most important element of information security today.

Tom Patterson⁷ is an expert in information security, he claims that the movement to the cloud becomes a natural part of the companies. However, it is important to use the right architecture and control over its encryption keys. The new technologies help and facilitate safety of use services such as: **Salesforce** and **Dropbox**. It is a real safety and in certain point it is also achievable. The **big data** and **SIEM** (Security Information and Event Management) represent a combination of costs and risks. Big data can change everything by analysing and gradually with learning can identify where the company should concentrate and focus.

The company is responsible to **protect the privacy** of its employees and customers. Personal data shall be considered as a: data relating to an

5 *Information Security*. [online]. Available at: <<http://www.gartner.com/technology/topics/information-security.jsp>> [4.10.2014].

6 ZORZ, M.: *Innovation, big data and the future of information security*. Interview with Dr. Herbert Hugh Thompson [online]. Available at: <<http://www.net-security.org/article.php?id=1889>> [4.10.2014].

7 PATTERSON, T.: *10 Top Security to Watch for in 2014*. [online]. Available at: <http://www.csc.com/cybersecurity/blog/105877/105913-10_top_security_trends_to_watch_for_in_2014> [4.10.2014].

individual who can be identified, directly or indirectly based on a general identifier. Through one or several characteristics. Companies must pay sufficient attention to security project which should include:

- security objective;
- risk analysis of information systems;
- safety guidelines.

In the recent time, we could hear the term **pseudonymous data**, it is a new solution for the protection of personal data. This is the data that do not refer to user privacy. On the other hand, it is not as impersonal that they cannot be used by third parties. They can be classified as a data that cannot be assigned to a particular person. However, they have their own information value.

The information security is a prerequisite for the existence and development of the various organizations. Information security and privacy have become important issues that need the attention. We can consider that the companies which pay significant attention to information security get competitive advantage and deliver valuable assets. The conclusion is that the companies should take the control of their own safety. It is basic condition for its existence and successful operation on the market place.

Conclusion

The current post-modern society is heavily dependent on information which is processed through the using of modern information and communication technologies. Historically, the values have been changing, the old values are supplemented by new ones. It is a reflection of developments in the society. To compare it with previous centuries it can be said that we live in a period where we are witnessing that the company needs to increase the value of information. Therefore, the information represent significant value. In the company it is considered as an assets. The asset is anything that has value for the company. It helps to increase the certainty of receiving new decision. Implementation of information security is an essential condition for the existence and development within the organization. The companies which pay attention to this issue provides valuable value to target audience and thereby gain a competitive advantage.

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INFORMATION SECURITY IN THE EUROPEAN UNION

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Abstract

The article deals with some of the recommendations formulated by the European Union for the improvement and efficiency of information security management in various ways. Application of the principles of process management is essential. The process starts by developing an information security policy and ensure its organization. It is necessary to assess the risk of information leakage. The next step refers to the property management organization providing human resources, the physical and environmental security and traffic management information. Not forgetting to control access to information and the associated disruption to their safety, in accordance with relevant legislation.

Key words:

Information security. Information security policy. Risk assessment. Information leakage. Organisation of information security. Environmental security. Process management.

Introduction

Information is important for any business activity, and must be therefore protected as an asset. According to the ISO / IEC 27001 standards, information security means protection of information from a broad spectrum of threats with the aim to ensure the continuity of business processes, minimise losses and consequently maximise return on investment. Information security can be achieved by appropriate management methods, including defining appropriate policies, identification of processes, procedures, organizational structures as well as provision of software programs and hardware facilities, which might be endangered from many sources, including espionage, computer fraud and treachery, sabotage, vandalism, fire or water.

Determination of requirements for information security may not be easy, but it should generally cover three areas:

- Legislation, statutory, regulatory and contractual requirements that must be observed by the organization and its contractors;
- Risks for the organization and its strategy and objectives, its potential vulnerability and the likelihood of adverse events;

- Principles, objectives and business requirements for information processing that an organization must develop to refrain from business failures, and to promote its activities.

It should be noted that the assessment of the risks related to information security is not a single act, and must be therefore periodically repeated. Besides data and privacy of personal information protection, it must include protection of the organization's records as well as protection of the intellectual property rights. Practice shows that there is a wide set of critical factors that determine the success of the entire security management; however, their implementation and compliance may not be simple. The current paper pays attention to the main stages and principles of information security management, including security policy, its organization, related management and control up to the management of events in accordance with the principles of process management described in ISO 9000 that recommend to support the integration of process approach to organization's management, i.e. to identify and control the amount of interlinked and interrelated processes with the aim of their effective functioning.

1 The main stages of the process and principles of information security management

1.1 Information security policy

Management of organization must articulate information security policy which must comply with the requirements of the organization, relevant laws and regulations, and which must be formally approved, publicised and communicated to all employees and stakeholders. At scheduled intervals, this policy must be reviewed and communicated to all stakeholders, especially in case of the changes threatening its suitability, adequacy and effectiveness. Information security policy must have its owner who continually evaluates and simultaneously assesses the possibilities of its improvement. Besides the results of previous independent reviews, it includes feedback from stakeholders, evaluation of the status of corrective and preventive measures, evaluation of the changes in the organizational structure that could affect the security of information, and also trends in vulnerability of information security and, finally, recommendations to the responsible authorities.

1.2 Risk assessment

Risk assessment must start from the identification, quantification and prioritization, considering the possibility of its acceptance and management. Risk assessment and its management should be carried out repeatedly, covering different parts of the organization or individual information systems. It must include an assessment of the risk size (risk analysis) and its comparison with the specified criteria (risk assessment). The activity must be carried out repeatedly with respect to possible changes in the environment where the organization operates, or with respect to possible changes in acceptability of risks. The risk assessment may result in limiting the risk occurrence or its acceptance. It may also limit the activities related to a given risk, or transfer the risk to another organization, e.g. insurance company, suppliers etc.

1.3 Organisation of information security

Organization of information security means identification of the safety management objectives, their alignment with the objectives of the total management and subsequent implementation in the related processes. It is necessary to approve the policy of information security management and coordinate it with other policies within and outside the organization. Along with the continuous examination of the effectiveness of implementation and sustainability of information security policy, it is necessary to ensure the involvement of the relevant management and necessary resources, as well as to approve and delegate specific roles and responsibilities to particular workers in organizations. The role of marketing communication is the optimum promotion of the information security policy. If organization does not have its own experts in information security, it should outsource external specialists, in order to involve all interested managers, users, auditors, safety workers and other experts in such areas as insurance, legislation, human factor and risk management. Systematic training of all involved in the areas for which they are responsible for is a must. Experience shows that it is reasonable to identify an owner of each asset. It is also necessary to systematically verify the safety of equipment used and verify the whole system in the planned intervals. Particular attention should be paid to the external participants of the information security system, who are responsible for the process of risk assessment; they should agree a process of the potential risk assessment as well as the appropriate management and control mechanisms. The latter should cover all equipment that will be

made available to external stakeholders. The type of access to facilities (physical, logical e.g. through the information network connection) should be also specified. It is necessary to define the significance, value and criticality of the provided information and identify the inspection of procedures for the information protection. Besides the identification of authorized personnel who come into contact with information, it is crucial to identify the degree of the information confidentiality and its possible unavailability, as well as assess the impact of potential failures of security measures. It is simultaneously necessary to pay attention to the legislation relating to the information protection, and involve partner organizations into the above-mentioned process.

1.4 Management of organisation assets

The information such as databases, data files, contracts and agreements, research results, training materials, audit results, operating instructions etc. can be considered assets of the organization. The assets also comprise software files, hardware, computer and communications services, and the necessary infrastructure such as heating, lighting, air conditioning etc. The total company assets include the organization's intellectual property, its reputation and image, and human resources with their qualifications, skills and experience. All assets of the organization must be registered and inventoried; owner of assets, responsible for its protection, must be designated. The documentation must contain the information needed to cure accidents. Quality inventory of assets is an important input for risk management. Similarly, rules of treating the assets are important for protection and efficient use of assets, particularly in terms of confidentiality, integrity and availability.

1.5 Human resources assurance

Human resources (employees, contractors and users) must be aware of their responsibilities and roles in order to reduce the risk of theft, misuse, misappropriation or improper use of the equipment. Responsibility for this must be anchored both in the contract and in the corresponding job description of each employee. All information on job candidates, contractors and third parties must be verified in accordance with the applicable laws, rules and code of ethics, and they should include all available references e.g. personal data such as certificate of professional qualifications (including education), independent identity check, detail checks of reputation, criminal records and, if necessary, confidential

information. Contract conditions of employees, contractors and third parties must determine the responsibility for keeping the confidentiality of information, data protection and copyright laws, responsibility for handling the information received from other organizations and dealing with personnel information. Responsibility for the information obtained while working outside the organization must be also determined in the contract documents. A special chapter of the contract conditions of employees is devoted to penalties for violation of safety requirements. In the course of employment, it is important to assure that employees, contractors and third parties are aware of the risk of information leakage and liability for breach of the related rules. The responsibility can be increased by training of personnel and updating the related processes. It must be a part of manager's job, even after the termination of the employment contract with employee and return of equipment. When the employment ends, it is necessary to examine the access rights of the employee concerned as well as the related rights of other employees (physical/logical rights, keys, identification cards, signature rights, access to information, passwords etc.). Particular attention should be paid to the practices associated with a forced dismissal of an employee and possible theft or deterioration of information.

1.6 Physical and environmental security

Physical and environmental security involves the protection of critical or sensitive information that must be stored in special secure areas with controlled access. Such areas must be clearly denoted and protected by appropriate construction arrangement. The entrance to such areas must be controlled by reception, they must be secured against unauthorized entry and fire, and, if containing information technology, they must be physically separated from the rest of the system. In case of protecting especially important facilities and information, it is necessary to devise multiple barriers to entry, particularly if there are several organizations in a common space. Each entry must naturally be monitored and subjected to the identity check of the entering person (PIN codes, visual identification, fingerprint checks, records of entry and so on.). Attention should be paid to fire safety (company facilities and possibly also neighbouring devices), potential flooding and explosion in the surrounding areas. The personnel in protected areas, who must be aware of the requirements for the protection of the activities they carry out, are subject to a special mode. They should not be unsupervised in such areas. They should not allow free access to them and should not use the

recording technology without authorization. Supply of any goods to the protected areas is also subject to special scrutiny and registration.

Specific requirements for the location and protection of installed equipment may arise depending on the severity of information. Such equipment should not allow contact (either visual or physical) with visitors, and it should be periodically inspected for the possible risks induced by fire, water, vibrations, explosives, smoke, vandalism or electromagnetic radiation. It is also necessary to consider the effects of the consumption of food and beverages, smoking, temperature, humidity, lighting defects, heat and water supply, safety of cable wiring and related installation, as well as possible information leakage from the equipment designed for destruction.

1.7 Operations management

An organization must ensure proper and safe operation of the information processing equipment, including the assignment of responsibilities. All documented procedures of information processing and handling as well as backup of all information must be prepared. It is necessary to elaborate schedules for cooperation with other systems (especially regarding the beginning and termination of activity), instructions for handling errors and dealing with unexpected events and contacts in unusual situations, as well as for the safe disposal of incorrect results. Attention should be paid to the procedures of restarting the system in case of failure.

Official documents concerning the operating procedures must be approved by management. Effective measures preventing the accidental or deliberate devastation of information comprise a systematic backup and re-verification regarding the relevance of the backup information, scope and frequency of backup information, its criticality for users, protection and location (e.g. in-house or remote location), as well as the possibility of restoring the backup information and its encryption.

The above-mentioned facts are related to the security of the entire information network within the organization, but also worldwide, using even publicly available services. The network managers are then responsible for the operation of the entire network, including external devices, users' devices, as well as protection and integrity of the data in the public network or wireless systems. They must appropriately monitor standard operation of network along with the attempts to

abuse it. Pre-requisite for this is suitable technology, protection and rules of using the network, along with the elaboration of appropriate operational procedures of the data, documents and media (e.g. a disk), and the documentation system protection against unwanted interference (modification, removal, destruction or disclosure). The network managers control disposal of the removed peripheral equipment (disks, tapes, etc.) and are also responsible for the protection of documentation of the entire system.

Information exchange within the organization and with external organizations must be also secured. The related procedures require an official policy elaborated and adopted in accordance with relevant legislation regarding the security of transmitted information. Special attention must be paid to the information exchanged in electronic communication; it requires the development of security procedures preventing copying, modification, destruction or undesired directions, as well as the procedures for dealing with wireless information and handling attacks on workers. Besides others, the principles of using fax machines, copiers and e-mail addresses, as well as the principles of verbal communication of employees must be adopted. Sensitive or critical information must be properly designated and the principles of information delivery by external organizations (reliable couriers, locks, personal delivery, split delivery etc.) should be adopted and observed. Each information system and its operation should be monitored and all failures must be recorded in accordance with related legislation. Obviously, the processing of the given information depends on its criticality and severity of the data used.

1.8 Controlled access to information

An organization must elaborate, document and review the policy of access to information, based on the business and security requirements. It must clearly define the rules for the information utilisation as well as the rights of its users, and check observance of both. Policy of access to information includes the management requirements regarding the access rights, which must be periodically reviewed and verified. Since the access rights may be subject to change, they must be periodically checked and their users must be regularly informed about the true state. Authorized users of rights must simultaneously realise their responsibility for the security, dissemination and use of the information provided. If access to information is protected by a password, the

organization bears responsibility for the compliance with the rules of using passwords and access to information. It is essential in case of computer networks involving multiple parties; it is necessary to develop a policy for their use, identification of participants, equipment and various checks. These requirements are particularly important when using mobile computational technology and in television broadcasts. An important aspect of developing and utilising an information system is its security which must include the operating system, infrastructure, applications, services, products purchased and developed applications. Prior to articulating the requirements for system and its development, it is important to agree safety requirements in order to properly document and assess the potential business loss. The check of the operating software and its used version which must be verified by qualified professionals and authorized by management must not be forgotten either. Access to the source code should not be provided. Necessary modifications to the program should be done only by qualified personnel and should not be accessible to the user. Implementation of changes must be followed by technical examination of software applications. Special attention is to be paid to the outsourced software.

1.9 Management of information security violation

Organization must have an established procedure of formal and prompt notification of information security violation, which must, if necessary, trigger an immediate response of the designated contact point. All employees, contractors and third parties must be aware of their responsibilities for reporting in the swiftest possible means in case a provided service was lost, a system failed or was overloaded, a human error occurred, security of the system was violated, uncontrolled system changes occurred, software failed or unauthorised interventions into the system were carried out. In a particularly hostile environment, a special signal system can be used, or even a special management unit responsible for the fast, effective and adequate remedy of adverse event may be established. In addition to emergency situations, management of organization must bear responsibility for the prompt, effective and adequate remedy of security violation.

1.10 Management of continuity

This area focuses on the consequences of adverse effects, their elimination and subsequent recovery of the situation after the failure caused by

either a natural disaster, accident on site or even malicious intention. Crucial actions to be taken here should be the identification of critical business processes and their impact on normal operation, analysis of their failures, understanding of the risks to which the organization is exposed, likelihood of their occurrence as well as impact on operation. Management of continuity should identify all the equipment critical to business processes and consider all the consequences of disruptions in operations for business due to the failure of security measures. This will require the introduction of additional preventive checks and related assurance of sufficient financial, organizational, technical and environmental resources along with guaranteed safety of workers. It is necessary to provide for periodic testing and innovation of the facilities and implemented plans. Information that the organization has established continuity management as a part of the organizational strategy greatly improves the image in terms of trustworthiness and reliability, particularly if the organization carries out critical processes. In such case, it is desirable that the organization develops and implements business continuity plans including information security, which should include, inter alia, a list of responsibilities for business continuity, assessment of the effects of loss of information and services, procedures of recovery activities, mainly related to contracts and documentation of agreed procedures and activities in accordance with the principles of process management. The plans may include information on education of staff, particularly in the field of crisis management. The plans must be regularly reviewed and updated. Training of personnel for emergency situations must also be planned, and individuals must be assigned responsibility for the correct operation of each device. Effective business continuity plans require allocated resources necessary to deal with emergency situations. It is appropriate to verify the plans in practice in the simulated emergency conditions. In case of confirmed inadequate response to induced accidents, replacement of staff and their posts, modifications of business strategy, equipment, amendment of legislation, change of key suppliers or customers, processes and operational and financial risks should be considered.

Conclusion

Management of information security may be subject to legal requirements, it is therefore recommended to contact the legislative advisers when building it. It is also necessary to consider possible legislative differences

between individual countries and their intellectual property rights, which can cover both software products, items of assets or licenses. They may relate to different numbers of users and maintenance interventions or the interventions related to the software and hardware disposal. Requirements may apply to their own documentation, copying information, records, developed software, patents, business brands, personal information and cryptographic measures.

Global statistics provide evidence that the theft and misuse of foreign information have become a globally profitable business. Permanent improvement of computer systems does constitute significant barriers to illegal activities, yet it holds: where there is a possibility to hack and abuse a system, there is always a way of doing it. This pessimistic view must not deter the professionals, since qualified information security prevents the vast majority of intrusions into the system. Therefore, such organizations as ISO, IEC, OECD and IEE have prepared a wide range of standards, guidelines and instructions on how to implement information security.

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Information security incident management

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INFORMATION SECURITY IN INTEGRATED MARKETING COMMUNICATION

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Abstract

The paper presents the results and conclusions of investigations carried out. Main goal of the research was to map how organizations currently utilize the tools of integrated marketing communication considering information security in the corporate sector in Slovakia. At present, behaviour of organizations operating in the field of marketing is supposed to move between marketing orientation described as Product/Price/Place/Promotion on one hand, and marketing orientation characterised as Customer/Costs/Convenience/Communication on the other hand. This fact was the basis for carrying out research and mapping of integrated marketing communication tools regarding information security in the corporate sector setting in Slovakia.

Key words:

Integrated marketing communication. Integrated marketing communication tools. Information security.

Introduction

Integrated marketing communication as a tool of organizations competitiveness is currently considered highly attractive and up-to-date topic. Its actual importance is highlighted by constant development of modern information and communication technologies and tools of integrated marketing communication utilized by only a small percentage of organizations. However, utilization of modern information and communication technologies and tools in integrated marketing communication brings not only the positives, but can also result in potential risk and vulnerability of organizations. This fact was considered during the research. Information security is also a part of this research and it presents the key parameter which is increasingly getting into the centre of attention.

1 Research methodology and research sample characteristics

Results of the research carried out in 2012 and 2013 present how the tools of integrated marketing communication are utilized, considering

information security, in the corporate sector in Slovakia. Main goal of the research was to map how organizations currently utilize the tools of integrated marketing communication considering information security in the corporate sector in Slovakia.

Approximately 2000 subjects were addressed in Slovakia, mainly by means of e-mails, personal or mediated meetings. To collect empiric data, one of the elementary exploring techniques was used – an on-line questionnaire. From overall 2000 addressed subjects operating in the Slovak market, 835 respondents joined the questionnaire research, which means 41.75 % return. Considering previous experience of the researches and particularity and difficulty of the examined problem, 309 questionnaires were rejected from the total number of 835 filled-out questionnaires due to detected errors which would have deteriorated collected results.

Selected file consists of 526 statements of the subjects operating in the Slovak market. 17.5 % of them were of production character and 82.5 % providing services. Considering the field of activity the greatest scope of 30 % represented the subjects with the field of activity in the Bratislava region. 2.5 % of them were of production character and 27.5 % providing services.

Concerning the problem, it was interesting to find out how long the subjects had been active in the Slovak market. It is assumed that the longer the subject has been in the market, the more stable its position is, because it is only possible to survive in the market providing continual improving. Therefore, there is an assumption that subjects operating in the market for longer period of time need to improve constantly and so reinforce their competitiveness. This is not possible in the case of monopoly position, if there is no predominance of offer over demand in the market and when the customer-oriented philosophy has not been established.

77.8 % of the subjects operating in the market for more than 10 years joined the questionnaire survey, 7.6 % of them large, 14.8 % middle-sized and 22.1 % small. 16.5 % have been in the market for 5-10 years and 5.7 % less than 5 years. Regarding ownership of the subjects participating in the survey, greater part of them are privately owned companies, 62.2 % domestically-owned, 5.7 % foreign-owned and 5.5 % both. Therefore, 11.2 % is majority-owned by foreign firms and this creates conditions

for management system transfer from already existing foreign parent companies to Slovak subsidiaries. The questionnaire survey was also joined by 26.6 % of organisations owned by the state.

Last but not less important information completing the picture of the addressed subjects involved in the survey is connected to respondents themselves, or more precisely, deputies of the organisations which participated in the questionnaire. Most frequent position of a respondent in an organisation was:

- Top management representative;
- Chief Executive Officer (CEO);
- Chief Information Security Officer (CISO);
- Chief Information Officer (CIO);
- IT Manager;
- Marketing Manager;
- Quality Manager.

After becoming familiar with the basic characteristic of the sample involving the respondents who had taken part in the questionnaire survey, the collected data was processed, analysed and interpreted. Research results were obtained by means of different scientific methods, IBM SPSS software, comparison of the survey results and the results of the research studies carried out by Ernst&Young, PricewaterhouseCoopers and others. Moreover, knowledge of content-causal relationships between individual reciprocally interconnected elements characterising given problem contributed to a great degree.

2 Information security – information assets security

Information assets are all the physical assets (for example computer hardware, communication facilities, buildings), information/data (for example documents, database), software, ability to create certain products or provide services, staff and intangible values (for example abstract values of society like image or reputation). Many of the information assets (an asset can be anything what is valuable to an organisation) are crucial to maintain competitive advantage, financial flow, profitability, business image.

Information security is characterised by maintenance of Confidentiality, Integrity, Availability, Authenticity, Accountability, and Privacy.

Confidentiality means securing that the information is provided and available only to authorized people. Integrity means securing information accuracy and completeness in terms of content and form. Information availability means that the information is available to authorized people any time they need it – correct information to the right people at the right time. Information authenticity means providing integrity and document origin at the same time. By means of accountability, it is possible to find out which subject performed security relevant actions, for example inserted, changed, deleted or read certain information. Finally, information privacy protection allows access to complete information only to a specific group of authorized users.^{1 2}

Questionnaire survey also investigated if the respondents had ever come to grips with the term information assets security. It proved that the best knowledge of this term had middle-sized and large organisations, where different management systems are implemented most frequently. Regarding the field of activity, information security is preferentially a subject of interest in IT/telecommunication, public and national institutions, chemical industry, health care and finances/banking/insurance industry.

Survey also investigated what information security refers to in organisations. Respondents could select different options to describe reality. Answers showed that information security mainly refers to information/data (for example documents, database) – 48.9 %, physical assets (for example computer hardware, communication facilities, buildings) – 39.7 % and last but not least to software – 35 %. More than 20 % stated they do not have identified information assets.

1 ŠOLC, M.: *Informačná bezpečnosť v spoločnosti*. Information Security in Society. 2011. [online]. Available at: <<http://emi.mvso.cz/EMI/2011-01/04%20Solc/Solc.pdf>> [16.9.2014].

2 SOCHA, L.: *Manažérske systémy integrovaného riadenia*. Pedagogical Faculty, Catholic University in Ružomberok : VERBUM, 2010. ISBN 978-80-8084-608-4. [online]. Available at: <<http://web.tuke.sk/lf-kmlp/Ucitelia/Socha%20Lubos/MANAK/Studijny%20material/MSIR.pdf>> [26.9.2014].

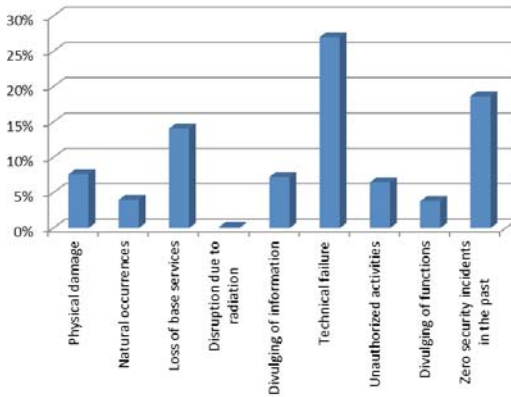


Chart 1: Graphic presentation of security incidents in organisations in the past

Source: Own precessing

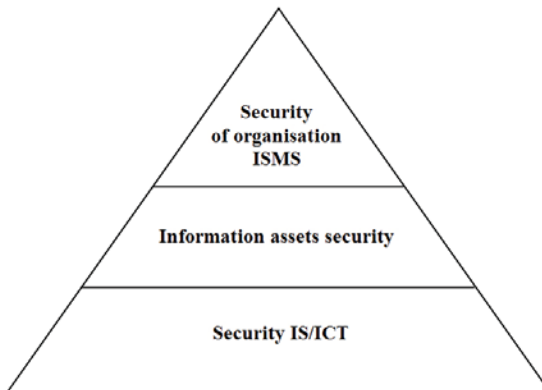
Information security subject matter is best described by OECD directive from 2002, which is an obligatory document and has a character of recommendation. This document emphasizes how important it is to support the security culture development; it means to focus on security in development of IS/ICT and adopt new ways of thinking and behaviour when using IS/ICT. Directives are based on 9 key stones - Awareness, Responsibility, Response, Ethics, Democracy, Risk Assessment, Security Design and Implementation, Security Management, Reassessment.

Deliberate exploitation of vulnerability (weakness) to cause unwanted effect (damage, loss, theft etc.) and damage to information assets, system and organisation is called a security incident. Security incident is usually raised by one or more unwanted and unexpected events which are likely to compromise organisation’s assets and present information security threat. Chart 1 presents security incidents in organisations in the past. In 27 %, the security incident turned up to be a technical failure.

Organisations and their information systems need to face security threats more and more. These threats come from a wide scale of resources, including computer fraud, spying, sabotage, vandalism, fires or floods. Damage sources like computer viruses, hacking and denial service attacks have become more common, systematic and sophisticated. Security incident is usually raised in the most vulnerable area which

represents weakness of an organisation and can exist in physical, procedural, managerial field or in the field of information, hardware, and organisation, personal, administrative and software areas. It is not possible to define in general how the information security vulnerability is perceived by organisations as well as to characterise the most vulnerable area, because every organisation has its own specifications making it unique. In some cases, organisations present these specifications through their business activities.

Lots of IS/ICT were not designed with reference to security. Security, which is provided through technical means, is limited and should be supported by suitable management and procedures. Information security management requires participation of all employees, but can also require participation of vendors, customers or shareholders.



Picture 1: Security levels in an organisation

Source: DOUČEK, P. et al.: *Řízení bezpečnosti informací*. Second Edition. Praha: Profesional Publishing, 2011.

Information assets security is achieved by implementation of measures like policy, processes, procedures, organisation structures and software and hardware functions. These measures need to be implemented, monitored, inspected and improved where it is necessary to fulfil specific security and business intentions of an organisation. Information security is not a managerial process which directly makes profit, but nowadays, it is an inevitable requirement to run the processes which directly participate in profit making. Besides being material, profit can be of a spiritual character as well. Therefore, no organisation should

be without information security management. If it is expected to be managed effectively and developed usefully, it is necessary to implement the system of information security management (Picture 2).

Currently the most widely used approaches of information security management system are ISO/IEC 27001:2013, ISO/IEC 27005:2011 and ITIL® and COBIT®. In addition to the standards and frameworks for information security standardization are used other important players such as AIM, BiSL®, CMMI®, ISO/IEC 15504-x, AS8015, SABSA®, P-CMM®, etc.³

At the national level, information security frames are defined by different legislative regulations. Comparison of the results gained from research studies carried out by different organisations showed that since 2005 internal standards have been representing a major part in organisations. This tendency also applies in Czech Republic. In Slovakia and Czech Republic, the most frequently used standard to implement management system in the field of information security is ISO/IEC 27001. Comparison of the research results (research report by Ernst&Young and a report carried out by PricewaterhouseCoopers) presents the fact that the tendency to use the standard is increasing. Implementation of information security management system (ISMS) is an effective way of information security management in organisations. Information security is usually misunderstood, because many organisations understand it only as running the security mechanisms to solve security incidents. However, when talking about information security management system, it is necessary to understand quality-management and technical and technological solutions through enforcing of process approach and PDCA model (Plan-Do-Check-Act). There are numerous tools, standards and methods by means of which organisations can implement, sustain, monitor, measure and improve ISMS.

3 JAKÁBOVÁ, M., URDZIKOVÁ, J., MIRONOVOVÁ, E.: *Standardization of Information Security Management System: ISO/IEC 27001:2005, ITIL, CoBIT*. In International Journal of Recent Contributions from Engineering, Science & IT (iJES), 2013, Vol. 1, No. 2, p. 11-18. [online]. Available at: <<http://online-journals.org/i-jes/article/view/2937>> [14.10.2014].

3 Integrated marketing communication and usage of on-line and off-line tools

Integrated marketing communication (IMC) is coordination and integration of all marketing communication tools, approaches, functions and sources in organisations into one program, process which maximises the impact on customers with minimum cost.⁴

Using of information technologies and communication systems is no longer a fashion or matter of prestige, but for majority of organisations it is a means of survival. Typical problem of some organisations is insufficient focus on information security, lack of time and financial resources for this area, insufficient number of independent qualified professionals who deal with information security, inappropriate configuration of some key IT devices and low level of awareness among majority of employees on security principles in organisations. Organisations usually deal with information security ex post or ad hoc. Therefore, lots of managers are aware of how important it is to protect organisation's information system and deal with solutions concerning this problem. Experience shows that no security system can do without technical and process control mechanisms, quality appraisal and effectiveness assessment with following design of appropriate improvement measures.^{5 6 7 8}

4 *Integrovaná marketingová komunikácia*. [online]. Available at: <<http://virtuesk.wordpress.com/integrovana-marketingova-komunikacia/>> [14.10.2014].

5 HART, T., GREENFIELD, J. M., JOHNSTON, M.: *Best practices for marketing, communications and fundraising success*. John Wiley&Sons, Canada, 2005.

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8 PICKTON, D., BRODERICK, A.: *Integrate Marketing Communications*. Edinburgh : Pearson Preantice Hall, 2005.

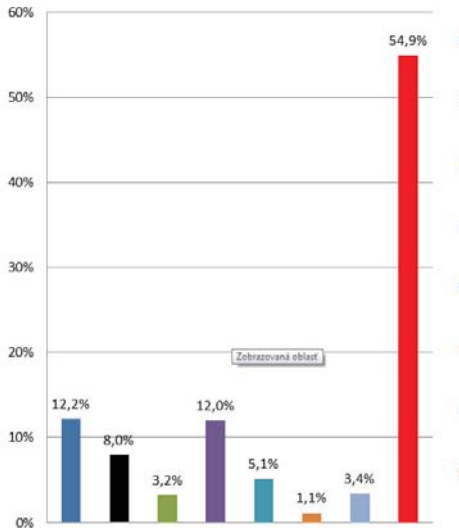


Chart 2: Factors influencing the selection and implementation of integrated marketing communication tools

Source: Own processing

There is an assumption that behaviour of organisations in the field of marketing moves between marketing orientation described by Product/Price/Place/Promotion on one hand, and marketing orientation characterised as Customer/Costs/Convenience/Communication on the other hand. Carried out research proved customer orientation in a large extend. When speaking about costs, convenience and communication, organisations still prefer price/place/promotion marketing orientation. It is necessary for organisations to try to understand the amount of customer's costs he expends to meet his expectations and requirements. Moreover, the price is just one part of the customer's cost structure. It seems that standard logic is upside down. If convenience is chosen instead of place, purchase convenience then involves aspects of physical and virtual placement, access simplicity, transaction processing duration and working time. And why communication instead of support? Numerous media work together to present unified report with feedback mechanism and so communication becomes two-way simultaneous. Using the influence of non-traditional media, for example verbal spread of information, can influence the position and image of an organisation in the eye of a customer.

Part of the questionnaire research also investigated the factors influencing the selection and implementation of integrated marketing communication tools (Chart 2), because the factors affect the selection of elements of designed integrated marketing communication. Its goal is to create an effective and consistent campaign on all media platforms. Chart 2 shows that the selection and implementation of integrated marketing communication tools in organisations are mainly influenced by the target group they want to address or communicate with. Moreover, organisations also experiment with new ways of addressing customers.

On-line (with the possibility of instant feedback) and off-line (without the possibility of instant feedback) marketing tools are used. As the most frequently used marketing tool in communication with customers, organisations use an e-mail (Chart 3). 29.7 % of respondents stated that. 47.1 % of them have neither used, nor planned to use social networks for integrated marketing communication. 26.2 % of the organisations regularly or sometimes use social networks for integrated marketing communication.

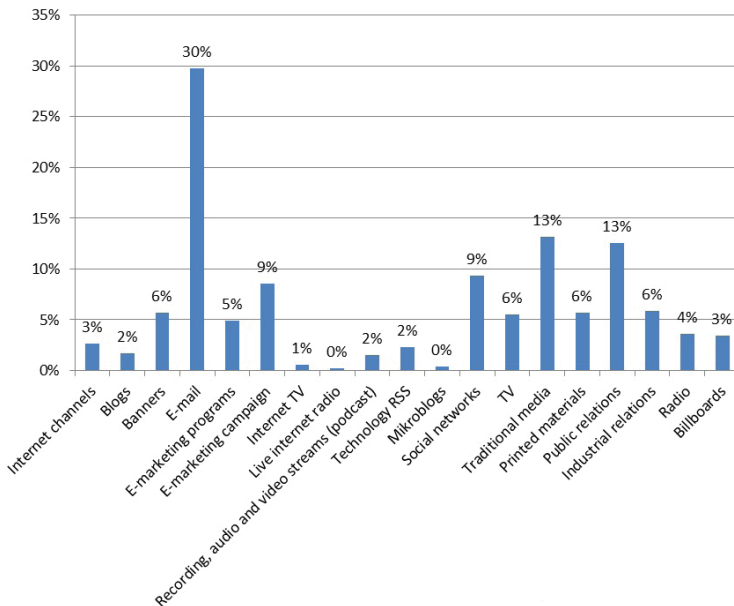


Chart 3: Most frequently used marketing on-line and off-line tools in communication with customers

Source: Own processing

Significant 30.8 % of the organisations in Slovakia do not observe incident risks in marketing communication (possibility of important information leak). 54% observe the risks, but 31.6 % of them do not observe consistently.

4 Research conclusions

When analysing the current utilization of integrated marketing communication tools regarding information security in corporate sector setting in Slovakia, the strengths of the organisations and the areas for improvement were identified.

Strengths resulting from the results of the current analysis:

- positive influence of different standards used in management systems and their mutual integration (for example integrated management system – ISO 9001, ISO 14001, OHSAS 18001) to implement ISMS;
- upward trend of ISO/IEC 27001 standard application in organisations in Slovakia (from comparison of the SeInA project results and the results of the research studies carried out by Ernst & Young and PricewaterhouseCoopers);
- most frequently used standard in the field of information security to implement management system in organisation in Slovakia and Czech Republic is ISO/IEC 27001. (research study carried out by Ernst&Young and PricewaterhouseCoopers in comparison with the results of SeInA project);
- minimum requirements of information security guaranteed by national legislative standards; it means that information security is becoming an integral part of activities, of all organisations, not just the small ones or large concerns.
- utilization of integrated marketing communication in large corporate subjects
- organisations pressurized by new information and communication technologies are forced to experiment with new communication methods in a large extent.
- in the organisations involved in the survey, the choice and implementation of integrated marketing communication tools are mostly influenced by the target group which is going to be addressed;

Areas for improvement resulting from the current analysis:

- demonstrably low awareness of information assets security in small and middle-sized firms;
- information security is understood only at the level of IS/IKT security in many companies (Picture 2);
- demonstrably low level of ISMS implementation in organisations in Slovakia;
- it is inevitable for the company's top management to take full responsibility not only for IT management, but also to manage its strategy and security processes actively. IS is not only a question of IT manager's concern. Management of the company should insist on implementation of information assets security as an integral part of QMS in compliance with CSR principles to provide concerted approach to IT management and IT security in organisations;
- implementation of the program which would increase awareness of information security in organisations focused on decrease of any risks causing security incidents.
- information security in national legislative standards focused on selected areas (classified materials, personal data).
- weak utilization of integrated marketing communication, mainly in small and middle-sized firms.
- low utilization of social networks in IMC in organisations in Slovakia; it is necessary to understand the fact that 54% of the population over 14 uses social networks on the Internet. Every second person in Slovakia has real contact or experience with them.
- absence of observing and evaluating the risks of incidents (possibility of important information leak) in marketing communication in companies in Slovakia.

Conclusion

Based on the answers of the respondents concerning the question what keeps information assets security from spreading in Slovakia and following the findings of the research studies, it is possible to say that there is still low security awareness, which presents a serious obstacle on the way to improvement. It is necessary to understand that organisations cannot concern themselves with information security only randomly, mainly when they are under pressure of constantly developing modern information and communication technologies and tools. Following already created and maintained system, in case of security incident or

situation, minimisation of threat risk should be secured, information security risk needs to be controlled. There should be measures with required level of guarantee and process continuity should be provided as well as the continuity of individual activities of organisation.

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